TRAVEL TECH
innovating now

Technology will play a larger role in corporate travel management as a new generation of tools and travelers enters the marketplace. The most successful programs will have leaders who understand both travel operations and the potential of new tools— and who have a tolerance for risk that paves the way to innovation.

THE CASE FOR INNOVATION

Consumer technology is changing the way business travelers expect their corporate technologies to work. They are looking for intuitive user interfaces in both desktop and mobile technologies; they want personalized content, unprecedented access to current information, interactivity, the ability to share original content and opinions—and they want it fast.

Technology development focusing on the managed travel space has proliferated over the past three years. Technologies large and small have integrated collaboration and gaming features, voice activation/commands, just-in-time messaging using GPS or NFC technology to pinpoint traveler location and more. And a new generation of travelers is tapping into these resources, whether they are offered within their travel programs or not.

An October 2011 study from The BTN Group showed that among business travelers under the age of 35, only 55 percent of business travel bookings were compliant with corporate booking channels and preferred suppliers. That compared with 73 percent compliant transactions among the 35 to 54 year old group and 86 percent compliant transactions among the 55 and older group. The study also confirmed that younger travelers are much more tethered to their tech habits than their older counterparts, with healthy percentages reporting that they will personally pay for such items as hotel internet access, car rental GPS navigation devices and other technology support even if their companies will not reimburse them.

But it's not just a younger generation of travelers that is demanding better tools from their managed travel programs. Frequent travelers, too, who are often tied to technology as a way of staying in contact with the office and with their personal lives, are early adopters of travel technology. Travel managers and travel management companies need to pay closer attention to the technology habits of these individuals to understand how much and what kind of support they need—not just in the planning and booking process, but throughout the lifecycle of the business trip.

Managed travel innovators must understand available technologies and merge the possibilities with business traveler decision-making processes, en route challenges and even expense reporting tasks to re-imagine what the business travel experience could be. In the end, however, they must also have the credibility and leadership skills to drive meaningful technology change within their organizations.

Either TMCs are not offering the caliber or types of technologies travel managers need—or, travel buyers have been unable to pursue and implement critical technology upgrades for their programs. And, the issues are not mutually exclusive.

TRAVEL TECH
Current State of The Industry

While the need for better technology solutions is not breaking news for travel management professionals, upgrades have been slow to emerge for many companies. The BTN Group and Amadeus surveyed a group of 223 travel managers and 147 TMC representatives in April 2012 about the quality of their current travel management technology tools. Overall, TMCs reported a positive technology track record, while corporate travel buyers found much to be desired.

Almost 42 percent of TMC representatives surveyed felt that their technology solutions for managed travel were "excellent" and 41 percent found their technologies to be "good." Only 14 percent conceded that their technology was "average," and just a very small percentage pegged their tech as "below average" or "poor."

In contrast, only 8 percent of travel buyers responding to the survey pegged their travel technology solutions as "excellent." Almost half (49 percent), however, thought their tech was "good." Nearly one-third of respondents felt their solutions were only "average" and more than 10 percent conceded that their tech was "below average" or "poor."

Asked about aspects of their technology solutions that need the most improvement, it's not surprising that buyer responses reflected more urgency than responses from agency reps. Two-thirds of all buyers surveyed wanted to see better user interfaces for their travel technologies—a reflection of the need for intuitive, consumer-style technology interactions to ease processes and build program credibility with travelers. More than 63 percent of buyers also identified mobile technologies as a critical deficiency in their programs.

This may come as a bit of a surprise to the TMC community, which feels that it is offering the right user interfaces and a fairly comprehensive suite of mobile tech solutions for managed travel. Three-quarters of TMC respondents made no mention of user interfaces as an area of improvement; two-thirds felt their mobile travel solutions lived up to expectations, as well.

The disconnect is logically explained in two ways: Either TMCs are not offering the caliber or types of technologies that travel managers think they need to serve their travelers, or, despite the fact that TMCs are offering the right technologies, travel buyers have been unable to pursue and implement critical technology upgrades for their programs. These explanations are by no means mutually exclusive, however, and it is likely that both issues are contributing factors to the current dissatisfaction among buyers with their tech solutions.

According to the survey, the worst pain point for the TMC community was in the area of technology integration. Nearly half of respondents reported problems here. Indeed, as agencies increasingly open their systems to the possibilities of new partnerships—with mobile technologies, expense systems, meetings management technologies and more—the process of integrating new technology with old-school legacy systems can be daunting. While the new best practice is to build technology on more agile open API platforms, many TMCs still work on closed-platform foundations that limit options.

ACTING ON INNOVATION:
Leadership vs. Change Management

Addressing deficiencies and innovating toward a better future for managed travel technology requires a chain of transformational leadership.

From technology developers through TMCs to the corporate travel buyer/manager, the industry must work in tandem to realize progress. It's easy to pay lip service to the need for change, and the comfort of waiting for others to take the initial risk is enticing. The ultimate result of this waiting game, however, is an industry that could forfeit credibility with business travelers and travel buyers.

The traditional concept of change management is a well-defined path, but it can be a slow road to success for would-be innovators: building the business case, gaining buy-in with upper management, forming stakeholder committees to steer decision-making, running pilot programs, getting user feedback and finally rolling out communications and implementation. While this route to change has been proven over time—and is methodical in its approach—leaders should not allow their efforts to get caught in a circuitous process.

To keep up with the pace of technology, a quicker route to change is desirable, but it also means assuming more risk—not only for the organization undergoing change, but also for the innovator. Without steering committees and pilot programs, the innovator does not have the safety-net of spreading decision-making and responsibility among his or her colleagues, but they can still succeed:

1. **Focus less on consensus.** Too many change efforts get bogged down in a desire to build consensus. Instead, an innovation leader must take the initiative to sell the concept to peers and management and show the benefits.

2. **Build trust.** Innovators must begin their efforts with a strong reputation for sound judgment and success. The organization—including upper management and stakeholders—must have confidence that credibility and expertise will ultimately lead to smart decisions.

3. **Understand effects.** Travel technology reaches beyond travel management and internal program targets. Travel tech innovators must understand how the technology impacts other stakeholders within the company, whether directly or indirectly. Information technology (IT), for example, has a critical interest in any technologies that it will need to support on an ongoing basis, but even for turnkey technologies that can operate independently, innovators must satisfy the data security and other issues that IT, security, legal and even human resources departments could bring to the table.

4. **Satisfy requirements.** Successful leaders not only understand organizational needs, they meet them—and they are proactive about identifying the right strategies and getting strong buy-in from others when necessary.

BARRIERS TO TRAVEL INNOVATION:
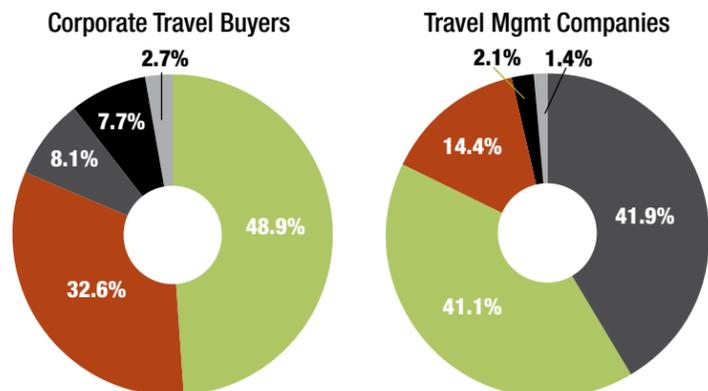### The Travel Buyer/Manager

Unfortunately, many travel buyers responding to the BTN Group/Amadeus survey reported that they lack the relationships within their organizations overall to lead technology innovation (see chart, next page). Fewer than 55 percent felt they had adequate relationships with any part of the organization to lead innovation or change. Their best allies, however, were senior management, finance and procurement—critical partners to have when it comes to gaining resources for innovation initiatives. Travel buyers need to develop their relationships with human resources and information technology departments—and, perhaps surprisingly, they need to develop a closer relationship to travelers to lead effectively.

It's also important for travel buyers/managers to understand that good internal relationships may not be sufficient to make meaningful changes in travel management. Would-be innovators may also need to develop a better understanding of TMC operations to push the progress envelope with their partners. Without an

Travel buyers need to develop their relationships with HR and IT departments—and, perhaps surprisingly, they must develop a closer relationship to travelers to lead effectively. Understanding of TMC operations is also key.

	TRAVEL BUYER	TMC
User Interface	66.3%	25.8%
Mobile Functions	63.2%	32.1%
Safety Functions/Data	38.1%	14.3%
Traveler/Client Services	32.2%	30.1%
Integration w/Other Technology	30.5%	47.6%
Other	8.1%	21.5%

Note: Respondents able to select multiple responses
Source: BTN Group/Amadeus webinar registration survey of 223 corporate travel buyers and 147 agency representatives, April 2012

TRAVEL TECH QUALITY IN QUESTION
How would you characterize the quality of your company's current travel management technology overall?

Legend:
- Excellent
- Good
- Average
- Below Average
- Poor

Corporate Travel Buyers
- 2.7%
- 7.7%
- 8.1%
- 48.9%
- 32.6%

Travel Mgmt Companies
- 2.1%
- 1.4%
- 14.4%
- 41.9%
- 41.1%

Source: BTN Group/Amadeus webinar registration survey of 223 corporate travel buyers and 147 agency representatives, April 2012

SMALLER COMPANY? NO PROBLEM.

Many travel buyers and TMC reps may be under the mistaken impression that only large companies can afford to innovate. In fact, it can be quite the opposite. Especially when it comes to technology innovations and early adoption, midsize companies show very well. How could this be? The answer lies in process.

For many larger companies, change management processes are set in stone, requiring committees and multiple levels of approval—and that's not necessarily the wrong approach. Large programs and multiple levels of stakeholders are more complex and difficult to navigate, even for a leader with a great vision. Unintended consequences are easier to miss.

Because of their more homogenous communities and fewer levels of stakeholders, midsize companies may offer more flexibility for an innovator to take on a leadership role and work independently towards a goal. So don't ever think your company is too small to make an impact. Be a leader, and others will follow.

intimate understanding of the complexities—and sometimes the admittedly convoluted processes—associated with travel transactions and supplier relationships behind the TMC scenes, it is hard for travel managers to work with their partners to think beyond established boundaries of what is possible.

BARRIERS TO TRAVEL INNOVATION: The Travel Management Company

TMCs have almost become the *de facto* providers of travel technology to corporations, and many are looking to improve their track record in pushing innovative, consumer-style technology solutions to market. Online booking tools pushed the traditional TMC function beyond the role of transaction facilitator toward strategic partner. More intensive customer service needs and the rise of consumer mobility functions in the travel space are pushing TMCs to make another leap—and a handful of TMCs have been much more proactive than others.

This could explain some of the disconnect evident in the BTN Group/Amadeus survey between the technology assessments of travel buyers and TMCs reps. Especially in an environment of smaller mobile technologies that have potential to bypass traditional travel management processes, TMCs may take a protective stance against what feels like outside forces trying to get a piece of the managed travel pie.

In the TMCs' defense, the risks associated with innovation are often greater than for a client corporation. Migrating away from legacy systems,

retraining employees and possibly changing their business strategy to accommodate new technology demands is a commitment of larger magnitude. Still, change will happen—whether the strategy is active or passive is entirely up to the TMC.

WHAT IT TAKES: Agents of Change

Even for TMCs that take an active approach to technology change, there are hurdles to clear that may require a fundamental change in mindset. It will not be enough to lay new technologies over old processes and expect success to emerge. The TMC, aided by the input of their innovative clients, should be willing to forge new processes to achieve real progress. These types of changes are not for the faint of heart—it takes vision and leadership to make it happen.

Innovators are never in the majority, but that fact should not lift the pressure from the travel management industry to make needed changes now.

For further discussion of this topic, please visit www. businesstravelnews.com/webinars and listen to the archive of BTN Group's recent webinar Travel Tech: Managing Innovation & Change in the Organization, aired on May 3, 2012 and sponsored by Amadeus.

RELATIONSHIP BUILDING REQUIRED

With which of the following departments do you feel you have the influence to support travel program innovation/change management?

Department	Percentage
Senior Management	55.2%
Finance	54.3%
Procurement	53.8%
Travelers	40.4%
Information Technology	32.7%
Human Resources	31.4%

Source: BTN Group/Amadeus webinar registration survey of 223 corporate buyers, April 2012