



# innovate

## INTRODUCTION

### THE BTN GROUP INNOVATE 2014 THINK TANKS

The Innovate 2014 Conference for the Advancement of Business Travel offered business travel executives the opportunity to articulate priorities and recommendations about six of the biggest challenges facing corporate travel buyers and suppliers:

- Selecting and Implementing Air
- Selecting and Implementing Hotel
- Selecting and Implementing a Travel Management Company
- Travel Policy Development
- Building a Better Booking Tool
- Making the Most of Mobile Opportunities

The BTN Group worked first with its Advisory Board and then with a dedicated Steering Committee to identify the focus topics for 2014. *Business Travel News* editors then recruited a group of leading business travel buyers to participate in independent task forces that could identify specific concerns and posit new ideas for moving the practice, the tools and the objectives of business travel management into the future. Think tank sessions held during the *BTN Innovate 2014* Conference served to validate concerns and flesh out innovation concepts.

The Innovate 2014 white papers document the results of these efforts.

In focus for this paper: **POLICY DEVELOPMENT & DEPLOYMENT.**



# POLICY DEVELOPMENT & DEPLOYMENT

## **TASK FORCE:** Policy Development & Deployment

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**Throughout the entire history of managed business travel programs, adapting travel policies to meet the latest evolutions of the travel industry has been a perpetual challenge, but an important one. Be they technological breakthroughs, macroeconomic swings, changes in distribution or supplier consolidation, or changes in the makeup of traveler bases, there have always been forces that require travel managers to examine their policies to ensure that they still effectively govern not only the goals of the travel program, but the goals of the overall organization.**

As evidenced by the many variations of effective travel policies currently deployed by organizations the world over, however, specific policy planks or language that can be considered universal solutions are few and far between. The goals of an organization's travel policy, its company culture, the industry the organization serves and the demographics of its employee population, among many other factors, all will play a role in the efficacy of a policy. What one organization effectively mandates through policy might be a disaster in another. Companies that place a higher premium on holding travel costs down, for example, might want to consider strict controls on travelers' ability to choose anything but lower-cost suppliers and their ability to book airline tickets inside short-term windows. Those companies that place more value on ensuring travel duty of

care might design different policy language that centers more on traveler safety, while those that see a company's travel policy as a potential differentiator in attracting or retaining talent might opt for a more permissive policy that perhaps allows for more comfortable travel, like that in premium class, more traveler choices when booking or a broader range of reimbursable expenses.

As such, the Innovate policy development and deployment think tank sessions focused less on attempting to devise universal travel policy solutions and more on finding practical methods to manage some of today's policy challenges, regarding not only conceptually broad aspects of policy construction but also specific circumstances about language governing new technologies.

# POLICY DEVELOPMENT & DEPLOYMENT

As could be expected, blanket agreement was atypical and disagreements frequent. It should not be construed that the topics covered in this white paper met with the unanimous approval of the think tank session attendees. They should be taken as suggested avenues to pursue when seeking policy solutions, adding into consideration an organization's specific goals, challenges and culture.

## Is Less More?

Extremely detailed policy language has the advantage of letting travelers know exactly which behaviors are forbidden and the specific actions they may take under specific circumstances. For organizations that prefer a

tightly controlled travel program, specific language that directs travelers' actions may be attractive. However, such an approach

also can lead to situations in which travelers perceive that, given that specific actions are prohibited by policy, any other action is inherently allowed.

As such, some participants in the think tank advocated a **'less is more'** approach to policy construction, in which policies are not only kept fairly simple and short but also intentionally kept as vague as possible, particularly when it comes to the use of new travel technologies or the reimbursement of new ancillary fees. In this concept, if a new technology or fee is permitted is not specifically enumerated, a percentage of travelers still will be unlikely to use it or pay for it, and those who do will be less likely to balk if policy changes to deny use of the product or fee. While other think tank

participants considered this approach simply kicking an inevitable decision down the road, others considered it an opportunity to enable the organization to avoid at least some of the pushback generated by immediately banning a new technology or declaring that a fee would not be reimbursed.

Some categories of ancillary airline spending, including premium economy seating, and new platforms like Airbnb and Uber might fall into this category. The latter supplier in particular drew significant interest from think tank participants, and most indicated their organizations were in the midst of assessing Uber's operations before deciding whether to approve and reimburse for its use.

## Carrots And Sticks

The think tank also considered the wisdom of **incentivizing** travelers to comply to policy as opposed to penalizing them for noncompliance, an approach some participants felt is a necessity given the increasing population of younger generations, typically comfortable with new technology and viewed by some as hostile to restrictive corporate policies in the workforce. (It should be noted that statistical evidence doesn't necessarily support the hypothesis that Millennials are inherently less compliant to policy, but some participants' experience has persuaded them that this is nevertheless the case.)

One policy task force member, Steven Mandelbaum of The Advisory Board Co., detailed a loyalty platform that he and his team developed in-house. That program rewards compliant travelers with points that can be redeemed for gift cards, merchandise, charitable donations or the ability to break travel

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policy on particular future trips. In this program, most policy-compliant travel bookings come with a point-accrual opportunity.

Another think tank participant detailed her experience with offering travelers cash rewards for choosing coach class instead of business class for transatlantic travel. Although it should be noted that those rewards are taxable, she found that as frequently as in 30 percent of the opportunities, travelers would choose to take the cash and fly coach instead of business class on those flights.

Arguably the flip side of that approach, some think tank participants have found success bettering compliance through the implementation of a **pre-trip approval or notification system**, not only through the actual catching of noncompliant bookings but also by deterring would-be noncompliant travelers from violating policy in the first place.

At least among the participants of this think tank, there was basically no appetite for any so-called open-booking philosophy, in which travelers are allowed to book travel with the suppliers of their choice through the booking channel of their choice, an approach some companies have pursued.

## Policy Innovation And Employee Retention

Participants discussed travel policy's role in employee happiness and retention, and possibilities for policies to better promote traveler comfort. One area think tank participants explored was the possible improvement of the concept of policy around **meal expenses**. Whether policy specifies individual allowances

for daily breakfast, lunch and dinner or simply requires that such expenditures must be reasonable, there was some support among participants around the possibility of a single flat amount per trip for meals and incidentals, as opposed to a per-meal allowance. This would permit a traveler who does not want to spend \$50 on dinner, for example, to use some of the remainder on another expense that could promote their health and well-being, such as a session at a fitness club. This would not be the most cost-effective option, depending on the actual policy, but it is something some participants believe is worth exploring more deeply in the future as a way to better frequent travelers' experiences on the road.

Think tank participants discussed other policy challenges as well; to give one example, attendees suggested a policy of limiting the amount of **personal days** a traveler could apply on a business trip as a method of fighting leisure travel disguised as business travel. Other avenues deemed worthy of further exploration include the question of whether senior executives should follow the same travel policies as do rank-and-file employees, and decisions about whether the permissible use (or prohibition) of specific mobile travel apps should be noted in policy.

Developing an enforceable, effective travel policy that meets an organization's overall goals, and measuring the progress therein, is a process fraught with challenges but also one with countless potential solutions. The think tank sessions could only scratch the surface of identifying and developing them, but the collaboration and sharing of policies and the philosophies around them offered all participants new perspectives in meeting the challenges and offering a path forward. ■

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