

# MANAGING GLOBAL TRAVEL 201: OPTIMIZATION & EXPANSION

Implementing a global travel program can result in as much as 20 percent savings in hard travel and administration costs combined. No matter how much savings is realized at the onset, however, the travel manager's job is to continually look for ways to optimize the program as it becomes more mature.



**W**orking in a globalized environment, there are three major avenues for realizing continued value:

- Conducting data analysis for category and compliance optimization
- Expanding the scope of markets managed
- Maintaining market engagement and driving incremental adoption

## WORKING WITH GLOBAL DATA

Consolidating global travel data can present a significant challenge for many programs. The first step to success is working with a travel management company (TMC) partner—or partners, depending on the globalization model—to ensure data consistency at a very fundamental level across all markets within

### DIGGING DEEPER

- Review and consolidate travel policy
- Ensure appropriate communications
- Consolidate more volume with a single regional or global supplier
- Change from a mainline to a local low-cost supplier with comparable services
- Increase or reduce class of service offered in hotel or air (to drive compliance or savings—depending on the challenge)
- Analyze advance purchase opportunities

the program. Establishing service level agreements (SLAs) around accuracy, completeness and timeliness is critical.

Even with SLAs in place, getting a holistic view of global travel activities is difficult. For some companies, working with a third-party data consolidator has become a priority. This type of partner can gather multiple sources of data—including credit card, expense and supplier data—to normalize and integrate for a more comprehensive view of travel activities.

Still, TMC data remains the most complete single set of data for most companies, and the easiest to access. To that end, working with a sophisticated TMC partner to deliver global data is essential. If possible, it is worth the effort to analyze additional data sources—such as credit card and expense—as a control against TMC reporting.

Of course, getting the data is only the first step. Using it to optimize the program is the ultimate goal. Strong TMC relationships can support these efforts, not only in identifying opportunities in specific travel categories, but also in driving the behavior changes that are required to capitalize on them (see “Digging Deeper,” for ideas).

## EXPANDING PROGRAM SCOPE

For many corporations, travel globalization begins in North America and Western Europe, and rolls out in a phased approach over time to incorporate additional countries and regions. Every company must look at the resource outlay versus the projected payback in each market to determine which countries to target. Gaining initial success in limited—

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but influential—markets is a common strategy. Then, using those success stories as the proof of concept for the overall effort can underscore the theoretical business case for additional markets.

Before taking those success stories on the road, however, the globalization team must take a hard look at all countries and regions

that are targeted for the effort, and determine if applying the full program to the region is feasible and/or desirable. Often, globalization efforts targeted to challenging regions work best with less invasive strategies. Corporations may want to consider automating the data feeds from existing local TMCs into the global program for consolidation or enforcing SLAs, including those pertaining to data service levels and specific policy issues, with existing TMCs.

If making changes to travel program configuration, the globalization team must ensure due diligence is conducted in new markets. Secondary regions may have opaque content and regulatory challenges, and may have been reserved for later implementation for these reasons (see “Implementation Tip Sheet,” for best practices on common phase-two implementations).

## COMMUNICATING FOR CONTINUED ADOPTION & COMPLIANCE

As a global travel program graduates from implementation to maintenance, initial buy-in from local markets can wane if left unattended. It is important for the global travel team—and increasingly for the global or regional travel manager alone—to maintain close ties with in-market stakeholders.

**Keep local markets involved –** Whether this takes the form of monthly or quarterly review meetings, negotiation planning or a more informal status check, maintaining sustained contact with local stakeholders—and soliciting their feedback and advice—goes a long way toward maintaining their support.

**Communicate like a local –** While it may sound trivial, it is not. Using local language, acknowledging local holidays, using local time and date formats as well as being keenly aware of working hours when scheduling meetings goes a long way toward maintaining goodwill and support in a local market.

**Continuously review content –** Access to travel content is an ongoing issue in local markets, and getting the right mix during the implementation process is not always possible. After “living with” the program for several months, it is smart to consider a content review to ensure the program is taking advantage of the best opportunities and driving compliance rates with a locally-tailored program. Optimizing content access, as part of an ongoing effort, demonstrates local awareness as well as a genuine desire to get the right fit.

## INVEST IN THE LONG TERM

Indeed, implementation of the global program is only the first step in creating mature travel management on a global scale. Continuous maintenance of the program is critical, and finding new ways to optimize and expand savings is a year-over-year endeavor. Corporations should take the quick wins where they can get them, but maintain a long-term strategy.

## IMPLEMENTATION TIP SHEET: BRAZIL, CHINA & RUSSIA

### BRAZIL

- The value of personal relationships cannot be overstated
- Lack of content in the GDS is a critical issue in Brazil and much of Latin America
- Local contracts often garner better pricing than negotiating from a head office
- Online booking tools are available, but adoption is slow
- Short payment terms are a challenge; neither TMCs nor employees are willing to carry this burden
- Consider central bill or lodge cards in this market; especially when paying for hotels, paper invoices are still common

### CHINA

- Allocate as much face-to-face meeting time as possible
- Familiarize with TravelSky, including new partnerships with Abacus, Amadeus and Sabre
- Corporate card implementation is possible, but culturally sensitive
- High service expectations translate to personal attention and paper tickets, but remember that labor costs are low in China and may undercut the costs of implementing technology
- Technology solutions are on the upswing; delicate balance between old school service and new school efficiency

### RUSSIA

- While global distribution is available in Russia, Sirena—a local computer reservation system—is used by local suppliers
- TMCs require extensive technology infrastructure to manage these separate reservation systems and agents who are fluent in each, which can translate into added cost
- Expect supplier negotiations to be opaque and require several levels of signatures before agreements are finalized
- Rules regarding paper documentation and signatures may hinder adoption of online booking

## LEARN MORE

To find out more about achieving local market buy-in when globalizing a travel program, access the “**Strategize Global, Act Local**” resources from Radius Travel and The BTN Group.

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