



TRAVEL AND MEETINGS MANAGEMENT INTEGRATIONS:

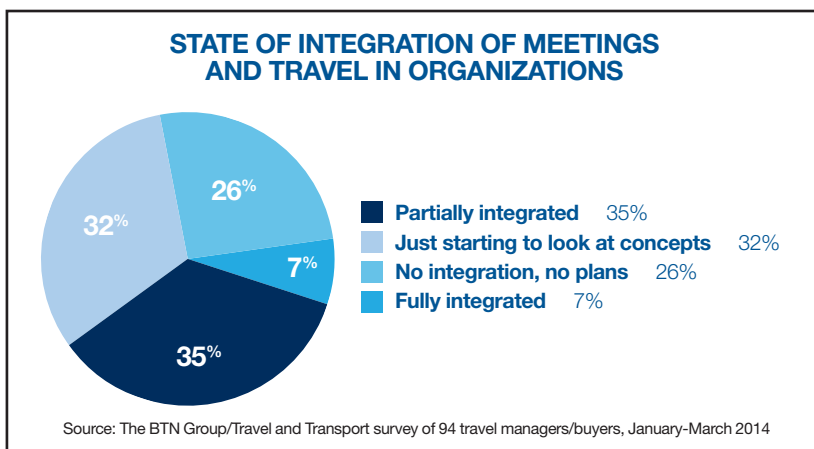
Still Work In Progress For Most

Whether consolidation or co-operation, the concept of a formal working relationship between meetings and travel teams has been discussed and debated for more than 20 years. While a recent study indicated that few companies have mastered such integration, it revealed that the majority of firms surveyed had either partially integrated or studied the concept. The results prompted a new look at how a company should best manage these key categories.

Companies have frequently analyzed how best to manage meetings and travel. In theory, integrating corporate meetings and travel management makes sense. Potential benefits include:

- Maximize opportunities to leverage supplier relationships and spending
- Manage risks
- Increase transparency
- Increase policy compliance
- Increase employee satisfaction
- Maximize savings

In practice, companies reported little advancement of fully integrated travel and meeting functions, according to a survey of 94 travel managers conducted by The BTN Group and Travel and Transport. To study the pros, cons and realities of integrating meetings and travel management, the BTN Group and Travel and Transport surveyed the travel managers and gleaned insights from early adopters. The results are reviewed in this white paper.



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> STATE OF INTEGRATED TRAVEL AND MEETINGS DEPARTMENTS

Despite the benefits that an integrated meetings and travel team might offer an organization, just 7 percent of travel managers surveyed by The BTN Group and Travel and Transport this spring said they had fully implemented such a structure. More than one-third described their efforts as “partially integrated” while another third said they were “just starting to look at the concepts.” One-quarter of those surveyed said they had “no integration and no plans” to do so.

The results appear to be counter to a 2010 study, “Integration of Corporate Travel & Meetings Management,” conducted by the Skema Business School and the Association of Corporate Travel Executives, in which 40 percent of 200 companies surveyed then said they had “either integrated travel and meetings, or in the process of doing so.”

But the new results mirror the realities that Travel and Transport sees in its client base, according to Tami Reier, Travel and Transport director

of events and a Certified Meeting Professional (CMP). “Even for those customers that haven’t integrated travel and meetings, in most cases there is some relationship or collaboration between meetings and travel.”

In Business Travel News’ 2014 Travel Manager Salary & Attitude Survey, half of the 162 respondents said they were involved with managing, negotiating, selecting or supervising meeting planning/logistics. Another 15 percent of respondents said they expected to gain such responsibilities in the next two years. And 35 percent of respondents said they neither managed meetings today, nor expected to in the future.

> COLLABORATIONS THAT MAKE SENSE

Hotel site selection and sourcing were areas where travel most often collaborates with meeting teams, according to more than four of five respondents to The BTN Group/Travel and Transport survey. Nearly three-quarters of those surveyed said travel often works on meeting hotel contracting.

“More than ever before we are seeing where one person has both travel and meeting management roles in corporations today,” Reier said. Companies are looking for “commonalities” in jobs as “everyone’s plates are so very full today. Travel and meetings are often seen as having synergies with leveraging spend and managing vendors.”

Strategic meetings management consultant Shimon Avish of Shimon Avish Consulting LLC identified nine areas of commonality in travel and meeting management responsibilities. They include policy development and administration, program design, corporate social responsibility, technology selection and deployment, data management and reporting, supplier management, compliance management, payment and change management.

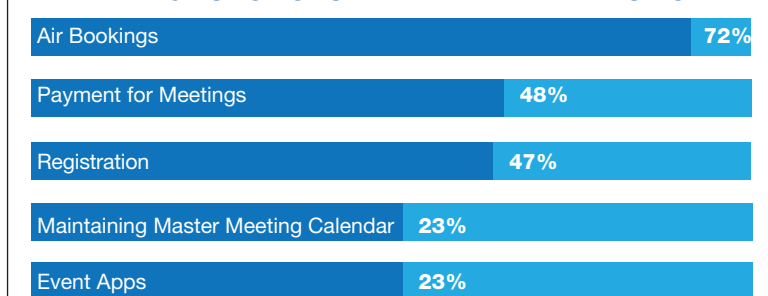
TRAVEL INVOLVEMENT IN MEETING FUNCTIONS

Of the following meeting functions, in which is travel involved?

	Hotel	Destination	Off-site Venues	Audio-Visual	Other
Site Selection	85%	61%	48%	35%	7%
Sourcing	83%	52%	48%	33%	6%
Contracting	72%	38%	45%	34%	14%

Source: The BTN Group/Travel and Transport survey of 94 travel managers/buyers, January-March 2014

MEETING FUNCTIONS WHERE TRAVEL PLAYS ROLE



Source: The BTN Group/Travel and Transport survey of 94 travel managers/buyers, January-March 2014



MEETING THE NEEDS OF CORPORATIONS

Travel and Transport, the fifth largest travel management company in the United States, specializes in corporate travel management along with group, meeting and leisure travel services.

Travel and Transport and its wholly-owned Ultramar Travel have more than 100 associates who focus on events that range in size from 10-person board meetings to 5,000 participants. The team services both TMC clients and others with a range of services from sourcing to on-site management, incentive program development to full strategic meetings management initiatives. Travel and Transport's Tami Reier, CMP, director of events, discussed the meeting trends she is seeing.

Various reports—from hotel firms, meeting planning companies and BTN surveys—have pointed to an uptick in corporate meetings. What are you seeing?

Reier: In 2012 we started to see international meetings come back. Last year it was strong and this year it's equally as strong. Especially on the incentive side, clients want to see the next big international destination that really motivates people to exceed their goals. We're seeing record attendance at many of these events.

What changes are you seeing in terms of the type of meetings clients hold?

Reier: We're still seeing large meetings but this year we're also seeing more regional meetings, as well as hybrids or the face-to-face meetings combined with virtual meetings. A lot of our customers very much see the value of the face-to-face meetings, but the virtual allows them to bring in participants to certain parts of a meeting.

What services do clients typically ask you to provide?

Reier: We service a diverse group of customers and provide full-service as well as ala carte meeting planning options for corporate meetings and incentives. Some of our clients need full-service planning. Others already have that staff but need to supplement their team to build a registration site or provide logistical support. Some clients come to us once a year and for others we're handling hundreds of meetings a year. Because we're offering a very flexible model, it works well for corporate, meeting and incentive clients and the 100 employees in our events areas.

We also have customers in all phases of strategic meetings management. Some are just looking, some fully engaged and still others just want to implement some components of it to improve their programs.

“While many of the roles and responsibilities are similar,” Avish said, “the subject matter expertise required in a meetings program diverges considerably from travel, especially in the areas of policies, processes, risk management and technology.”

Some of the early adopters of integrated travel and meeting teams noted that procurement drove some of the closer working relationships and integrations. Procurement demands for formal bid processes, multiple proposals and standard contracts—all things the travel department usually had in place—prompted more involvement in meetings at some companies.

For example, Educational Testing Service centralized travel and meetings under procurement more than a decade ago, according to company executives. Healthcare firm WellPoint Inc. has centralized sourcing and contracting of all meeting properties under the procurement-led travel team only in the last two years as part of a strategic initiative.

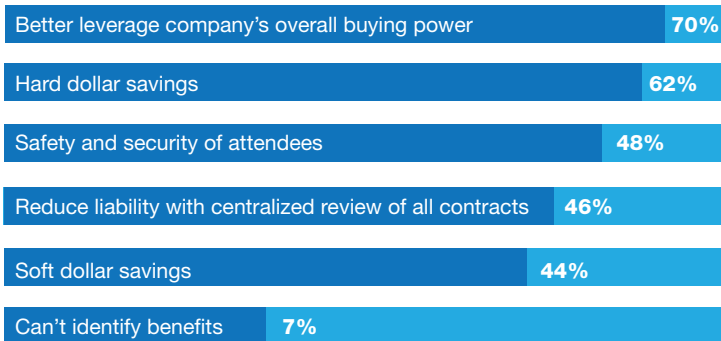
> LEVERAGING SPEND & RELATIONSHIPS

One of the best practices in procurement is to reduce the number of suppliers to manage and centralize that management. So it should come as no surprise that companies have tried to leverage their preferred transient hotel relationships for meetings where appropriate.

Speaking at Cvent's Corporate Meetings Summit, Wellpoint's Rebekah Hennessey, travel services consultant, said the company tries to use preferred hotel partners in its transient travel program for small meetings as they “already have agreed upon terms and conditions and contract templates.” Instead of a request for proposal, company planners need only send a space availability request. If the space is available, the terms and rates are already in place, she added.



BENEFITS OF INTEGRATED TRAVEL AND MEETINGS PROGRAM



Source: The BTN Group/Travel and Transport survey of 94 travel managers/buyers, January-March 2014

ETS also strives to leverage its hotel relationships, according to Denise Maurer, senior corporate meeting planner for the firm's enterprise sourcing and supplier management team. The organization often has a "high space to sleeping room ratio" and at times must secure government per diem rates for some meetings so the team leverages volume and relationships.

At Blue Cross Blue Shield of Florida, Kathleen Zwart told Business Travel News that she added travel management to her meeting responsibilities two years ago and has focused on hotel negotiations for both transient and meeting needs.

Global Fortune 500 contractor Kiewit Corp. highlighted savings potential to gain senior buy-in to expand the role of meetings management within the travel department, according to Cindy Novak, Kiewit director of global travel. To win support for the integrated concept, Novak also highlighted opportunities for better risk management and the ability to apply consistent brand standards to all meetings through a single program.

Numerous travel managers have pointed to contractual concerns as the primary reason that travel became involved in meeting sourcing

or contracting. Admins or designated meeting planners within a corporation might still plan and execute an event, but leave the contracting to a team that knows the subject the best.

That was exactly the approach taken by one client, according to Reier. Management wanted to mitigate risks noted in some contracts signed by multiple people within the organization. Company executives mandated that all meetings had to be registered and sourced through Travel and Transport, Reier said. "We negotiate, add addendums and then the company's procurement department physically signs the contract. The meeting host then takes over that contract, or outsources to us to do the rest."

> MAXIMIZING DATA AND PAYMENT

To get data needed to optimize travel and meeting programs, other travel managers have learned to get creative. Wearing a single hat as executive director of global travel and meetings at Estee Lauder until two years ago, Cindy Shumate developed a "centralized system where meeting planners and travel managers could cross-reference information to negotiate better deals for the whole company," according to a story published in May 2014 in The BTN Group's *Travel Procurement* magazine. Key to the spending tracking was technology and dedicated payment cards.

Beyond hotels and destination site selection, fewer than half of survey respondents said travel is typically involved in site selection, sourcing of off-site venues, audio-visual or other typical meeting functions.

Travel often plays a role in air bookings for meetings, according to nearly three-quarters of those surveyed. About half of those surveyed also noted that travel typically plays a role in meeting payments and registration.



While the travel department doesn't always own the payment contract, it often is involved in reconciliation and other aspects of an organization's payment platform.

Travel and meeting management executives noted that the biggest obstacle to integrated travel and meeting programs often lies in the area of

“In the following years, the program matures and increased savings are realized as adoption increases.”

— Tami Reier, CMP, director of events, Travel and Transport

change management. Corporate executives must clearly state the reasons for change and benefits. In many instances, admins or meeting owners who continue to plan and execute a meeting are relieved to have the sourcing, contracting and risk management aspects of planning done for them, according to travel management consultants. The benefits outweighed any perceived risks.

>KEY BENEFITS

As to the top benefit of an integrated travel and meetings program, 70 percent of buyers surveyed cited the ability to better leverage a company's overall buying power, as more than six of 10 cited “hard dollar savings.”

Reier indicated that substantial savings from a strategic meetings management initiative takes time.

“In year one, you're gathering data, analyzing processes and setting policy. In year two, you're implementing standards, providing guidance and building adoption toward compliance and

savings goals. In the following years, the program matures and increased savings are realized as adoption increases.”

On average, “meeting spend is 1 percent to 3 percent of revenue and savings from that is anywhere from 10 percent to 20 percent for a mature program,” Reier noted of industry estimates.

“Beyond financial gains and cost control, key benefits of integration,” according to the Skema/ACTE report, included consolidation of supplier management, realizing a strategic alignment for travel and meetings, in line with overall company goals and consolidation of compliance management.”

In an updated look at the “Economic Significance of Meetings to the U.S. Economy,” the Convention Industry Council and PricewaterhouseCoopers estimated that 1.8 million meetings were held in the U.S. in 2012 with 225 million participants. Corporate/business meetings represented about half of the overall participant volume or about 113 million meeting attendees at 1.3 million meetings.

Given the potential and as multiple sources point to a recovery in meeting demand, companies are likely to revisit their travel and meeting program structures and opportunities to better leverage their spending with such integrations.



For more information about how Travel and Transport can help with your travel and meetings programs, visit www.travelandtransport.com.