

UNLOCKING THE GOLD IN YOUR DATA



Overwhelmed by fragments of travel, expense, supplier and other data? You are not alone as managers of travel programs large and small complain of myriad data challenges. This white paper highlights new data sources to explore, focus on a data strategy and advanced methods to mine data to uncover buried nuggets.

While most travel management programs have dramatically advanced due to online booking, globalization and other key factors, reporting or the data strategy hasn't always followed suit. Despite availability of multiple and diverse data sources to effectively manage programs today, two-thirds of 200 travel managers surveyed by The BTN Group this spring said they relied on their travel management companies as their primary source of data. Just 10 percent said they relied on third-party data consolidation of multiple sources of data.

Travel management company data is insightful to learn about policy compliance at the time of booking, suppliers, fares and rates booked and the choices declined. However, such reporting usually won't detail changes made during the trip, ancillary products purchased at the airport or on the plane, the actual rate paid and room provided at the hotel or the car rental rate and add-ons accepted.

FROM THE SPONSOR

ARC partnered with The BTN Group to bring you this white paper because we understand the growing importance of data to managed travel programs today. That's why we created FareSight, a new platform that gives you the tools to see how your fares measure up to market, using the most comprehensive airline ticketing data available on market from ARC's Compass data warehouse. FareSight provides managers with an analysis of their company's air travel spend to assist with monitoring corporate travel policy and the effectiveness of airlines partnerships.

For more information about FareSight, visit www.arccorp.com/faresight.



Primary Source Of Air Data To Manage Program

TMC	66%
Data Consolidator-Multiple Sources	10%
Corporate Card	7%
Expense Reports	7%
Supplier Reports	4%
General Ledger/Financials	1%
Other	5%

Source: The BTN Group /ARC survey of 200 travel managers/buyers, February-March 2014

Data Management Strategies

Overwhelmed by data fragments, many try to make sense of the pieces but lose sight of the bigger picture. Before you take a fresh look at your travel data and the options available, determine your strategy, as aligned to your organization’s overall objectives. Focus on areas that make the most sense to your business objectives, experts recommend.

“You have to balance what you’re trying to achieve with the value. In many instances, the value isn’t there,” veteran travel manager Maria Chevalier recently told The BTN Group webinar participants.

For example, if your business promises emergency repairs to customers or executives most often respond to last-minute emergencies, it’s unlikely that those trips could be booked 14 days or even seven days in advance. Instead, managers should try to focus on helping travelers find and book the lowest logical prices for last-minute bookings.

Look To External Data Sources

A more effective negotiating strategy might be to use data to determine which carriers and flights would provide the best overall service—by frequency, aircraft type, ontime performance, cancellations and number of stranded travelers—

for your travel dollars, Tom Barrett, indirect procurement leader for Ascend Performance Materials, told webinar participants.

“Look at some of the missed connections to determine where you think the value proposition is for the company. The value proposition in your air agreements should be clear not only to your travelers, but to your executives,” he added.

To analyze the market and ontime performance of specific flights, Barrett said, he looks for data from the federal Department of Transportation’s Bureau of Transportation Statistics for some of the detail.

“When you look at your data management strategy, seek the best possible data source,” Chevalier advised. “ARC’s airline data is the largest airline database in the world,” she added.

Best Sources For Specific Needs

Before she began any program initiatives at former employers Hewlett-Packard Co. or Johnson & Johnson, Chevalier said, she asked herself what would be the best and new data sources to solve each issue. In addition to TMCs, travel managers rely on data from credit cards, online booking tools, global distribution systems, suppliers, expense systems, financial/accounting and human resource systems. Sources also include social media for crowd-sourcing, data consolidator companies and their peers, especially for benchmarking, she added.

“If you look at the complexity of data today, it’s highly fragmented, complex and with significant gaps. What’s important is to have an effective aggregator and the ability to access more data and point to the gaps that remain,” Chevalier said.

As part of a benchmarking study on certain behavioral aspect in travel, Chevalier said, her team was surprised to “detect a pretty significant fraud case. That helped us change our process around fraud detection.” The experience also emphasized “why it’s important to get more



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creative,” in searching for data sources and devising strategy.

From a procurement perspective, Barrett said, he looks at agency, corporate card and expense data and frequencies of monthly, quarterly and year-end to analyze year-over-year metrics and comparatives. But it’s also important to ensure that you “understand your data,” and the story it tells.

“If you have year-over-year data trends on domestic city pairs,” Barrett said, “how does that compare to your travel policy? What is your

understand differences between travelers of various age groups, Chevalier said she “cross referenced a demographic study with a customer satisfaction study. In cross referencing, we were able to mine information to determine if certain demographic groups were more or less satisfied with the travel program.”

“We determined that a significant number of our travel population—more than 60 percent—were infrequent travelers,” Chevalier said. “The gaps between travel made us realize that we needed to change our programs and our procurement strategy pretty dramatically” as 60 percent of travelers shouldn’t have a vastly different experience than the other 40 percent, she added. That demographic analysis also prompted travel executives to realized that they needed to change the way the company communicated to younger travelers with shorter, more frequent text messages rather than long emails.

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– Maria Chevalier, veteran global director of travel services

average ticket price on particular routes? Are you buying tickets in advance? I look at the cost per mile because you can see what it’s costing you to buy air tickets between certain destinations.” With credit card and expense data, Barrett said, managers are able to devise formulas to identify ancillary spending that might not be properly identified. “Even in our small company, it’s several hundred thousand dollars a year,” Barrett said of growing ancillary costs.

Demographic Slices

Some travel managers also are trying new ways to marry or slice their TMC, card and/or expense data, perhaps with human resource business unit, geographic or other breakdowns. To better

Merging Travel, HR Data Points

Accenture is using both TMC and HR data streams for a variety of reasons but all designed to push travel data down to the traveler level to reinforce travel polices. A few months before it introduced a stricter travel policy a few years ago, Accenture launched a new feature called My Travel Summary for all travelers on an internal portal. In this information box, travelers could quickly see their current travel spending, trips booked in advance, out of policy and other elements. Complaints about the new policy were minimal and Accenture’s travel team credits the reporting insight for that.

Building on the HR-TMC data integration, Accenture has introduced comparative information to allow travelers to compare their travel data points and travel carbon emissions, with others on a specific client team, in a geography or at a similar level. It also introduced other reporting, according to Lisa Keller, global travel program manager for Accenture’s Global Travel & Events team.

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“We expected there to be a very loud backlash about the change,” Keller said. “But because people saw their spend, along with communications about the need to reduce overall costs and the policy change, it was really just a blip. We’ve seen a better understanding and improved acceptance of policy decisions because people see their overall spend and behavior.”

More recently, the company has married data elements and policy messaging. If during an air booking a traveler chooses an incorrect class of service or a flight that is too expensive, meaning a dollar threshold over the lowest logical airfare, an out-of-policy message will display. To continue with that reservation, the traveler must acknowledge being out of policy or begin a new search.

“What’s really been effective at Accenture is that the geographic leadership—the lead for one of 15 regions—is responsible for approving or denying travel requests outside policy,” said Keller.

Badges, Recognition And More

Seeking new ways to reinforce policy and reward good behavior, Accenture recently introduced badges that travelers can earn and display on their portals. In the Smart Traveler recognition program, a traveler can earn a badge if during the quarter they take a least six trips and book those on average seven days in advance, Keller said.

As part of a traveler social networking concept, Accenture also introduced a Connected Traveler badge. Travelers who opt to share a trip itinerary with other employees on the Accenture portal can earn the badge for doing so. Keller said the travel team has heard many stories about the benefits of such shared trip itineraries as employees were able to schedule meetings with colleagues that they didn’t previously know would be in a specific destination.

Global Consolidation Challenges

While Accenture has a sole global TMC and consolidated data as part of a strategy adopted several years ago, other companies struggle with how best to consolidate when multiple agencies service travelers. “You can look to one of the agencies to the primary consolidator of data or you can look at one of the third party consolidators to aggregate the TMC data and other sources,” Chevalier said of options.

Recommendations

To determine how best to find the nuggets buried in your data:

- **Consider existing data sources** and whether they provide an accurate, complete picture of all spending in a timely manner
- **Look for new data sources** to supplement existing from suppliers, your payment provider, accounting systems, human resource systems, third-party consolidators, government agencies or data providers such as ARC
- **Be creative in your approaches** and potential solutions to problems.

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