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IN THIS PAPER:

Evolving the Role of the Travel Management Company

INNOVATE 2017

The BTN Group's Innovate 2017 Conference for the Advancement of Business Travel offered business travel executives the opportunity to articulate priorities and recommendations about four of the big gest challenges facing corporate travel buyers and suppliers:

- Building a Better Hotel Procurement Process
- Taking On Total Cost of Ownership
- Defining & Enforcing Lowest Logical Policies
- Evolving the Role of the Travel Management Company

The BTN Group worked first with its Advisory Board and then with a dedicated Steering Committee to identify the focus topics for 2017. BTN Group editors recruited a group of leading business travel professionals 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 Innovate 2017 Conference served to validate concerns and flesh out concepts.

EVOLVING THE ROLE OF THE TRAVEL MANAGEMENT COMPANY

By Chris Davis

The linchpin of many of today's corporate travel programs is the travel management company, which can have relationships with its clients that range from simply providing basic fulfillment of travel tickets to serving as a full strategic partner that consults on all aspects of a travel management program to help ensure its success.

Every client's relationship with its TMC (or TMCs) is different, and it's ill-advised to attempt to paint too broadly in defining the evolution of the role of the travel management company in the business travel management process. And given the maturation of online booking tools and travelers' comfort in searching and booking travel within them and other online technologies, there are those who question the value of a TMC for services beyond fulfillment. Others, however, see the evolution of a broader role, with travel management companies involved even further in managed travel programs than they are today.

Reconciling these visions of the travel management company's current and future role is challenging, but there do seem to be some opportunities for TMCs to provide additional or enhances value and services.

- One key opportunity for travel management companies would be to serve as an integrator or aggregator of the third-party technology services and applications that, particularly since the advent of mobile de-
- vices, have blossomed. There are any number of travel applications and other technologies that can enhance the travel process from booking to parking to social media and beyond. Years ago, travel management companies could serve as a technology hub for their business travel clients and offer nearly a full range of such options, but today's market is far broader and far more decentralized, with dozens of third-party suppliers pitching wares that have proven popular among buyers and travelers alike. The travel management company that evolves either to offer these services and products directly to their clients or at least able to integrate their services with them, while remaining a common platform for other aspects of travel management, could hold a potent position as the industry evolves.
- The notion of the TMC as a broader platform could apply in other ways, particularly considering data collection and dissemination. The TMC that can collect data in multiple areas, including spending, negotiated rates, duty-of-care services and other figures, and be able to integrate with other corporate systems to help house and analyze that data, could have an advantage in some buyers' eyes.
- Other buyers would like to see travel management companies evolve with

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respect to corporate travel policy, not only in terms of enhanced consulting advice in policy and guideline construction but also enforcement, by identifying noncompliant actions or expenditures.

Consensus could be trickier to achieve on the evolution of other aspects of the role of the travel management company in business travel programs, particularly pricing models. However, most buyers agree that TMCs will continue to play a key role, though not an identical role, in business travel management.

TRAVELER SATISFACTION

The evolving nature of business travelers' wants and needs and the travel management company's role in the travel process ultimately plays a significant part in travelers' satisfaction level. And while many travelers today see business travel as a benefit or a perk of their job, some pain points and frictions that limit their satisfaction remain.

Both the travel buyer and the travel management share responsibility for ensuring traveler satisfaction and productivity. But the options available to improve traveler satisfaction and reduce friction are evolving, as is the ability of buyers and TMCs to provide the tools and services to do so. Today's buyers must evolve to analyze the entire lifecycle of a business trip to better identify sources of traveler friction and explore the travel market's ability to reduce it, outside of the services that TMCs provide.

- While the business goal of the trip and ensuring the traveler's safety must remain paramount, understanding the

drivers of a specific organization's travelers can help buyers assess the market to see which tools can be included in the travel program to increase personalization and satisfaction. For example, tools that allow travelers to communicate and socialize while traveling with other travelers from the organization may appeal to some, as might the use of sharing-economy suppliers or services like TSA's PreCheck. Learning about specific friction points experienced by the travelers in the organization can help in finding the tools to ameliorate them.

- Travel management companies' role in increasing traveler satisfaction continues to evolve. TMCs could play a part first in measuring traveler satisfaction via both anecdotal reports and quantitative data, including focus groups and surveys. From there, the TMC can put itself in the position to offer the technology and services necessary to improve those satisfaction levels. Additionally, TMCs could evolve to better manage certain potentially satisfaction-increasing tactics like smoothing leisure travel booking.

ONLINE BOOKING TOOLS

A key aspect of traveler satisfaction, and often driver of traveler frustration, is the role of the online booking tool. Some travelers versed in online leisure booking have found corporate booking tools cumbersome, and issues with the user experience have exasperated travel managers as well. While booking tool suppliers have vowed to better their systems for easier use, how much responsibility for a good user experience

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lies with the travel management company, which interfaces with and sometimes provides the tool to the client?

Today's seeming consensus is that this line of responsibility for the user experience is blurring between the online booking tool provider and the travel management company.

- Online booking tool providers and travel management companies must evolve to better work together and collaborate to improve the user experience by remaining current with technical functionality, ensuring compatibility with multiple TMCs and avoiding implementing processes that could slow down the user's booking process.
- Travel management companies could evolve to serve as an aggregator for outside technologies that aren't direct parts of the booking tool, and allow bookable content displayed from multiple sources.
- Similarly, travel management companies could evolve to providing a main platform that centralizes integrations of all sorts of travel technology via application programming interfaces. Flexibility under such a concept would be key, as travel managers would want the TMC to enable the integrations of their choice, not simply the technologies the TMC wants to provide, and the TMC likely would want to provide such services for clients of all sizes. Doing so likely would require investment to ensure the TMC's technology would be able to handle such a platform, but this kind of evolution could prove very

attractive to business travel clients.

NEW DISTRIBUTION CAPABILITY AND DIRECT BOOKING

The advent of the International Air Transport Association's New Distribution Capability airline distribution format allows the carriers that use it the ability for more tailored selling of fares and ancillary services, potentially enabling a more personalized experience for travelers. Meanwhile, for years some suppliers have sought to encourage travelers to book directly with them instead of an intermediary. These factors affect the role of the travel management company, and it must evolve to ensure its clients understand the possibilities and implications of NDC and supplier-direct booking. Particularly in the case of direct booking, travel management companies must nevertheless work with the client to make sure it is able to collect the data it needs to support the objectives of the travel program.

RISK MANAGEMENT

Many travel managers rely on travel risk management service providers in addition to travel management companies to assist in tracking travelers and provide travel location intelligence, monitor threats and support and assist travelers during times of crisis. While the role of the travel management company in the travel risk management process today can vary widely, think tank consensus was that TMCs must evolve to be able to tie traveler data from the independent providers more closely together so that the TMC can be involved in the communication of alerts and the contacting of travelers in case of an emergency. ❁

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