



## **New tricks – how to find fresh savings from a mature travel programme**

*Even if you already have a smooth-running policy and impressive supplier discounts, there are always new ways to reduce your cost of travel.*

Hollywood has a saying that you are only as good as your last movie. Travel managers know this feeling too. They may have performed miracles in creating a preferred supplier programme that delivers low prices to the company, yet as soon as they achieve success their bosses want even more. But if you have built a mature travel programme that has already pulled all the key levers for driving savings, where can you find new ways to exceed your previous performance?

Carol Randall, founder and manager of Sage Travel Consulting, has seen this happen many times, and that it is a challenge which can be met. "I don't know anyone in travel who thinks they have their travel programme completely sorted," she says. "They may have their air and hotel programmes in place, and a policy and a good travel management company contract, but nothing in travel ever stands still. There is always an opportunity to do better, such as integrating meeting spend. There is always something you can learn from other programmes."

Here are a few ideas about where you can review your programme to identify new ways to lower costs.

### **Focus on demand management**

When travel managers say they have a fully mature travel programme, they sometimes mean they have negotiated some impressive air and hotel deals. But that doesn't mean they have conquered the opportunities also presented by demand management. In other words, as well as focusing on external suppliers, it is essential to focus on your key internal stakeholders. "It is the behaviour of travellers and bookers that really drives savings," says Randall.

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## **Is it necessary to travel?**

It remains the case that the best way to save money on a trip is not to take that trip at all. There are different ways to achieve this objective. One is to provide policy guidance on when it is worth travelling to meet face to face and when the meeting objective (especially an internal meeting) can be achieved in some other way.

## **Link to virtual conferencing**

Videoconferencing technology, especially desktop conferencing, has improved so much in quality, and fallen so dramatically in price, that it is well worth reconsidering if you have not evaluated the idea for a few years. You can promote the technology by introducing trip reason codes into your company travel booking tool. If the reason is an internal meeting, the tool can automatically transfer the traveller to a virtual conferencing booking site instead.

## **Make more use of virtual conferencing**

If you have already banked substantial savings through introducing virtual conferencing, you may be able to push up adoption and save even more. For example, start working with the HR department to use virtual conferencing for training as well as internal meetings.

## **Introduce pre-trip approval**

This may be the time to introduce pre-trip approval if you have resisted it so far. Managers can review the purpose of the trip to see if they agree that travel is necessary. Alternatively, they can be sent trip itineraries for review only if the employee has booked out of policy, such as not accepting the lowest logical fare. Randall says she helped one company introduce pre-trip approval. As a result, policy compliance shot up from 65 per cent to 85 per cent in just three months, saving the company 14 per cent on travel spend.

## **Influence travellers**

Good mobile tools make it possible to influence travellers not only during the booking process but when they are on the road. For example, send an automated text timed for when their flight lands to remind them to take public transport from the airport to the city centre.

## **Go back and look at the data**

Even companies which think they already have great supplier deals can find new opportunities when they dig into the detail of their data. Analyse pricing, market share and contract fulfilment reports alongside each other to spot routes or cities where it might make sense to change supplier.

## **Deal in all fare classes**

Does your airline discount cover all the tickets you are buying? Analyse the fare classes you book with each carrier, then go back and re-negotiate to include discounts for the lowest classes, which your supplier may previously have avoided.

## **Book in advance**

Few companies ever completely solve the challenge of encouraging travellers to make substantial savings by booking earlier. Show travellers data to help them understand

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just how much they can save the company, and inform their managers if they persist in booking too close to departure.

## **Up your attachment rate**

Another key target is to increase the percentage of travellers who book accommodation at the same time as their flight or train – known as the attachment rate. Instruct your TMC to push travellers hard to choose their hotel before ending the call, and configure the booking tool to follow through to a hotel reservation too.

## **Review ground transportation**

Taxi and limo spend has traditionally been tricky to manage, but, says Randall, “that is becoming easier because of technological improvements and more disruptors in the marketplace.” Definitely an opportunity for major savings if you have not tackled this category before.

## **Take another look at your TMC fees**

You may have negotiated a low transaction fee, but how much are you paying on top in extras, and do you actually want all of those services? Reviewing your contract regularly is essential.

## **Recover your foreign VAT**

You may have lacked time to create a process for recovering VAT on foreign trips when you launched your travel programme. Now is the time to tackle this challenge. Foreign VAT can account for up to 5 per cent of a company’s total business spend, according to KPMG. There are many VAT recovery specialists who can do the work for you in return for keeping some of the savings.



### **The TravelpoolEurope perspective: still so much to do!**

There are so many elements to building a comprehensively managed travel programme. By the time you put the last pieces in place, it is necessary to go back and review the processes you introduced first. And all that time the travel patterns within your company and the market dynamics within travel are constantly changing, demanding you look at your programme with a fresh eye to spot newly opened opportunities. There are always ways to improve how you manage your travel spend.