LEADING THE WAY:
Corporate Travel Management Goes Next-Gen

As complexities mount in the managed travel space, progressive companies are transforming travel program paradigms to achieve better-than-policy results.
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About

The Business Travel Media Group

The Business Travel Media Group is a collection of integrated media properties that operate under parent company Northstar Travel Media and serve the information needs of the managed travel and meetings marketplace. The Business Travel Media Group publishes Business Travel News, TheBeat.travel, Management.travel, Procurement.travel and TheTransnational. The Business Travel Media Group Content Solutions department effectively delivers sponsored content to targeted communities of travel professionals via e-newsletters, white papers, webinars, supplements and other vehicles. For more information, visit BusinessTravelMedia.com.

About Advito

Advito provides travel-management advisory, procurement and outsourcing services that guide clients through a complex travel environment. Advito’s focus on consulting delivers proven value, unbiased counsel and a customized approach for every client and every engagement, together with industry expertise and access to data to drive quantifiable decision-making. Advito is headquartered in Atlanta and London and operates in key business markets around the world. Advito is an independent operating unit of BCD Travel, the world’s third-largest travel-management company, owned by BCD Holdings N.V. For more information, visit www.advito.com.
As business travel stages a post-recession comeback, new complexities have materialized throughout the managed travel landscape. The adoption of Web 2.0 and emerging 3.0 technologies and the increasing sophistication of business intelligence, as well as the instant access to data facilitated by advanced mobile devices have generated dramatic change not only within the travel industry but among business travelers themselves.

The following issues are among the travel manager’s most urgent challenges in a post-recessionary business travel environment:

- **Content fragmentation** – The disaggregation of travel content across multiple distribution platforms is testing the travel manager’s ability to provide the most relevant, policy-compliant travel choices and services to their travelers at the best possible rates.

- **Pricing complexity** – Changing pricing and/or business models, including dynamic pricing and Best Available Rate methods in the hotel sector and unbundling/ancillary fees in the airline sector, are contributing to additional complexity and a lack of spend transparency for travel managers.

- **Ubiquity of information** – Travel managers and travel management companies no longer corner the market on access to travel information. The Internet leveled the playing field years ago, but the rise of the smartphone—and the aggressive adoption of these devices by business travelers—has put access to vast stores of travel content and related information in the palms of their hands.

- **Rising traveler service expectations** – Precipitated by technology advances in the consumer travel space around just-in-time travel services and instant access to trusted advisors (e.g., via social networks), business travelers are demanding more from their travel programs. Generation Y, a demographic that has redefined the concept of the “me-oriented” worker, has not only contributed its own voice to a rising call for better managed travel technology and services, but has also pushed its influence up through the organization, magnifying the effect.

- **Business traveler behavior changes** – In the post-recessionary environment, business traveler adoption of Web 2.0 and 3.0 technologies has fundamentally altered both workplace habits and personal habits. Business travelers are constantly connected to their social networks and stay current with personal and business interests via real-time information channels. Travel managers must determine how to mold their communications, content and services to fit within these new behavior patterns, as travelers no longer have an appetite for enterprise rules and tools that hamper their tech-powered lives.

Each of these new challenges enters the travel manager’s view against the backdrop of their traditional role of optimizing travel programs to reduce costs and increase value. Yet this, too, has become a more difficult proposition, following their efforts to leverage the economic downturn to implement previously hard-to-sell corporate travel policy revisions, demand management methodologies and procurement strategies for their travel programs. Thanks to the recession, many corporations have leaner—and some would argue, better managed—travel programs than ever before, especially when measured against a traditional procurement yardstick.

Realizing the dramatic effect tight travel management can have on the corporate bottom line, however, senior managers are looking for more.

A recent survey of travel buyers conducted by AirPlus International revealed that 50 percent of respondents cited “finding additional savings” as the greatest pressure exerted on them from senior management (see “Management Wants More,”

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below). After implementing dramatic cost reduction strategies at the height of the recession, travel managers will likely need to think outside of their traditional purview to achieve additional optimization goals.

This white paper produced by the Business Travel Media Group and underwritten by Advito, the consulting arm of BCD Travel, is presented to travel managers, procurement executives and other corporate travel stakeholders to further the conversation around travel management innovation and show examples of how companies are beginning to tackle the mounting complexities of managing travel—whether on an enterprise level or through grassroots efforts. It will present an argument for a fundamental shift in how to approach the practice of managing travel, along with several case studies from companies that are taking strides to meet the emerging demands of a post-recessionary business travel environment and aspiring to achieve better-than-policy results.

### MANAGEMENT WANTS MORE

A July 2010 survey conducted by AirPlus International showed that for 50 percent of travel buyers surveyed the greatest pressure exerted on them from corporate management was to identify additional savings opportunities. Moreover, senior executives are adding new challenges to the mix, such as the demand to calculate a return on investment for business travel.

In what area will your travel program experience the most pressure from upper management as the economy begins to recover?

- **50%** Finding additional savings
- **11.7%** Showing value of travel management
- **30%** Demonstrating ROI of travel
- **6.7%** I don’t know
- **3.3%** Other

*Source: AirPlus International, The Wire, August 2010*

After optimizing their programs during the economic crisis, few travel managers are prepared to deliver on these demands without going outside of traditional procurement methodologies. Progressive buyers of travel services will likely seek to layer à la carte third-party solutions—such as itinerary aggregators, social networking tools or mobile applications—over best-of-breed travel management tools to empower their travelers with the information required to make better decisions on behalf of the company.
For every business trip there are clearly two sides to the travel management equation: 1) corporate interests that surround cost control, data capture and successfully moving the business traveler from point A to point B to achieve business objectives; and 2) traveler interests that focus on the experience of the trip, from ease of booking to offering support for decision-making while on the road to providing a reasonable expense reporting process upon the traveler’s return.

Traditional travel management—at least for the past 15 years—has steadily moved away from addressing the traveler side of the equation and has, instead, focused on the corporate side. Corporations have realized dramatic cost savings through examining travel data, rationalizing travel supplier bases, and pushing travelers toward compliant booking habits and sanctioned enterprise tools. For that time, these methodologies represented travel management’s best innovations, and while there were struggles along the way, these “new” ideas became best practices and transformed the managed travel space.

The global economic recession hit the travel management industry hard—and at a critical time in its innovation cycle. The possibilities presented by mobile technologies and Web 2.0 capabilities were just filtering through the edges of the industry when would-be industry innovators were forced to pull back and perform travel management triage to mitigate collapsing corporate margins. To meet crisis demands, they fell back on familiar methodologies, concentrating on data, supplier negotiations and policy revisions. Demand management—long a procurement staple—was perhaps the sole “innovation” that widely entered the travel management repertoire during the recession.

“Corporations have adopted many of the best practices required to control travel costs, but there are still areas that have gone relatively untapped,” says April Bridgeman, senior vice president of strategic marketing and technology planning for BCD Travel. Meetings—as a category of travel—is one of those areas, as is the concept of virtual travel.

Perhaps even more important is how to get a handle on the traveler side of the business travel equation, which to a certain extent has been left to its own devices, notes Bridgeman. “As a whole, we look at what is happening at the traveler level as far as it relates to the booking process,” she says. “But we have not explored traveler decision-making and spending patterns during their trips and how to influence those patterns. That represents a huge area of opportunity for travel managers—but the tools to accomplish it have been missing.”

As the industry moves toward a post-recessionary business travel environment, sophisticated alternatives to travel, innovative consumer technologies, and changing traveler behaviors are all challenging traditional travel management techniques. Rather than viewing new technologies and behaviors as a threat to their programs, smart travel managers are looking for ways to leverage them in a way that will simultaneously address corporate management and traveler needs.

The managed travel industry is contributing to the cause, but it has not gone far enough. In mid-2009 managed travel technology providers began rolling out mobile travel shopping and expense reporting solutions, with functionality that was largely based on their desktop enterprise tools. The most advanced online booking tools are exploring virtual travel and social media components. Long before these managed travel-oriented tools became available, however, the
“There has been an unmet need on the part of the business traveler, and the Darwinian laws of selection have gone into effect.” —Scott Gillespie, Gillespie’s Guide to Travel + Procurement

consumer travel market introduced new functionalities—and business travelers have not hesitated to use them.

“Web 2.0 has produced some useful consumer tools that have filled a gap in the managed travel space,” says Scott Gillespie, a travel management industry thought leader and blogger at Gillespie’s Guide to Travel + Procurement. “There has been an unmet need on the part of the business traveler and the Darwinian laws of selection have gone into effect.”

The corporate travel market is watching and learning, and there is no lack of controversy as the dynamics play out.

“There’s a very big language issue going on right now,” says Miriam Moscovici, BCD Travel’s director of strategic marketing and technology planning. “Travel managers want to know how many ‘rogue’ users they have on Triplt,” a popular itinerary aggregation and social media site formerly targeted at leisure travelers but now offering services aimed at corporations and business travelers. “I prefer to call them ‘early adopters.’ If the consumer tool is not interfering with corporate policy, we should be happy that the traveler found it and see how the company can take advantage of it.”

That’s a progressive outlook on the future of the travel management industry, and one that is holding more sway as early adopters begin to explore the possibilities of mobile technologies and Web 2.0 and 3.0 functionalities. For example, a handful of TMCs are looking at ways to report on travel data that sites like Triplt can provide, to get a better view of employee habits on the road. By using Triplt data, could a travel manager get an idea of the types of restaurants their employees enjoy and initiate a corporate discount with them? Given the right processes, it becomes a possibility.

Social networks, whether open systems like Twitter or closed like Chatter or Yammer, offer an agile communications vehicle that can raise awareness of the travel management function and provide a valuable network of resources for travelers in unfamiliar destinations or for those who need assistance on the road.

Mobile devices have been successfully used for travel security initiatives. An Association of Corporate Travel Executives study conducted just after the Iceland volcano eruption this spring showed that mobile phones were the most useful communications tool for travel managers dealing with a crisis, citing the ability to send text messages and reach travelers regardless of their location. Emerging suppliers are offering exciting security services built on mobile technology platforms (see “Mobile As Duty of Care,” page 14).

Still, there is a sense of risk around innovation and a fear of losing control. This is a serious concern for travel managers, whose careers have largely hinged on their ability to demonstrate control both to senior management and to suppliers.

“Travel managers have a strong preference for controlling. Often, if they can’t control it they don’t

MANAGEMENT-CENTRIC STRATEGIES

While recessionary cost-cutting may have slimmed travel programs on the whole, many companies still have work to do to optimize their travel management strategies. Meetings are often considered the last frontier of unmanaged spend within a corporation and companies have introduced enterprise-wide efforts to get a handle on meetings costs and planning processes. Another area of management-centric opportunity is the effort to automate travel and expense processes. Case studies on pages 16 and 18 provide a view into the challenges and successes of these management-centric strategies.
want to deal with it,” says Gillespie, noting that travel management needs to modify their view of what they can control and what they cannot—and begin to tackle those areas of travel management that they cannot necessarily control, but they also cannot ignore. “They need to strike a balance to monitor, inform and influence their travelers but control is going to have to take a backseat,” he says.

Indeed, says BCD Travel’s Bridgeman, a shift in mind-set from controlling to influencing may be the only way to achieve better-than-policy results. “This change will be key to the successful exploitation of the cultural forces and technological advances that are reshaping the managed travel landscape,” she says.

A few travel programs are pushing the limits of that concept, working with strategies such as total trip cost to keep a lid on travel expenses while allowing employees to source travel independently. Google serves as an object lesson in this regard. The company eschews many of the fundamental tenets of travel management in favor of a non-mandated, open source strategy.

While Google retains a TMC partner, travelers are not required to use its services. Instead, the company has defined acceptable spending caps on 1,000 airline routes, based on open-market rates, and with 300 hotels drawn in part from reverse auctions. The rates are reviewed monthly and maintained in a tool called “Trips” that Google built internally. Travelers are asked to check the pricing benchmarks before shopping for travel, but are encouraged to book trips through any channel if they find a better rate.

“Corporations trust employees to make multimillion-dollar decisions but micromanage their travel decisions... it just doesn’t make sense.”—April Bridgeman, BCD Travel
COMPLY TO WIN: The Case of Coca-Cola

Employee incentive programs are a staple of competitive enterprises. Especially among sales teams, the competition is palpable when they are vying for a coveted reward or participation in an incentive trip. At the heart of an effective incentive program is the ability to drive employee behaviors. So why are they not widely used to manage corporate travelers?

In a traditional incentive, there is a significant payout—a luxury trip or a product that has enticed the participants to outperform their peers. In a travel management environment, however, there are few compliance behaviors that create a large enough return on costs to make a material incentive worthwhile. There are exceptions to this rule, especially in relation to airfares (see “Applying Incentives”), but effectively pushing beyond air compliance with a cost-effective incentive has been a challenge.

“You have to be really careful and make sure you set up the right kind of program,” says Miriam Moscovici of BCD Travel. “You don’t want travelers making sacrifices on travel that could affect their job performance. Instead of incentivizing, empower them with information and tools.”

Coca-Cola Corporation is making that happen with a game-based program that relies on individual glory as the reward and a simplified decision-making structure for travelers that upends some fundamental tenets of supplier management.

Data supplied from Coca-Cola’s TMC, the company compiles a report of the 20 most compliant and 20 least compliant travelers. That report is distributed in a low-tech Excel file to division leads. Division leads have the option of pushing the report out to the travelers themselves, which they often do, setting up an internal competition that helps drive behaviors.

Speaking at an Association of Corporate Travel Executive (ACTE) conference in May 2010, Peter Pearson, Coca-Cola’s TravelSmart creative business solutions manager, explained the rationale.

“What we wanted to do was to move away from negatively associating exception reporting to more positive reinforcement of being able to compete both internally in a department and against each other,” he said. “Basically, we look at the batting average first and then we start going down to look at individual behaviors.”

Coca-Cola worked with Tom Ruesink, president of Ruesink Consulting Group, to create the program. “We ended up with a journalistic approach to compliance,” says Ruesink about the metrics used to create traveler performance scores. “Where they book (online booking tool), when they book (advance purchase), what
they book (lowest logical rate for airfare)... there are about five key decision-point metrics that we used.”

The team made a strategic decision not to include “booking with a preferred supplier” among the travel-performance metrics for air. “The question always arises, ‘should they take the preferred carrier or the lowest logical rate?’” says Ruesink. To simplify the issues, Coca-Cola now takes a face-value approach to defining compliance with preferred airlines, telling travelers that the lowest logical fare reflects preferred contracts in place.

According to Ruesink, the strategy has benefited Coca-Cola’s supplier relationships. “If an air carrier is suddenly not getting its share, that’s a conversation between the travel leader and the supplier,” he says. “There is a reason the travelers aren’t taking that airline; if the price gap is large, then it’s an inventory and pricing issue.” The end result for Coca-Cola’s supplier management is “positive movement and adjustments in contracts.”

Since implementing the program in 2006, Coca-Cola has seen improvements in every behavior tracked on the scorecard. As of May 2010, the company had seen a 28 percent jump in the use of the self-booking tool, a 16 percent increase in preferred hotel bookings, a 12 percent rise in seven-day advance air bookings, an increase of nearly 5 percent in hotel attachment rate, and nearly 3 percent in choosing lowest logical airfares. These successes have encouraged Coca-Cola to roll the program out globally, making adjustments to include rail travel and other regional drivers.

In North America, Coke recently changed its seven-day advance air purchase policy to 14 days and hopes that travelers will follow the lead of those batting at 90 percent.

“We want people to understand that there are people who travel really well, and we give them little bonuses for being great travelers,” Pearson told the ACTE audience. “Whenever someone says, ‘I can’t do this,’ we show them sales teams that do.”

### APPLYING INCENTIVES

While creating an internal competition can be an effective way to motivate travelers, some companies are leveraging the power of cash and non-cash incentives to influence traveler behaviors and realize travel savings. Here are just a few creative examples:

- **Half the Cash Back.** Energizer Battery Company offers a cash incentive to its travelers for booking a coach fare for international travel when the travel policy would allow a business-class fare. Half the cash saved goes back to the traveler.

- **Points Programs.** Travelers earn a number of points for exhibiting certain travel behaviors: 10 points for booking an airfare in advance or 20 points for booking with a preferred hotel. Travelers can accumulate points in a “points bank” and then redeem those points for luxury goods, gift cards, etc.

- **Charitable Donations.** In a points-oriented or cash-back program, a company can direct the “rewards” to charity (e.g. a points target could trigger a donation to the traveler’s favorite charity)

One caution: Incentives count as taxable income for the recipient and have additional payroll tax implications for the corporation in many countries, so companies have to be careful about how they administer such programs.

### THE BOTTOM LINE

**Coca-Cola Company:** A game-based internal benchmarking effort creates friendly competition to comply with policy. Focus on lowest logical rates forwards discussions with preferred airlines.

**Traveler Benefits:**
- Rewards great performance with open recognition of efforts
- Simplifies decision-making
- Game structure builds “team” camaraderie and encourages friendly competition

**Enterprise Benefits:**
- Drives travelers toward compliant behaviors
- Keeps data flowing through sanctioned tools
- Drives costs down to realize “better-than-preferred” rates
- Reveals preferred supplier weaknesses
PART OF THE FAMILY: Social Networking At Salesforce.com

Despite the fact that corporate marketers increasingly leverage the power of social networking for the enterprise, as a travel management tool it has had a fairly cool reception. Corporate management voices concerns regarding security or the risk of revealing travel patterns that could hint at business strategy. Travel managers often have a kneejerk reaction to protect their suppliers from untrammeled traveler complaints, and they definitely shy away from facilitating them.

Yet, social networks are at the heart of some of the most dramatic changes in employee—i.e. business traveler—behaviors in the past three years. In January 2010 The Nielsen Company published usage studies of social networking sites that showed global unique users growing from 211 million in December 2007 to 307 million in December 2009. In countries with the heaviest users, individuals are averaging upwards of six hours per month on these sites.

While Millennials and Gen X are the heaviest users of social media, the Baby Boomers and Matures are jumping steadily into the mix as the fastest growing groups of users. A December 2009 study released by Deloitte showed that among Baby Boomers in the U.S., social networking adoption had increased nearly 50 percent between 2008 and 2009, after edging up barely 3 percent from 2007 to 2008. The Matures more than doubled their usage in the same period (see chart 2, at right).

For travel managers, this should signal a new way to communicate with their travelers and exert influence over behaviors in a more personal format. Indeed, Gillespie sees it as an opportunity to create an entirely different ethos around travel management—one that is based on being “in the know” or part of an exclusive club. As the creator of the club, the travel manager gains visibility and trust, and they can leverage the vehicle to extract and offer insights about the travel program.

Salesforce.com is one company that has embraced social media for its travel program. As a technology firm that provides software as a service, it has created an enterprise-oriented social networking tool that the corporation recently adopted for its own use. Though the tool just went live internally in June 2010, the travel management team has big plans for its future.

**Case Study:** Salesforce.com  
**Annual T&E:** $45 million  
**# of Travelers:** 4,000 to 4,500  
**Challenge:** Effectively manage travel in a non-mandated environment, while maintaining an entrepreneurial culture  
**Strategy:** Implement a social networking platform for travel  
**Primary Tool:** Chatter  
**Innovators:** Ralph Colunga, Director, Travel & Expense  
Dorian Stonie, Manager, Travel & Meetings

Salesforce.com is one of a handful of companies in the United States that thrived during the global recession, as more enterprises turned to cloud computing applications to reduce costs and, ideally, increase agility in their IT organizations. In 2010, *Fortune* magazine rated the San Francisco-based firm fourth on its list of the world’s fastest growing companies, citing Salesforce.com’s addition of more than 17,000 new customers in 2009.

That kind of growth required a major influx of talent, which Salesforce.com acquired quickly, adding approximately 2,000 employees over the last 18 months. It also required a dramatic increase in travel volume: 74 percent increase in air volume; 62 percent increase in hotel stays; and 68 percent increase in rental car
volume. Despite having 80 percent to 90 percent of employees on the road, there was no travel program in place.

“The landscape and the culture at Salesforce.com is evolving, but it’s still very open and entrepreneurial; still very family-like,” says Ralph Colunga, senior director of travel and expense. “We are also dealing with an average employee age of about 27 years old, so we’ve got a lot of employees falling into that Generation Y demographic, or as we like to call them sometimes ‘Generation Why Not.’”

Salesforce.com landed on a non-mandated travel management environment that works on the idea of influencing traveler decision-making and succeeds on the basis of open communication. “Working with the younger generation was somewhat challenging. They gauge the program with a consumer mindset that is molded by the Twitters, Facebooks and Kayak.coms of the world,” says Dorian Stonie, travel and meetings manager for the company. “We realized we had to break out of a legacy-style program.”

Chatter, a new product offering introduced in June by Salesforce.com, addressed part of that need. It is built to resemble Facebook, with individual pages, status updates and real-time feeds. The company built it using a trust model that allows different levels of access for different users and incorporated controls restricting access to anyone outside the company. Within the company, use of the tool is encouraged from the highest level. “Our CEO is among the top users,” says Colunga.

On broad level, both Colunga and Stonie extol the ability of social networking to break down class-of-employee barriers even as the company grows on orders of magnitude. As a travel management tool, it has enabled the team to associate a face with travel management, which very simply “makes it more personal,” says Colunga.

Beyond building relationships, the travel management team has leveraged Chatter in a variety of ways and is developing a vision about how to further integrate social networking as a fundamental piece of the business travel experience.

THE BOTTOM LINE

Salesforce.com: Social networking tool encourages travel program engagement from a traveling population that falls squarely in Gen Y. Support of the social networking tool comes from the highest levels of the company and it is used on an enterprise level—not just for travel.

Traveler Benefits:
- Travel management style that fits existing technology habits
- Access to peer information and travel manager
- Outlet for program suggestions

Enterprise Benefits:
- Engage tech-savvy audiences in travel program
- Dynamic communications tool
- Receive constant feedback on policy, suppliers and overall program
SOCIAL-LIGHT: SAPIENT

While Salesforce.com is taking a deep dive into social networking for travel management, Michelle De Costa, travel manager for Boston-based marketing and technology firm Sapient, has taken a grassroots approach. For her social networking effort, she is using Yammer, a free internet-based application.

Working for a technology firm, she has similar challenges to Colunga and Stonie: her tech-savvy travelers can be hard to engage in the travel program. She was looking for a way to support communications and interact with her audience on a technology level—social networking was the answer.

“I was thinking along the lines of Twitter or Facebook,” De Costa says. “It was Sapient’s communications team that came up with the idea of using Yammer,” a Twitter-type tool that allows companies to use their email domains to define and delimit access. Users rely on short status updates sent only to individuals who have opted to “follow” other specific users.

De Costa uses the tool for simple communications. “I’m always getting special offers from our preferred suppliers, and Yammer is a great tool for pushing them out to travelers when it would not be appropriate to send an email to 8,000 people,” she says. As De Costa has built a critical mass of followers, the messages have started to flow from traveler to traveler. “Check-in kiosks for a certain airline were down at a local airport and a traveler Yammered about it. I’m sure that helped our other travelers,” she says.

Yammer has also allowed De Costa to be more effective. When a traveler could not get a room in Toronto, for example, he posted the problem on Yammer. “Other people offered suggestions, but I called up a preferred supplier to assist in getting a room,” she says. “It works sometimes and sometimes it doesn’t. But that is why you have those relationships—to leverage them in a situation like that.”

A social networking tool “allows people to know that there is someone in the company who working as an advocate for travelers,” says De Costa. “Sapient has all the stuff a travel program needs: Internet, mobile tools, agencies, etc. But a lot of times if you are just out there traveling, you may not know who Michelle De Costa is. The social networking piece puts that out there, and hopefully encourages them to reach out to me if there is a problem.”

Yours” campaign that encourages travelers to look for smart ways to get more bang for their travel buck. The effort includes a Chatter page that functions as an outlet for travelers to share ideas about where and how to save money while traveling for business.

It also allows them to provide input and suggestions about the travel program in regard to policy, suppliers, service levels, etc. All visitors are able to rate the suggestions as “good,” “bad,” or “indifferent,” giving the travel management team insights into popular opinion or common traveler experiences.

“it provides a good temperature check on our program,” says Stonie. “On a certain level, I think we have 5,000 travel experts. The social networking tool allows us to leverage their knowledge about what is working and what is not working.”

Even complaints are an “opportunity to educate and offer insights as to what we are thinking when we create policies or set processes,” says Colunga, noting that like all social networking, Chatter offers a dynamic communications tool that facilitates updates to a critical mass of travelers with little effort.

Stonie’s operational goal for Chatter is to phase out the traveler survey process and replace it with real-time information gathering. Colunga sees opportunities to link to additional technologies and to put additional information in the hands of the travelers.

“We foresee Chatter being able to link into an online booking tool, but I want to go further,” says Colunga. He is now transitioning Salesforce.com travel portal to a Chatter format where he envisions Zagat-style supplier reviews, in addition to the idea exchange already in place. He also sees an opportunity to publish dashboards on the Chatter page that show how travelers across regions are measuring against key initiatives.

Empowering travelers to make the best business decision is beneficial to the travelers and to the company as a whole, says BCD Travel’s April Bridgeman. “You will always have a few outliers; however, if we can put the details traditionally held by travel managers in the hands of the travelers they will be responsible.”
MOBILITY ON DEMAND: Open Source Apps Policy At U.S. Foodservice

Enterprise mobility programs have been an increasingly important corporate productivity strategy for more than five years. While most mobile strategies have not formally included the travel management function, they do include the business traveler, who has been armed with advanced mobile devices with powerful operating systems, mobile broadband, organizational tools, image capture, messaging and email access, and tight integration with services. They couple powerful technology with physical improvements, such as full keypads and touch screens—and business travelers are taking advantage every feature.

A March 2010 PhoCusWright report on mobile technology showed that frequent business travelers (those who take five or more business trips annually) are by far the most active users of smartphones when compared to their peers (see chart 3, below).

At the same time enterprises rolled out mobility programs, Generation Y was eager to adopt mobile and smartphones to power their personal lives. They began downloading music, playing interactive games, keeping tabs with their friends on Facebook and other social networking sites. A generation that grew up in the digital age, Gen Y’s technology habits are an integral part of their lives. They have not given up these habits as they entered the workforce; to the contrary, they are influencing up and demonstrating to bosses and co-workers how personal applications can be used for business purposes.

Travel management at U.S. Foodservice is not standing by while the travel program is “hijacked” by mobile apps. The company has implemented an enterprise mobile travel platform, but travelers are also free to use whatever apps they see fit. What has made the difference? A travel manager who is collaborating with travelers to support and advance mobile efforts.

Case Study: U.S. Foodservice
Annual T&E: $18 million
# of Travelers: 10,000 total/2,000 frequent
Challenge: Providing traveler support/services on the road
Strategy: Implementing available mobile tools and pushing industry for more
Primary Tool: Concur Mobile
Innovator: Jennifer Steinke, Manager, Travel/Expense, U.S. Foodservice

Jennifer Steinke, travel manager for U.S. Foodservice, would be the first to admit that her company did not have a specific strategy surrounding mobile travel management tools when it implemented Concur Mobile in June 2009. “Our initial step into mobile was really the result of supplier innovation. It was there, it was easy and ready to go,” she said. “Plus, the Concur tool was already sanctioned by executives so that was one less hurdle for us to jump.”

While Concur’s tool included a mobile shopping and booking function, the expense management function

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**CHART 3.**
SMARTPHONE USAGE BY FREQUENCY OF TRAVEL

Frequent business travelers outpace all other travelers in their use of smartphones.

<table>
<thead>
<tr>
<th># of Trips</th>
<th>Leisure</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>35%</td>
<td>49%</td>
</tr>
<tr>
<td>3-4</td>
<td>39%</td>
<td>58%</td>
</tr>
<tr>
<td>5+</td>
<td>50%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: PhoCusWright’s Consumer Technology Survey 2010
MOBILE AS DUTY OF CARE

Safety and security issues may offer the best business case for mobile travel management tools.

Getting buy-in for mobile travel tools can be an uphill battle in the enterprise. Not only can it face resistance from upper management, but even if a travel manager clears that hurdle, the IT department may put it at the bottom of its list of priorities. “If we start to look at the safety and security aspect of mobile travel management, we’ll start to gain more traction,” said Jennifer Steinke of U.S. Foodservice, who also sits on the NBTA Technology Committee.

Blue CRM, a UK-based travel security program provider, is one example of a company that is wrapping new thinking around smart phone functionality. The company has built a smart phone app that allows it to track the whereabouts of people traveling to medium- and high-risk destinations. A website component allows the client company to check in on their travelers at any time to ensure their safety, but most importantly, Blue CRM backs up the app and website with a 24/7 client response center manned by staff trained in crisis response.

While it may sound like a “Big Brother” approach to traveler safety and security, the key to the service is that it is activated only for the dates of travel and it is tailored to the safety requirements of the individual client company. Possibilities beyond location tracking include setting up geo fences so Blue CRM knows if a traveler has strayed from the defined “safe zone” or if a traveler has not arrived in the safe zone at an appointed time.

To illustrate the point, Suneal Housely, head of clients and intelligence for Blue CRM, recounts a crisis incident during the Moscow subway bombings earlier this year. A major international bank had two high-level employees traveling in the city when the subway was attacked. Blue CRM was able to locate the individuals quickly via the smart phone app and contact company officials to confirm they were safe.

“The company told us it was the first they heard regarding the subway bombing at all,” says Housely. “We were able to confirm the safety of the travelers before the news cycle really got started.”

was the more appealing aspect to Steinke. “We could see that it would enable our travelers to be better with expenses and receipts, and less likely to have an excuse for missing receipts,” she said. Those issues have improved since the rollout—“Travelers really like the fact that you can take a photo of your receipts” and attach them to expense reports, she said, and approving managers have taken advantage of their ability to sign off on expense reports from their phones.

As the company experienced some of the fundamental benefits a mobile travel tool could bring to its program, the somewhat casual foray into mobile travel management took a more strategic—and more visionary—turn.

“A large number of our expense users have downloaded the Concur tool,” said Steinke. The fact, however, is that the original tool was not fully satisfying traveler needs, “so we are looking at rolling out additional mobile apps” specifically for travelers, said Steinke.

U.S. Foodservice is looking at itinerary and social collaboration tools like the one offered by TripIt for every booked itinerary. Through a partnership with the itinerary aggregator, BCD Travel (the agency partner of U.S. Foodservice) would transfer a traveler’s booking to TripIt, which delivers a master itinerary to the traveler’s personal TripIt account. Travelers access the itinerary online, via mobile device or through professional networking sites. What they see is an itinerary augmented with weather forecasts, maps, directions and other important details. The TripIt service automatically sends itinerary alerts to users’ mobile devices.

“Some travelers are already using TripIt on their own, and others come to me with suggestions about other apps that work for them,” Steinke said. “The biggest challenge with mobile is everyone’s individual need for apps is unique; not everyone will use them in the same way.”

The device environment has also complicated the effort. U.S. Foodservice has recently transitioned from a “company issued, company paid” mobile environment to an “individual phone, individual pay” environment,
which has necessitated an open policy about downloadable travel apps. While Steinke does not see this as a strategic problem, it challenges her ability to recommend good travel apps to her travelers.

“Ideally, I would like to be able to give my travelers a suite of top mobile apps that is packaged nicely but coming from one central source,” said Steinke. “That way, I would have some administrative understanding of what is being used. I would also like for my travelers to be able to turn one functionality on and maybe turn one off, so they can tailor the tool to their needs.”

While Steinke is not waiting for the ideal tool—she believes travel management needs to embrace mobile apps that are available in order to gain trust and confidence from her travelers—she is hopeful that a TMC or other provider will introduce additional services in the mobile space.

To that end, she actively engages suppliers in this discussion. Top on her list is a way to send location-based messages directly to the traveler’s mobile device to instruct them on compliance details. For example, whether to take a black car or a cab when they land in New York City, the tube or a taxi when they are in London—“That would give our travelers more flexibility on the road and me more control,” she said.

Steinke sees this type of “push” functionality in the consumer space—often with advertisements along for the ride—but notes that travel management tools have fallen somewhat behind. She acknowledges that it costs money to develop the technology, “but right now,” she says, “no one is making that happen. I’m waiting for a supplier to really ‘wow’ me.”

THE BOTTOM LINE

U.S. Foodservice: When an enterprise tool falls short, travel manager builds traveler trust by supporting the use of available mobile travel apps to address traveler needs. Serving multiple mobile platforms introduces challenges, makes enterprise buy-in a complex issue. Travel manager engages travel partners for solutions.

Traveler Benefits:
- Enterprise mobile expense tool removes barriers to quick processing; alleviates need for paper receipts
- Open source app policy allows travelers to source services that “play well” with their chosen operating systems

Enterprise Benefits:
- Enterprise mobile expense tool alleviates missing receipts; improves compliance to expense report filing deadlines
- Engaging travelers with apps; allows corporation to work toward a way to wrap better services around the traveler while capturing data that will add cohesion to the program

LEADING THE WAY

There are new technologies that come very close to meeting the mobile needs defined by U.S. Foodservice and many other companies looking to provide their travelers with location-based information.

As an example, BCD Travel’s April Bridgeman points to Global Mobile Award 2010 finalist ConTgo, a company that provides its Mobile Travel Assistant to help manage services for business travelers on the road.

The technology allows travel managers to define preferred suppliers (car service, taxis, restaurants, etc.) in specific locations and push that information to travelers on a need-to-know basis via their mobile devices. The technology also allows travelers to access travel policy and get information on preferreds by enabling keyword messages that get automated replies within five seconds.

“It’s a very interesting tool that has proved valuable to companies looking to manage traveler behaviors in transit,” she says. “It’s increasingly playing a part in the discussions we are having with clients, and is an area of travel management where I think we’ll see more growth in the next few years.”
Travel and expense automation has gained ground over the past five years, as leading-edge companies realize significant advances in data control and process savings. At its most basic, T&E automation involves two processes: 1) driving the use of a corporate card for travel expenses and 2) providing an online expense reporting technology solution that prompts travelers through the specific actions required to submit an expense report—from completing the data fields required to getting approval from management.

Enhanced data control results from two practices improved via automation: rationalizing the data fields submitted for manual entries and automating a credit card data feed directly into the expense tool. Both practices improve accuracy, but linking the credit card data to the expense report has proven to have an additional benefit. By making it easier to fill out expense reports, it can help drive compliance to the corporate card program.

A June 2009 report from Aberdeen Group showed a 16 percent rise in companies adopting expense automation between 2007 and 2009, including companies that claimed “partial automation,” i.e., using an online expense tool or a corporate card, but not both (or, if both solutions were in use, failing to link the data). Those companies looking to maximize the results of T&E expense automation, however, are going beyond the concept of linking the credit card and expense tool, and looping in their online booking tools as well.

European Aeronautic Defense and Space Company is among these more progressive companies. After rolling out an initiative to reduce travel costs by 20 percent, travel management teams in each of its four major operating countries transformed the T&E process, creating a cohesive end-to-end experience that increased visibility, removed process costs and drove traveler accountability from the beginning of the T&E process.

When Geoff Allwright began his role as the United Kingdom head of travel and expenses for the European Aeronautic Defense and Space Company (EADS) six years ago, travel and expense processes were stagnating in an “average old system,” he says. Most parts of the process were manual: travel approvals were executed via fax machine; bookings were made through the agency by telephone and expense reporting involved a lot of paper and receipt handling. “We needed to show our travelers, finance department, human resources—everyone involved in travel—something much more relevant for today’s online world,” says Allwright.

That prism of relevance included a user-friendly online booking and expense system for employees across diverse regions and with complex travel needs. Finance demanded the ability to cut both direct and indirect costs associated with travel and expense, while HR needed a reliable tool for monitoring travel data on a per-traveler basis, with a clear understanding of employee compliance to policies. EADS implemented an end-to-end travel and expense process that addressed all three areas.

The company chose KDS Corporate as an online booking tool, building policy rules and employee messaging into the travel shopping and booking workflow. In addition to prioritizing preferred suppliers in the display and messaging users about out-of-policy
travel choices, the company also requires travelers to enter reason codes for travel and has automated a strict trip approval process across the organization.

As part of that process, the booking tool pushes to the approving manager an estimated trip cost, which has become a key component for managing travel costs, said Allwright.

“We drive the whole system around what we call the total trip,” he said. “The managers and employees, as soon as they book the trip, they see roughly what the total trip cost is going to be.” That data is also linked to the expense system. Once the trip is approved, an expense report is automatically opened based on the total trip cost and expenses are managed per trip—not per date range. “On both ends of the trip, everybody—especially managers—sees the true picture. They see what they are saying yes to,” Allwright said.

EADS integrated the KDS booking tool with its SAP Travel & Expense tools. And while that was admittedly not a seamless process—“There are always usability issues with a new system, training and marketing efforts,” says Allwright—“It was well received from the word ‘go.’”

The ability to load credit card transactions directly into expense reports has improved accuracy—in transaction amounts, exchange rates and VAT rates—as well as the turn-around time for employees to file their reports. EADS has also partnered with Meridian for expense processing to improve the turn-around time for employee reimbursement for travel costs.

After three years of automated travel and expense in its four major operating countries (France, Germany, Spain and the UK), EADS has realized an 80 percent adoption rate of the online booking tool and has reduced its average booking cost by 15 percent. TMC agents now focus their energies on more complex travel bookings and added-value services.

By embedding policy in the online tool and prioritizing preferred airlines, the company has reduced the average ticket cost by 15 percent. Increased compliance and improved approval processes have helped reduce total travel spend by 30 percent.*

Asked about how to optimize the benefits of linking travel and expense, Allwright said that beyond automation, outsourcing expense processing to a third party has allowed the company to streamline the process across regions and realize additional benefits, such as identifying and addressing out-of-policy expense reports, improving VAT reclamation and reducing administration costs.

*KDS Case Study: EADS Achieves €5 Million Annual Cost Savings with KDS Corporate

THE BOTTOM LINE

EADS: Online booking and expense tools modernize a manual travel program. Linking travel and expense tools allows travelers, approvers and travel managers to gain clear view of expenses pre- and post-trip to manage demand and maximize travel budget.

Traveler Benefits:
• Up-to-date tools ease booking process
• Improves policy guidance; easier to comply
• Automatic data feed pre-populates expense reports
• Faster reimbursement

Enterprise Benefits:
• Dramatically cuts travel and expense process costs
• Demand management based on real cost of trip
• Expense error/fraud reduction
• Leading-edge tools encourage compliance
Case Study: duPont

Annual T&E: $245 Million
Annual Mtgs. Spend: $15 Million to $20 Million
# Meetings Annually: 481

Challenge: Reduce meetings spend and control planning process through policy, technology

Strategy: Globalizing strategic meetings management

Primary Tool: StarCite Meetings Technology

Innovator: Heide Rowan, North America Marketing Manager
           Jean-Paul Vanherf, Global Travel Manager

When the global economic crisis bared its teeth in late 2008, DuPont looked to its travel managers to deliver savings to the corporate bottom line. Having rolled out a strategic meetings management effort in the United States just a year prior, Jean-Paul Vanherf, global travel manager for DuPont, and Heide Rowan, North America marketing manager, knew what to do. They needed to globalize the SMM program.

In 2006 DuPont initiated a Six Sigma project to identify gaps in meeting policies and processes so the company could maximize volume buying, cost savings, and meeting quality, while reducing liability and risk. The company launched a strategic meetings management program in June 2007 in the U.S., but with the intent to phase in other regions over time. The cratering economy hastened the timeline.

“In December 2008, the economy was in the middle of a crisis; the idea was to take some benefit out of that situation and implement meetings management without a lot of resistance,” says Vanherf. “Thanks to support from Heide’s team, we pulled together team members in all types of disciplines: IT, HR, sourcing... and implementation began in September 2009.”

DuPont began its global SMMP rollout in Belgium, with a pilot program to understand the capabilities of suppliers as well as the reaction from internal customers. It was then extended to the Netherlands and Luxembourg until the company felt comfortable with acceptance levels and the initial results. The rollout then moved forward to larger countries. For the European roll out, DuPont is working with its agency partner to cluster countries with language affinities and extend the program to these different groups.

“We have to recognize that we have currency, cultural and language differences in these countries, but we
have tried to implement the meetings and events policy and technology consistently around the world,” says Rowan. Vanherf seconds that statement, saying that 95 percent or more of the SMM policy and process is the same across all countries where it has been implemented. “Fulfillment centers, of course are different, but the rest is really streamlined,” he says.

Internal planners are encouraged to use agency services to plan meetings, but have latitude to execute logistics on the ground if they so choose. Regarding compliance, Vanherf says DuPont is missing a lot of meetings right now in Europe, but he is confident the rate will improve. “We are giving everyone a few months to learn about the program and help them in a positive way,” he says. “Right now, there are a lot of folks not aware of the new policy and we are looking to change that.”

Compliance is monitored through auditing spend charged to specialized meetings corporate cards as well as to the current T&E card. DuPont audits both cards because policy directs costs for meetings of fewer than 10 room nights or less than $5,000 to the personal T&E card.

In the U.S., if an individual planner is notified one time about failure to comply with policy, he or she gets a benefit-of-the-doubt message that directs them to comply with policy in the future. The second time, the issue is raised to the manager. The European effort is also auditing meetings cards and T&E cards, but has taken less action on compliance in its initial stages. “We are finding in the audit that people may fail to comply once, but rarely do we have to escalate to the manager,” says Rowan.

DuPont’s meetings management effort is driven by StarCite technology, which helps the company’s planners and internal customers execute meetings in accordance with newly defined policies and processes, as well as capture data about how many meetings are held, where, by whom and of course about meetings spend per hotel, per business unit, per hotel chain, etc. This new warehouse of data assists the company in driving savings, consistency of branding and quality of meetings throughout the company.

“Before we implemented this program, we had no policy. We had all these countries to track and all sorts of payment systems in use, and the data was so fragmented. It was extremely difficult to understand what the company was doing or spending overall,” says Vanherf. “We also had insurance risks and cancellations—and even conflict of interest between planners and hotels. These are the most important issues we have been able to reach with our new policy, technology and payment method.”

With its growing control of meetings, DuPont is looking to source master service agreements on the hotel side and to leverage volume it has been unable to capture until now. The company wants to leverage DuPont facilities better and to increase savings at properties already in its transient travel program.

“To date, we have strong business results with metrics that exceeded our initial expectations,” says Rowan. “In 2011 we will extend our practices to Mexico, Brazil—and eventually to Asia-Pacific.”

THE BOTTOM LINE
DuPont: Hastened by the economic downturn, a meetings management effort in the United States is extended to a global effort with minimal variances in policy and process.

**Planner Benefits:**
- Supports sourcing and contracting tasks
- Increased service from suppliers
- More accurate budgeting
- Defines clear processes

**Enterprise Benefits:**
- Captures detailed data on a global level
- Increases visibility into planning practices
- Increases negotiation leverage
- Reduces contract risk
IN TWO PLACES AT ONCE: Virtual Travel At Microsoft

Since the webcam went mainstream 10 years ago, the idea of inexpensive travel alternatives has hovered on the fringes of travel management. While technology advances were achieved for these tools, the notion that a webcam or even a videoconference could effectively serve as substitute for an in-person meeting was rarely considered seriously, until a new breed of technology changed the game.

Telepresence tools recreate a life-size, real-time meeting experience with an individual or group stationed across the country or around the world. The technology requires a dedicated space in each destination that is outfitted with high-definition audio and video equipment, as well as a specialized room set-up that allows the users to experience the remote communication as if the participants are sitting in the same room around a single conference table.

While the technology proves impressive, it remains expensive—a damper to companies looking for that cheap alternative to travel. The current one-off rate for a telepresence suite ranges from $60,000 to $300,000 for the technology set-up alone. That is followed by the ongoing costs to lease or maintain internally a dedicated broadband network to support the system, plus facilities costs to ensure proper maintenance.

The high cost of entry has limited the wide adoption of telepresence, especially considering that an effective travel alternatives program requires the purchase of multiple suites to be deployed in key locations. Detractors also cite the fact that the use of the technology for client meetings is limited, unless the client has the same system in place—effectively limiting the use of the technology to internal meetings. That said, companies that have invested in telepresence technologies are seeing a return on the investment.

A recent study released by the Carbon Disclosure Project found that a firm can begin to see a financial return on its telepresence investment in as little as 15 months, based on the deployment of four technology suites that support a travel mix of 60 percent short haul/40 percent long haul trips. According to the study, which is based on 15 Global 500 multinational corporations across a broad spectrum of industries that have invested in telepresence systems, financial return from reduction of business travel is just one aspect of the possible benefits. Such tools can also impact such corporate strategic initiatives as work-life balance (duty of care), speeding the product development cycle and reducing carbon emissions.

It was the latter that drove Microsoft to invest in a significant telepresence initiative, as part of an effort to reduce the company’s 2007 levels of carbon emissions by 30 percent by 2012.

Case Study: Microsoft
Annual T&E: $700 million
# of Travelers: 50,000
Challenge: Reduce travel as part of an enterprise-wide environmental effort to cut CO2 emissions by 30 percent by 2012 (compared to 2007 levels)

Strategy: Implement virtual travel alternatives
Primary Tools: Microsoft Lync, Customized Hewlett Packard Halo Technology
Innovator: Eric Bailey, Senior Global Travel Manager, Microsoft
Microsoft Corporation is serious about environmental issues. The company has undertaken an effort to reduce its carbon footprint by 30 percent by 2012 (compared to baseline emissions levels measured in 2007). Among other initiatives that contribute to the enterprise-wide effort, the Seattle-based technology leader has called upon its designers and engineers to create more sustainable products, its commuters to make smart day-to-day transportation choices, and its real estate group to maintain sustainable building and operations practices. As the environmental effort pertains to business travel, there has been one major focus, according to Eric Bailey, senior travel manager for Microsoft. The focus is travel reduction.

Introducing alternatives to travel has been a key component of that effort. As a first step, the company enabled a standard system for desktop webconferencing.

“Right now everyone’s computer is a phone because we are using Microsoft Lync (formerly Communicator),” says Bailey, who was working in Munich when interviewed for this paper. “An incoming call rings to my computer, my headset, and my German cell phone. If I am at my computer, I can add video to any internal calls at the click of a button. One hundred percent of my remote communications are routed through my computer.” While the desktop tools have been effective for many long-range communications, says Bailey, the complex nature of Microsoft’s internal meetings—both on a cultural and content level—demand a more sophisticated approach.

Bailey was not the only party within Microsoft in search of more advanced collaboration tools. “Different parts of the company were looking different types of systems,” says Bailey, about the research process that began just over a year and a half ago. “IT stepped in and created a basic global standard and we built from there.” Bailey provided the IT team with information about travel patterns and most popular routes—targeting internal meetings—to help determine the best cities for an initial implementation.

Asked whether the team did a formal cost-benefits analysis before purchasing the pricey suites, Bailey confirmed that they had. “We figured that on the specific routes, we needed to divert about 5 percent of our travel. We also chose centers where we have a lot of people. One telepresence room in Hyderabad for an office of 6,000 employees isn’t that much.”

For the first rollout, Microsoft installed four suites at its Seattle headquarters and six more across the world. After six months of use, Bailey is enthusiastic about the tool’s capabilities.

“I was in a meeting yesterday between the London and Paris offices. One participant in Paris was sitting right in between two of the cameras. I sent her an IM [instant message], which I saw her read. She moved into a better spot and she looked over just at me and made eye contact that said ‘thanks.’ She didn’t actually say anything. With [these types of tools] you can have a full conversation; you see eyes shift; if you hear sound from the right, the speaker is sitting on the right side of the room and you really look at them. You can’t do that with a webcam.”

Bailey admits that telepresence tools were a hard sell at first to Microsoft travelers. “We implemented these tools at the same time we were cutting back on travel due to the economy,” he says, indicating the concern in the minds of travelers regarding the reasons for the implementation or, perhaps, the rate at which they would be asked to use these tools to replace their business trips.

“With these types of tools you can have a full conversation; you see eyes shift; if you hear sound from the right, the speaker is sitting on the right side to the room and you really look at them. You can’t do that with a webcam.”—Eric Bailey, Microsoft Corporation
Bailey is quick to point out that while these kinds of sophisticated travel alternatives can indeed contribute to travel reduction initiatives—whether to align with green initiatives or simply control travel costs (or both)—there are indirect benefits as well that Microsoft is eager to realize.

“Our corporate goals for telepresence tools were really threefold: 1) to reduce travel in accordance with our environmental efforts; 2) improve work/life balance and communications; 3) reduce the product development cycle through better collaboration.”

That’s clearly an enterprise-focused argument for telepresence tools, rather than one targeted solely at travel, and that may be the right approach for travel management innovators looking for buy-in at the corporate level. As far as success in reducing travel, Bailey sees promise.

“We do track the number of people who are using each room; they have to swipe their badges to go in and we’ve started to survey some users,” he says. “We’ve had such an unusual year with travel; it’s tough right now to tell where the baseline number of trips from Seattle to London, for example, should be.” He also noted that the tools have been up for less than six months, which hasn’t given Microsoft enough time to gauge the initial effort. “Once we get six months under our belt, we’ll start to see some trends.”

In the meantime, Microsoft is clearly a believer in the power of technology solutions to achieve its carbon reduction goals as well as to provide a competitive advantage in its product time-to-market (which the company is currently measuring to determine the impact of projects supported by telepresence). Microsoft plans to roll out eight to ten more telepresence suites by the end of its current fiscal year.

THE BOTTOM LINE

Microsoft: A travel alternative program introduces virtual travel technology to reduce travel and related carbon emissions. Additional enterprise benefits are realized. The online booking tool uses messaging to inform users about available alternatives to travel and directs individuals to book telepresence suites through the company’s Microsoft Outlook meeting room reservation system. In addition to carbon reduction, company realizes other benefits.

Traveler Benefits:
• Improves work/life balance for heavy travelers
• Increases collaboration opportunities with distant colleagues

Enterprise Benefit:
• Reduces carbon emissions
• Cuts travel costs
• Speeds product development cycles

—Eric Bailey, Microsoft Corporation
Innovation carries risks, and it often demands significant resources to plan and execute successfully. In a post-recessionary business environment, a corporation may not have a strong appetite for devoting scarce resources to new travel management strategies. As a result, there is a significant onus on the forward-thinking travel manager to articulate the business benefits of a new travel process or technology to the corporation and the service benefits to the traveler. Without that dual argument, advancing a travel management innovation through the organization is likely to be an uphill battle.

“Companies don’t need travel innovations for the sake of innovation,” says Gillespie, “innovation needs to address a problem”—and it is often not sufficient to address a problem that is discrete to managing travel.

Mike Malinchok, founder and president of S2K Consulting, which specializes in meetings management and executive coaching, speaks often about managing change in organizations and views travel management innovation as not only an opportunity to key into strategic corporate objectives, but a requirement for success.

“Travel managers must communicate the problem they think they are solving and they must demonstrate where it fits in the overall objectives of the company,” Malinchok says. “If they can’t connect the dots for senior leadership, they need to take a step back and reformulate either the idea or the message.”

Garnering buy-in from senior leadership—even from a limited contingent of influencers—will help pave the way for relevant innovation. “Get some influencers out there and then work with them to become your evangelizers,” he adds, but notes that after selling innovation up the management chain, travel managers may need alter their message slightly to push the same ideas down the chain—whether to the travel management team or to the travelers themselves.

“Innovation means change. Innovators need to understand who is going to be impacted and what the impact is. Then, you have to address the two sides—what is the painful part of the change and what is the positive part,” says Malinchok. In doing so, an innovator acknowledges the challenges that he or she is presenting but also communicates the payoff. “When employees see how the change is going to drive success for the company, they are much more likely to get on board.”

**MEASUREMENT MATTERS**

Having tied innovation not only to travel management success but to corporate strategy, the pressure is on to deliver results against those strategic objectives. Some innovations offer more obvious measurements than others. For example, virtual travel alternatives can deliver against several strategic objectives—reducing carbon emissions, cutting travel costs and speeding product development cycles. Such strategies as social networking may deliver more subtle results that are harder to measure, but could be demonstrated on the level of program compliance.

Travel managers must consider from the outset how to demonstrate the performance of travel management

“Travel managers must communicate the problem they think they are solving and they must demonstrate where it fits in the overall objectives of the company.”—Mike Malinchok, S2K Consulting
innovations to senior management and establish a timeline upon which results should be measured.

Torsten Kriedt, BCD Travel’s vice president for corporate intelligence, product planning and portfolio management, counsels companies to establish two sets of metrics—strategic and tactical. “Strategic metrics measure the actual business benefits delivered by a given solution, be they savings, productivity gains or increased traveler satisfaction,” he says. “The closer these metrics are linked to the corporation’s business strategy, rather than focusing purely on travel management, the better.”

In order to make these metrics relevant, travel managers must have a solid understand of the company’s baseline in the affected area before implementing the solution. “Quantify, quantify, quantify,” says Kriedt. “A successful initiative needs to be translated into a tangible success story.”

The second set of tactical metrics will allow the project team to track that the solution is delivering as planned on both technical and user-reception levels. Proactivity is essential: Don’t wait to measure success through “lagging” indicators only to discover that the solution isn’t delivering the benefits promised. For instance, says Kriedt, when companies invest in a videoconferencing infrastructure, they may not be able to measure a reduction in trips until six to 12 months post-implementation. But they will want to track metrics such as general usage, number of attendees per session, duration of virtual meetings, user satisfaction and the like from the outset, as these parameters will indicate whether the solution’s business case assumptions are holding true.

For those companies pioneering the next generation of travel management innovation, however, there remains a good amount of faith in the capabilities of technology to forward travel management goals, as well as a belief that, given the right tools, travelers will make the right decisions for their companies.

“If you don’t evolve and change to manage the marketplace, how are you adding value to your company or your program? How long before you drive people out of the program?” asks Dorian Stonie of Salesforce.com. “I’m a firm believer that the majority of employees want to do the right thing when it comes to travel. How can we make it easy for them, offer the communication vehicles and empower them to make a good business decision? That’s our responsibility: To create a path to excellence.”

The business results will follow.

“The majority of employees want to do the right thing when it comes to travel. How can we make it easy for them and empower them to make a good business decision? That’s our responsibility: To create a path to excellence.”—Dorian Stonie, Salesforce.com