

Travel Policy improvement. Best fare of the day

Best fare of the day
Australia

FAST FACTS

Industry: Pharmaceutical

Scope: Out dated travel policy revised to capture savings through BFOD

Results at a glance:

- Revised Travel Policy achieved \$105,445 savings
- Average ticket price reduced by \$93
- Forecast domestic savings of \$421,772

THE CHALLENGE

A Pharmaceutical company identified the need to improve their domestic fare purchasing practices in an effort to change their company travel culture of purchasing fully flexibility fares as a preferred option. Determined to achieve savings and efficiencies, the pharmaceutical company sought a partner with proven expertise to facilitate policy change and proactively drive a cost reduction strategy.

THE SOLUTION

During implementation, initial discussions were focussed around travel policy and identifying opportunities for substantial savings. CWT identified the following key points:

- Domestic air expenditure represented 75% of total travel expenditure
- CWT conducted analysis of the top domestic city pairs and identified the need for the inclusion of low cost carriers in the travel program
- CWT recommended a total review of their travel policy, to include a mandate of 'best fare of the day'

Using the CWT Policy Builder, (CWT's proprietary tool to help clients assess their exiting travel policy, benchmark their current travel policy against their peers, and build a new travel policy), the National Account Manager helped the client update their travel policy, making it easier to use and clearer to understand translating to increased effectiveness and improved traveller compliance.

CWT transitioned the clients travel program to a domestic best fare of the day policy using a proven change management process. Key to the success was gaining buy-in by company key stakeholders, strict internal mandating of policy, and continued communication.

The revised travel policy was communicated to all staff, conducting travel information seminars to inform and support the travel policy changes incorporating online training and smarter purchasing strategies.

From the commencement of the change management process, CWT has continued to place emphasis on managing compliance and exceptions to the policy through:

- Consultants enforcing best fare at point of sale

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- Implementation of an online booking tool tailored to encourage the purchase of discounted fares
- Incorporating an additional level of authorisation for all flexible fare bookings
- Detailed management information reporting via its best in class, 24/7 web based reporting tool, CWT Program Management Centre (PMC)

THE RESULT

The domestic average ticket price reduced to \$433 in the first three months of changing to best fare policy; a reduction of \$93.

The effective purchase of cheaper domestic fares through the mandate of a revised travel policy has achieved savings of \$105,445 in comparison to the same period last year.

Targeted savings in 2008 are \$421,772 under mandated best fare policy; this represents 21% increase in savings versus achievement under previous policy