



# Lever One:

## Provide the right services and assistance to travelers and optimize transaction processing

By using online booking tools for simple transactions, companies can reduce their total travel costs by up to 15 percent.<sup>1</sup> For complex itineraries and special services, applying the skills of expert travel counselors at the point of sale is important for traveler satisfaction. Having access to the relevant content of airlines, rail providers, hotels and rental car companies is another priority for travel managers and travelers alike. Equally important is providing travelers with a range of services designed to meet their needs from the moment of booking through their return. Implementing the service configuration that best balances a company's requirements for service and savings plays a primary role in supporting these objectives.

To meet these goals, companies must work with a travel management company who can help them to:

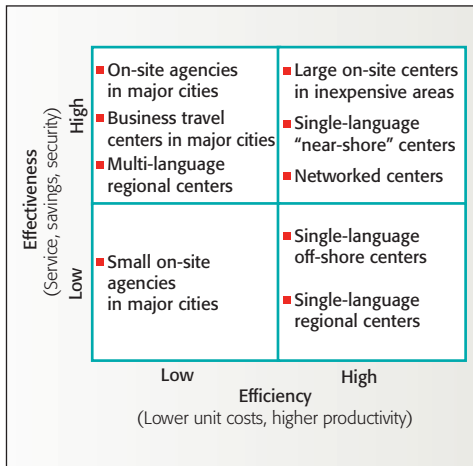
- **Define and implement the right service configuration.** Companies must consider which service configuration will best meet their requirements and establish service level agreements that will meet travelers' needs. Several options exist, presenting various levels of effectiveness—in terms of service, savings and security—and efficiency (i.e., lower unit costs and higher productivity).

Simple transactions are likely to be processed in the most automated manner, ideally through a corporate online booking tool. Complex bookings and VIP services, on the other hand, require greater attention and expertise. To that end, companies have several service configurations from which to choose.

Sometimes an on-site facility (i.e., implant) may be the right set-up to meet service level requirements such as those needed for VIPs at headquarters. Other companies opt for more centralized solutions such as single-language, regional service centers where all tools and procedures are standardized. This option is usually reserved for global companies who are successful in imposing a unique working language and service offering across all countries in the region. Companies who prefer an intermediary approach usually establish a local service center in each country. This alternative is optimal when the service center is created in a low-cost, "near-shore" zone.

<sup>1</sup> *Toward Excellence in Online Booking*, CWT Travel Management Institute (2006)

Figure 2: A range of service configurations to fit different client needs



Source: CWT Travel Management Institute

■ **Ensure full access to relevant content at competitive prices in accordance with the travel policy.** GDS (global distribution system) models have evolved as financially strapped airlines seek to optimize their distribution costs. Consequently, opt-in fees are often charged to ensure that full content remains in the GDS and booking is efficient. Removing content from the GDSs would result in inefficiency, as travelers and travel counselors struggle to consolidate content from multiple sources. To date, no single alternative system can provide the full range of content—including hotel, rail and car—or the pre- and post-trip services currently available in the GDSs. And integrating a variety of alternative systems would lead to higher technology costs.

■ **Optimize the efficiency of simple bookings by driving online adoption**

▣ **Companies who use online booking systems can reduce their total travel spend by 5 percent on average and sometimes up to 15 percent from combined savings on airfares and booking fees, according to an in-depth research initiative, *Toward Excellence in Online Booking*, conducted by the CWT Travel Management Institute. CWT also found that in the majority of cases, payback occurs within one year of implementation.**

Figure 3: Online booking can result in savings on average ticket price of 5% on average



Source: CWT Travel Management Institute

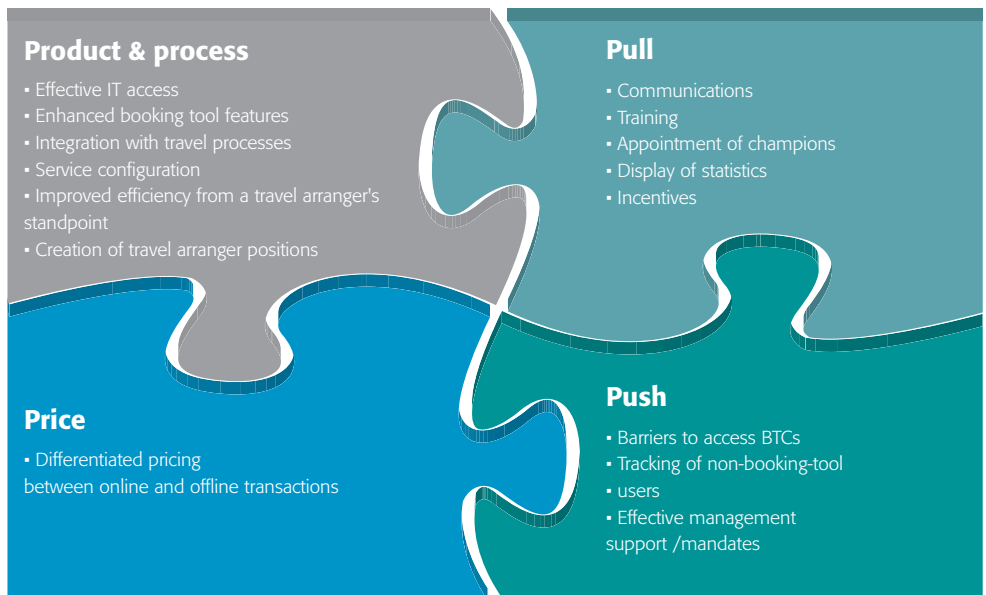
- ▶ **The level and speed of online adoption vary from one company to the next.** CWT has identified two principal groups of performers: the *leaders* and the *laggards*. Within each group, there are two subgroups of performers: the *fast adopters* and *long runners* are among the leaders, and the *stalled pioneers* and *newcomers* among the laggards. On average, adoption levels and speed vary by a factor of ~5 among the four subgroups of performers.
- ▶ **The two principal factors influencing performance are: company culture and financial conditions.** Companies with the greatest speed of adoption tend to have one or more of the following attributes: the ability to easily adapt to change, a strong

do-it-yourself corporate culture, a widely shared and systematically measured methodology to improve process performance, an e-culture, and/or a mandatory culture.

When a company is under significant pressure to reduce costs, there is greater potential to achieve a higher adoption level.

- ▶ **Successful companies tend to use a holistic approach,** combining four key drivers, known as the “4Ps,” to increase online adoption: Product and process, Price differential, Push from management and Pull through training and incentives.

**Figure 4: The “4 Ps”: a holistic approach**



Source: CWT Travel Management Institute

- **Provide a suite of services to enhance the traveler's experience.** A stress-free, well-prepared business traveler enjoys greater satisfaction and productivity, all of which benefit the company he or she works for. To that end, travelers need relevant, easily accessed information, user-friendly technology that facilitates travel planning and 24/7 assistance around the world.
  - ▣ A good starting place is a one-stop, **Web-based traveler portal** that offers relevant content, including the company's travel policy and destination-specific information, as well as easy access to corporate booking and profiling tools.
  - ▣ As personalization becomes increasingly important to the traveler, having access to a complete, easy-to-use **profiling tool** that is integrated with on- and offline booking is essential to ensure that personal preferences are taken into account and bookings properly made the first time.
  - ▣ **Mobile communications** further enhance the travel experience by keeping travelers well informed and updated with the latest information concerning their flight and destination.
  - ▣ Day or night, anywhere around the world, travelers must have access to **emergency assistance** in the event of a crisis or off-hours change in travel plans.

