

At most companies, large and small, business travel is such a significant part of corporate operations that T&E can cost as much as IT or payroll. In fact, travel is a corporation's second or third largest controllable expense. To better manage travel costs, companies are implementing a number of best practices, collectively known as travel management.

Monitor and analyze travel expenditures at a company-wide level. Understanding travel patterns and volume is the first step in creating a sound travel program.

Set, communicate, enforce and adjust travel policy. Policy is the linchpin of any travel program. Essentially, it's the rules that determine who may spend what amount with which vendors. The guidelines cover everything from when travelers can fly in Business Class to what hotel chain should be booked to what vehicle class to rent.

"The importance of travel policy has grown as companies have strived not

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NBTA's Corporate Travel Management 2005

MANAGE TRAVEL TO CREATE VALUE

Travel management is the practice of approaching corporate travel strategically. Managed travel programs balance employee needs with corporate goals, maximize the value of every travel dollar, ensure cost tracking and control, facilitate travel policy adherence, create savings through negotiated discounts, and mitigate risk by centralizing all employee travel information.

A recent survey of business travelers shows how travel management policies create savings and control costs. Travelers in managed programs were more than 20 percent more likely than those in unmanaged programs to report their companies have at least one of 14 travel policy elements in place.

But managed travel offers more than cost containment. Travelers in managed travel programs were more likely to agree the programs are easy to use, make it easy to travel for business, are designed to lower travel costs, and keep employees' comfort and safety in mind.

Learn how your company can benefit from travel management, and how travel departments can leverage the education and resources from the National Business Travel Association — visit www.nbta.org.

only to control costs, but also to comply with Sarbanes-Oxley regulations," says Carol Devine, director, strategic sourcing for BNSF Railway Company and president & CEO of National Business Travel Association (NBTA).

No policy is effective unless it's enforced, Devine added. Best-practice companies flag exceptions at the point of sale; many travel managers also carry out regular audits, and take action against improper spending.

Put a payment platform in place. Consolidate all travel spending onto a single payment vehicle, such as a corporate card. This way, companies can capture accurate information, no matter

MALAYSIA AIRLINES FLEET UNDERGOES TOTAL CABIN REDESIGN

Malaysia Airlines is nearly finished with a striking cabin redesign on the fleet's 32 Boeing 747 and 777 aircraft. According to Vladimir Velasco, marketing manager for North America, passengers will enjoy new sleeper seats in Business and First class, as well as buddy seats (First Class only), ottoman-type seats that will allow fine dining for two.

New menus have been developed by well-known chefs, and à la carte service allows passengers to choose from an array of ethnic, vegetarian and organic meals. The entire plane will have an upgraded in-flight entertainment system. In First and Business Class, extras include noise-canceling headphones, mood lighting, electronic window shutters and touch-screen monitors. Business travelers will have satellite phone, fax and air-to-ground services as well as seat-to-seat telephones. "The redesign is a major undertaking, but we have listened and responded to what our passengers want in total comfort and service," said Velasco.

Malaysia Airlines is the largest passenger carrier in Southeast Asia, flying to more than 100 destinations on six continents. Known for its exemplary in-flight service, Malaysia Airlines has won numerous international awards for best cabin staff, best airline lounge, best Business Class and overall best airline.



how travel is booked — by travel agent, through a portal, or directly with the vendor.

The information that can be mined from card information is invaluable. First, it will give an overview on totals, which then can be broken down by traveler, department, business unit, etc. Second, the information about your company's spending behavior is of vital interest to vendors, who are interested in competing for your business.

Negotiate corporate travel contracts and discounts.

One of the travel manager's most strategic functions is to negotiate contracts with airlines, hotels, car rental companies, and other travel providers. The agreements should be designed

to ensure that corporate goals (safety, cost-efficiency) and traveler needs (comfort, productivity) are met.

Travel managers also audit contract compliance to ensure that agreements are met and any variance is corrected.

Suppliers may actually be the source of interesting savings opportunities. Travel companies like Oakwood Worldwide are adding services and becoming more in tune with their customers' needs. Radio Shack's senior director of employee

relations services Jeff Bland agrees. "Oakwood's Total Solution has been terrific," he said. "Not only have they provided exceptional service, but they have been diligent in keeping our costs in line with budget."

Likewise, work with airline partners to see whether special marketing programs dovetail with your company's travel patterns. Malaysia Airlines, for example, recently launched the AccessAsia Premier Pass, good from two U.S. gateways — Los Angeles and Newark — to Kuala Lumpur; from there, travelers can fly to three additional Asian cities, gratis, within 21 days. Fares are extremely affordable: base rates are \$3,777 for Business Class and \$5,777 for First Class.

Globalize.

Many companies are working toward travel management policies and practices that extend throughout their business units and locations. Globalization leverages the benefits and values offered by a managed travel program, and multiplies them across the enterprise.

"To be truly global, your program cost savings and benefits should be evident internally within your company as well as to your suppliers in order to fully realize the maximum potential for your program," says Kevin Iwamoto, global air & car supplier manager for Hewlett-Packard and NBTA chairman/past president.

Create strategic meetings management programs (SMMPs).

SMMPs apply the fundamental concepts of corporate travel purchasing, which focuses on individual travelers, to group travel. "Travel managers are in an ideal position to provide value in this area," summed up NBTA's Carol Devine, "since they're already familiar with sourcing, negotiations and contracts."

At Hewlett-Packard, Lea McLeod, director, travel and meeting services is launching a new business process that puts the right meeting management tools in the hands of planners throughout the organization. "Our meetings vary from workforce development to reseller and customer events," McLeod explained, "and many of these meetings are organized by people who aren't full-time planners. We're providing a standard set of tools and processes to help them optimize procurement, planning, negotiating and payment. Then, with all this information in one place, managers can make better decisions around what meetings they're having, how much they cost, what it costs to cancel, etc."

Mandate an online booking system.

By having travelers book their own travel, companies can save hundreds of thousands, even millions, on travel agency transaction fees. And travelers turn out to be frugal shoppers. "We've found that our travelers will really shop for the best fares when they're making bookings themselves," says Tim Bone, global sourcing manager for Agilent Technologies. "They know what their budgets are, and when they see their options on-screen and are directly accountable for their flight selection, they invariably choose lower fares."

Web Resources

Malaysia Airlines

<http://www.malaysiaairlinesusa.com>

National Business Travel Association

<http://www.nbta.org>

Oakwood Worldwide

<http://www.oakwood.com>

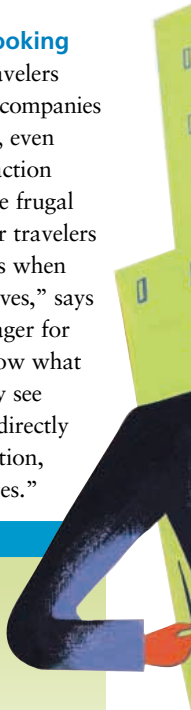
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OAKWOOD WORLDWIDE: Industry Pioneer & Global Leader in Temporary Corporate Housing

The inventor of the corporate housing concept more than 40 years ago, Oakwood Worldwide is the dominant global leader of this innovative temporary lodging solution. Its customers, from America's largest corporations to boutique consulting firms, to the cast of popular TV series, have discovered they can save millions while providing executives, trainees and relocating employees with spacious and desirable apartments.

Oakwood's approach to service touches everything from the layout (interiors focus on aesthetics, comfort and guest productivity) to location (in quiet residential neighborhoods rather than on the highway) to cost effectiveness (in some markets, an Oakwood apartment costs significantly less than a hotel room).

Corporate service innovations abound as well.

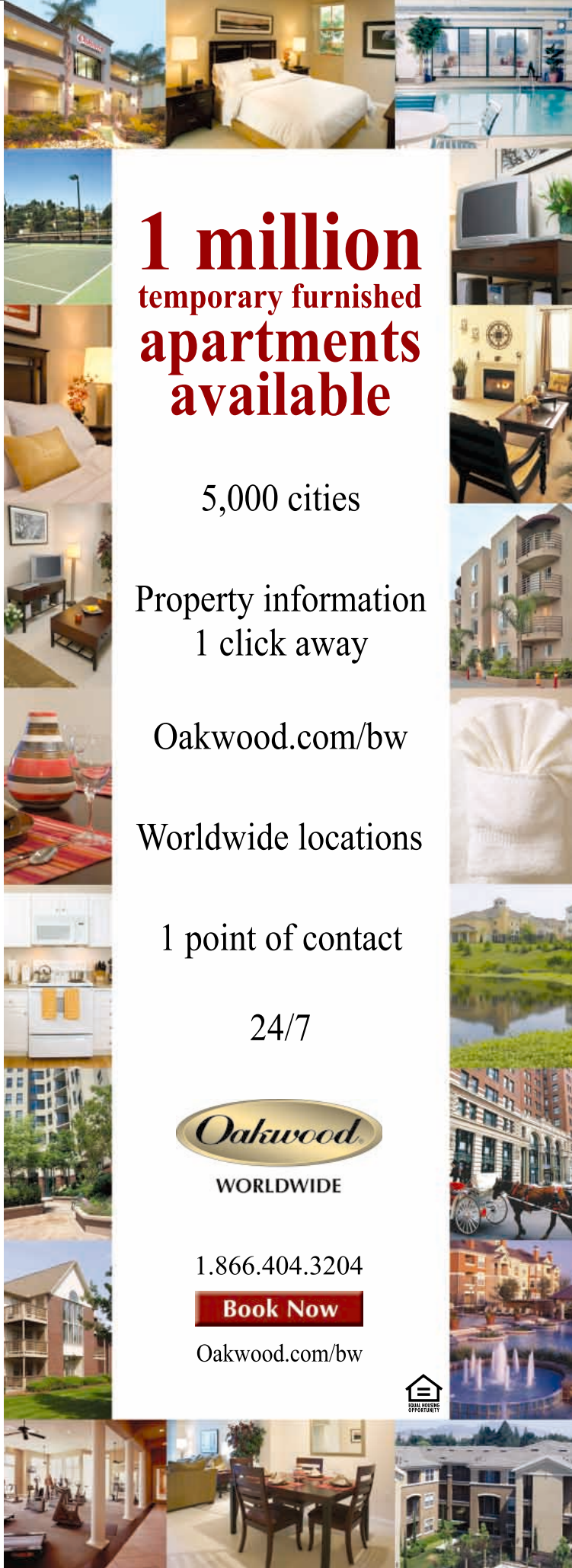
• **The Oakwood Total Solution Program** allows companies to outsource all of their housing requirements, whether they're for corporate housing or traditional hotels, to Oakwood. A single call handles booking and billing, no matter where the guest stays. "Because we've made agreements with lodging companies across the globe, we can offer this omnibus solution to our customers," said Founder and Chairman Howard Ruby. "The agreements cover a network of more than 5,000 domestic properties. Our goal," Ruby explained, "is to continue adding services and global locations to make us indispensable to our clients."

• The recently introduced client portal, **eOakwood**, provides 24/7 access to key housing data. eOakwood's eInvoicing feature provides access to consolidated statements and all invoices.

• **eConnectivity**, a closed-loop data transfer system, links Oakwood's global clients' I.S. systems directly to Oakwood Worldwide. In addition to facilitating seamless booking, the secure system allows for online bill paying, customized reporting and employee tracking.

Also to be launched in 2005 is **myOakwood**, an online resident portal and virtual concierge, providing detailed information on the apartment and the neighborhood. The site is interactive, so guests can make service requests online, book future reservations, and much more.

The unique blend of technology, processes and people all add up to the "Oakwood Advantage" — a unique confluence of value and service.



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