

# NBTA's Focus on Business Travel 2006

Business travel is on the upswing, and so are travel costs. According to the National Business Travel Association's (NBTA) 2006 Business Travel Overview and Cost Forecast, domestic fares are expected to rise six percent this year, hotel prices are projected to jump nine percent, and car rental prices are predicted to climb five percent. "These cost increases, along with growth in the number of travelers and trips per year, puts the spotlight firmly on travel procurement," said NBTA president and CEO Suzanne Fletcher.

So how are America's most progressive companies sourcing travel, implementing spending controls, and leveraging purchasing power? According to the NBTA, they are following these best practices:

**Designate a travel manager.** Whether this manager reports to finance, procurement or elsewhere, a subject-matter expert skilled at negotiations, communications and data management can apply industry-specific expertise to strategic sourcing of travel.

**Monitor and analyze travel expenditures at an enterprise-wide level.** Travel is typically a corporation's second or third largest controllable expense. Understanding patterns – including frequently traveled routes, how far in advance travelers make reservations, seasonal variations, and regional variations – is the first step in spend control. "Many companies are taking a hard look at all areas of travel spend," says Charles Franklin, manager of corporate services, American Honda Motor Company, Inc. "They're creating cost-effective, enterprise-wide approaches to meetings and moving transient travelers to lower-cost or higher-value choices.

These efforts may include switching to a different tier or brand of hotel, using secondary airports, or in some markets, traveling by rail rather than air."

Some companies are also taking advantage of new opportunities to collect

frequency-program points for employees' business flights. The **British Airways On Business** program, for example, allows companies to earn points redeemable for upgrades, reward flights and hotel stays. To make this option more attractive to road warriors, travelers who are Executive Club members also benefit by earning British Airways Miles for personal use. Visit [www.britishairways.com](http://www.britishairways.com).

**Enforce travel policy.** Travel guidelines cover everything from how reservations are made (online or with a travel agent) to when travelers can fly Business Class (on a flight over five hours or if the traveler is at director level or above) to limits on business entertaining.

## July Conference to Focus on Best Practices in Business Travel Management



The National Business Travel Association's (NBTA) International Convention & Exposition offers opportunities for attendees to learn more about the travel management practices outlined in this section, as well as other best practices and developing industry trends.

More than 5,000 corporate travel professionals from more than 30 nations gather each year for this leading industry event, which features:

- A trade show with more than 400 exhibitors
- A Technology Pavilion showcasing the latest developments in travel management technology
- A variety of opportunities to network with peers
- World-class speakers
- More than 50 seminars covering best practices and the latest developments in business travel
- Several levels of professional development offered in pre-convention sessions

**For information** on how your company can take part in **NBTA's 2006 International Convention & Exposition, in Chicago, July 16-19**, see [www.nbta.org](http://www.nbta.org)

Yet no policy is effective unless it's communicated and enforced. Best-practice companies communicate regularly through multiple channels to teach travelers and travel arrangers about the travel program and the importance of compliance. Many travel managers also use electronic filters to identify out-of-policy requests at point-of-sale, requiring a manager's approval of such bookings before reservations are finalized. Regular audits, also a best practice, identify problems and new savings opportunities.

Best-practice companies also adjust policy over time, allowing the program to respond to trends in the marketplace or changes at the company. "A new route launched by a low-cost carrier flying your company's frequently used city-pairs would prompt you to examine existing airline contracts," says Sally Abella, CCTE, director of corporate travel, Harman International Industries, Inc. Likewise, she said, a merger or acquisition may combine a loosely-managed travel program with a highly controlled one, requiring a policy evaluation.

#### **Globalize a corporate card program.**

By channeling all T&E charges through a small number of corporate cards, spend information can be captured no matter where travelers are based or how they book travel.

Card companies offer sophisticated spend analytics tools that allow companies

to aggregate data in meaningful ways. This information is of vital interest not just to your company, but also to vendors willing to provide significant value for corporate clients in exchange for volume or market share commitments.

There are other benefits to card

productivity. On long-haul flights a traveler's comfort crosses both categories, ensuring a pleasant trip and a more productive employee. Seats that convert into flat beds are a distinct competitive advantage for global airlines such as British Airways and Malaysia Airlines.

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programs. Some offer financial incentives once a certain spending threshold is reached. Most offer supplemental insurance for car renters. Companies can set spending limits, or even issue an event-specific card.

**Negotiate corporate travel contracts and discounts.** "One of the travel manager's most important strategic functions is to negotiate agreements with airlines, hotels, car rental companies and travel agencies," said NBT's Fletcher. The agreements should be designed to meet both corporate goals – safety, cost-efficiency, effective employees – and traveler needs – comfort and

Designers of British Airways' Club World product clearly have traveler productivity at top of mind. Passengers are given the option of eating dinner in the departure lounge so they can go to sleep immediately after boarding; once at Heathrow, there's a spacious, modern lounge-cum-spa, where travelers can shower, relax, get their shoes shined and clothes pressed, check e-mails, and eat a leisurely breakfast before heading off to meetings.

**Automate the front and the back end.** By having travelers book their own travel using an automated, enterprise-wide booking tool, companies can significantly cut travel agency transaction fees. And while most companies focus on savings opportunities on ticket prices and room rates, there are also significant process savings to be realized by automating the business travel expense reporting process. Electronic expense report solutions linked to online booking tools and/or corporate cards can cut \$25-\$75 per reconciled expense report, on average. Automated reporting solutions improve productivity by cutting time employees spend on their reports and cut costs by catching and eliminating out-of-policy expenditures.

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## Bringing New Artistry to In-Flight Dining



While other carriers are cutting corners on meals, **Malaysia Airlines** is actually enhancing the dining experience and bringing glamour back to in-flight dining. Well-known chefs from all over the world have developed exciting new menus, a series of award-winning wines has been selected for a cellar-in-the-sky, and a new à la carte service allows passengers to choose from an array of ethnic, vegetarian and organic dishes. There are even personal breadbaskets filled with artisan breads.

Signature dishes draw inspiration from modern French cuisine and authentic Asian dishes. The new menu items, from lamb shank in Sarawak black pepper sauce to baked North Atlantic black cod to satay, are very much in keeping with Malaysia Airlines' philosophy of going beyond expectations. That includes considering the entire fine dining experience, not just the cuisine. Passengers can expect the same attention to details they would get in any top restaurant on the ground. This includes silver cutlery, Italian glassware, Wedgwood tableware, and individual French presses for coffee.

**For more information:** [www.malaysiaairlinesusa.com](http://www.malaysiaairlinesusa.com).