

The NBT A

Convention Guide to Corporate Travel

At most global organizations, travel management plays a significant financial role. Since travel is typically a corporation's second or third largest controllable expense, having experienced travel management professionals manage travel-related services provides measurable benefits. Monitoring and analyzing travel expenditures is essential for realizing cost control.

But savings is only one of many responsibilities that travel managers are charged with. Others include safety and security, sourcing and procurement, technology tools, and business strategy and negotiation. These topics and more will be discussed in 50 sessions at the National Business Travel Association's 38th Annual International Convention & Exposition, which brings more than 5,000 buyers and suppliers together for seminars, workshops and product showcases. Keynote speakers will include former CEO & president of Hewlett-Packard Carly Fiorino, former CNN anchor Bernard Shaw and President George H. W. Bush.

TOPICS on the CONFERENCE AGENDA:

■ The Persistent Challenges of Globalization

One of the key tenets of best-practice travel purchasing is consolidation. In theory, that means using one global travel agency, one self-booking platform, and one T&E charge card throughout the enterprise; it also means negotiating worldwide airline, hotel and ground





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transportation agreements. The result would be better cost control through improved visibility, increased purchasing power, and streamlined administration, by using fewer vendors and by standardizing purchasing processes.

In practice, however, global consolidation is far trickier than it may seem. The obstacles range from technical (platforms that don't integrate seamlessly) to linguistic (providing multiple versions of self-booking and expense management tools that must



be created). There are also human and cultural factors—resistance to change, a preference for local vendors and a desire to remain autonomous.

It takes time, patience, a careful change management program, and above all, a champion at the C-level to move globalization forward. Many companies launch globalization efforts one market at a time using a local procurement professional to push the effort forward, to oversee communications with travelers, IT integration, and training.

■ Is Dynamic Pricing Driving Up Travel Costs

Travelers know all about dynamic pricing—they're painfully aware that airline seats cost more or less depending on how full a flight is, how far in advance a flight is booked, and how much competition there is on the route. Now hotel companies are hoping to use that pricing model when determining room rates, and travel managers are weighing the potential impact. "It means tough challenges when it comes time for finalizing budgets and negotiating rates for a corporate hotel program," according to Sam Schisler, global hotel program manager for Limited Brands and incoming chairman of the National Business Travel Association's hotel committee.

Up until now, says Schisler, corporations were able to lock in fixed, negotiated prices for hotel rooms in an annual contract.

Agreements, either on a chain-wide level or with individual properties, directed travelers to book those chains or properties in exchange for discounts and preferential treatment, like space-available upgrades. That's why moving to fluctuating market rates in a market with steeply rising rates means that hotel spend is likely to jump, and continue to move up in 2006 and 2007. According to PricewaterhouseCoopers, the average daily hotel-room rate has increased more than five percent a year for the past three years.

Many travel managers, Shisler says, are working hard with their hotel partners to maintain the traditional model. Meantime, some hotel companies are working closely with travel managers on a middle ground between a market rate and a fixed negotiated rate. Marriott, for example, offers some companies a floating discount off a benchmark rate.

■ Keeping Meetings Costs Under Control

Corporate America spends upwards of \$100 billion a year on meetings according to industry experts, totaling between one-third and two-thirds of their total corporate-travel budgets. That's why companies are taking a careful look at the way meetings are called, planned and paid for, says Kari Knoll Kesler, global manager for Honeywell Meeting Solutions and chair of NBTA's Groups & Meetings Committee.

The Ultimate Comfort and Convenience in the Air

Long-haul flights can be tough on body and soul, but **British Airways** has designed a way for business passengers to comfortably sleep, work and relax at 35,000 feet.

More than \$350 million was spent on the new Club World. The seats are designed in forward and rearward facing pairs. When upright, the seats feel like armchairs, and convert to a six-foot, fully flat bed at the touch of a button. The lounge-style layout is designed to maximize personal space and privacy, with each seat also featuring individual privacy screens. Passengers are treated to large pillows and cushy blankets to help them sleep even better. And when they're awake, they're treated to menus recently re-designed by the airline's 'culinary council' of celebrity chefs.

Superb inflight service is just one of the reasons why British Airways just won the 2006 Airline of the Year award by Skytrax. For more information on Club World, visit www.britishairways.com.

Companies are also taking a much more strategic view of group spend. Kesler, who has a background in procurement, says that best practices in strategic meetings management include using a single payment platform, such as a corporate meeting card for all meetings and events, establishing a clear meetings policy, using specific processes for site selection, registration, payment, contract management, etc., and combining group with transient spend. By

NBTA Resources Help Companies Make the Most of Travel Programs



Through effective travel management, businesses meet strategic business goals, maximize the value of travel expenditures, and minimize risk for traveling employees. To ensure your company is using best practices and staying current on the latest developments in travel management, take advantage of the networking and professional development opportunities offered by the National Business Travel Association.

The 2007 NBTA International Convention & Exposition will be held in Boston, July 22-27. NBTA also offers opportunities for education and networking year-round, including events in financial centers such as Brazil and London, web-based seminars and the industry's only professional certification. Members also get access to resources to keep them informed and help them do their jobs better, including a daily news update, original research, white papers and sample RFPs.

For more information on the resources offered by NBTA, see www.nbta.org



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SPECIAL ADVERTISING SECTION

One solution, the **Gelco** ExpenseLink, so simplifies the expense report process that filing one can take less than a minute. Card charges are automatically applied and categorized; finishing the report is a matter of entering any out-of-pocket expenses, attaching a business purpose and hitting "submit." From there, the report passes along a workflow—first, for a manager's approval, then to accounts payable, then, if the company chooses, to an auditor, either the company's or Gelco's. Gelco pays the traveler's corporate card bill on behalf of the client, and reimburses the traveler for out of pocket expenses in as little as three business days. Any spending that's unusual (such as a \$20,000 dinner) or out of policy is flagged, to be handled at the manager's discretion.

The advantage of Gelco's solution isn't just speed, but cost-effectiveness. "A manual expense report typically costs \$20-\$50; with Gelco, the price is less than \$10 to file, route, pay, and audit," said Troy Thibodeau, vice president of marketing



doing so, companies not only increase their purchasing power but drive efficiency in the pre-program (planning) and post-program (tracking and reconciling) phases.

■ Automating Expense Reports

Automation has swept the travel management space; most corporations use online bookings to save on the front end, and

they're looking to automate the back end as well—to streamline processing, gain visibility over spending patterns, and increase control. By moving from a largely manual process to a system that feeds corporate card charges directly into an electronic template, companies are yielding all sorts of benefits for travelers, their managers, and the back office.

Setting the Gold Standard in Service and Amenities

Malaysia Airlines' first- and business-class passengers are pampered in-flight, with five star, award-winning service and world-class amenities. The pampering continues on the ground with Malaysia Airlines' award-winning Golden Lounges at key destinations around the world.

The Golden Lounge at Kuala Lumpur International Airport, Malaysia Airlines' hub, is the most spectacular of all. Arriving, departing and transit premium passengers are treated to spa facilities, including showers, a sauna, salon and mini-gym; a cyber café/bistro; and a Relaxation Room featuring innovative massage chairs and foot massagers. The business center provides a meeting room that accommodates eight people, complimentary business services (fax, photocopy and local phone calls), both wired and wireless Internet broadband as well as dial-up connections, and a selection of peripherals for guest use (including adaptors, printers, transformers, mouse, etc.).

No wonder the Golden Lounges have won prestigious international awards from Skytrax and Inflight Research Services. For more information on Malaysia Airlines and the Golden Lounges, please visit www.malaysiaairlinesusa.com.

for Gelco Expense Management. For a company that processes 100,000 reports a year, the savings can easily reach seven figures per year. "There aren't many processes that can demonstrate this big an impact so quickly with so little disruption," said Thibodeau. "It's not expensive, not difficult to implement, and it's extremely popular with users." For more information, visit: www.gelco.com.

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