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CATEGORY INSIGHT TRAVEL MANAGEMENT



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MORE THAN GETTING
FROM A TO B



For your corporate travel programme to be manageable and measurable, you need global solutions where they count. From technology, to data, to savings, Radius Travel leverages the best of global solutions and local experience to make corporate travel work for you.

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Business class

A strategic approach to global travel procurement delivers value and takes away stress, writes [Lindsay Clark](#)

Business travel can be tiring and stressful. After a long flight, nerves are fraught and tensions are high. The slightest misplaced word, in the name of customer service, can set off a train of negative impressions. The experience especially matters when the traveller is one of the top executive team and the procurement department has selected the travel supplier.

It can be a particularly thorny issue for the procurement professional charged with sourcing travel management services. The employee's experience of business travel can be the most emotive aspect of buying the category. If an executive gets sniffy service at the car rental desk, for example, they will not be shy about making their feelings known to the responsible department. Dissatisfied travelling employees can make a lot of noise.

Although it may be the cause of the loudest shouting, stakeholder travelling experience is only one of five important elements in developing a strategy for business travel procurement. The others

are: data collection and analysis; setting travel policies and governance; ensuring finance and IT can support the procure-to-pay process; and deciding how end users should pay for travel.

Procurement seems the easiest bit. You can gather and analyse data, understand how much you spend with a number of airlines, hotels and car hire companies, change the travel policy to favour preferred vendors, drive spend to them and get volume-generated savings.

Although it may seem easy to drive savings, understanding the business value supported by specific providers, contracts and levels of spending is more complex than it first appears. The quality of experience and the business travel policy, for example, can contribute to other business objectives, such as employee recruitment and retention (see *box, Why travel?*, page 3).

While driving savings through ever-larger deals with global travel management suppliers may make sense in terms of

economies of scale, the approach can result in a standardised solution that may not accommodate local differences in culture and travel policy. Gaining an understanding of the local market is important for buyers who want to give travellers the right service.

For example, some organisations have a mix of online and offline bookings across their global operations and some regions are emerging markets – so a one-size-fits-all policy simply will not work. In even the most centrally controlled organisations, it is usually important that the regions have some authority over what they are doing.

Travel management company Radius Travel helps organisations gather and analyse spend data and procures travel services on their behalf through its network of local suppliers. That means the firm's regional agency staff can offer a more personal service while, at the same time, a global account team works with the client to help spot patterns or trends across the organisation. That combination of better data and an improved travel procurement strategy can help deliver superior insight and significant savings, mainly through better global rates and regional deals with vendors.

GOING LOCAL

As a global travel management company, Radius Travel designs and delivers programmes unique to each client through a network of more than 100 best-in-market agencies.

“We have the best combination of a local and a global approach: global standards around data and accountability but with a personalised

local service. We really understand what the local markets can provide,” says Nicole Wilcock, senior director, global implementation and client technology at Radius Travel.

“Every country is different and may have very particular travel requirements. Our network includes experienced local agencies with a great deal of acquired knowledge so they can anticipate what clients will need,” she says. “For example, in India, every national requires a visa to travel to most other countries. Having on-site operations in every country means our agency in India knows to allow time for the visa process, if necessary. A global provider would not necessarily have a good grounding in local culture.”

At the same time, data is collected on a global basis in cloud-based software which gives buyers direct access to the analysis they need to manage the category efficiently and effectively, she says. “We provide the standards that procurement managers want, with consolidated data and visibility of standard key performance indicators: all the metrics they need to report performance.”

With this method, Radius is able to help small organisations that are starting to put a travel procurement strategy in place, as well as large multinationals with a mature approach. “We see a lot of initiatives on cost savings among really large multinationals where travel spend is huge. But that behaviour has trickled down to companies with a more modest spend,” she says. “They also want to consolidate their spending and improve how they negotiate with suppliers. ▶

“The CEO often has a very clear picture of what is required from business travel, but is hardly ever asked”

WHY TRAVEL?

Such are the relentless demands of business travel, procurement can get sucked into tactical problems in the category and lose focus on strategic issues, says Caroline Strachan, managing partner with Festive Road, a consultancy that helps travel buyers and suppliers.

“You can end up with managing it operationally rather than asking: ‘Why do we travel? What is the right amount to spend? Would spending more help us grow?’” she says.

To answer these questions, businesses need to understand the potential benefits of business travel to their organisation, over and above simply getting from here to there for the lowest price.

RECRUITMENT AND RETENTION

“We had a customer with the head office in London and the finance team in Dublin. They were thinking: ‘We must be able to reduce the number of trips,’” Strachan says.

“We take a consultative approach: we don’t put square pegs in round holes. We’re used to working with people who do not have travel in their DNA.”

FLIGHT PLAN

Wilcock estimates most businesses they work with can achieve around a 15% saving on their travel spend within the first year. But savings are not everything. Caroline Strachan, managing partner with Festive Road, a consultancy that helps travel buyers and suppliers, says it is also important to understand business value when buying travel (*see box, Why travel?*).

“Whenever we do strategic work, we listen to travellers, executives, stakeholders such as HR and IT, and suppliers,” she says.

“When we spoke to HR, they said, ‘We have very low staff turnover because the people feel travel is a perk. If we take that away then staff turnover will go up.’ When you look at the total cost, it was worth keeping the trips.”

HEALTH AND WELLBEING

People who travel a lot often try to balance their family life, work and health. They want to arrive refreshed and ready to do business, having eaten healthily and maybe exercised in the gym. If people travel for lifestyle, it has to be a lifestyle they can sustain.

RISK

Radius Travel’s Nicole Wilcock says up-to-date travel data can help reduce risk: “Technology that supports procurement or travel management to track and identify people is part of the business’s ‘duty of care’ to employees. It can also help push out messages to employees on the road.”

“We always speak to CEOs and their direct reports. The CEO often has a very clear picture of what is required from business travel, but is hardly ever asked. I heard one say, ‘Somewhere along the line we confused how we buy travel with how we buy toilet paper.’”

Businesses need to ask themselves, which is most important: costs or their people, Strachan says. While both are important, finding the right balance helps guide the travel strategy.

One area where travel management adds value is in managing risk. “Back in 2008, organisations were most concerned about corporate manslaughter legislation and their liabilities. Now, we have gone past that, and most organisations believe it is

the right thing to do. Most companies believe they should look after their employees and know where they are at all times,” she says.

Consolidated data on business travel is vital for organisations to locate employees in the case of a major incident, such as a terrorist attack or natural disaster, or more minor events, such as industrial action or the collapse of a supplier such as an airline. Either way, getting data quickly is vital to ensure employees are looked after and accounted for, she says.

Radius Travel’s tracking tool helps ensure employees’ whereabouts are known should an emergency situation arise en route while text alerts can warn travelling staff members of any incidents they need to know about.

Travel is a category in which buyers can find a rich seam of savings. But they can also add value to the business through recruitment and retention, and by managing risk. To do both, buyers need the right tools for the job – and that will help relieve the stress of getting from A to B and back again. ■

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We provide global solutions where they count, with exacting standards in place in every market in our network. Our local agencies have roots in their communities and brands your travellers will recognise, which translates to better buy-in, better experiences and better compliance.

Every client, large or small, deserves solutions tailored to their needs. That’s why our model, our network, and our team are built to provide global scale and personal service. For travel programme success on your terms.

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