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Seeds of Change at the Business Travel Show

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5-6 February 2013 - Earls Court - London

This year's Business Travel Show was buzzing with new research and innovations from suppliers, with attendee's road-testing solutions that could help them manage their travel and mobility programmes more effectively. Jonathan Green shares his thoughts about what was discussed at the show and how travel and mobility will shape up in 2013.

In these tough economic times it was no surprise that managing costs was once again top of the agenda for buyers. "How can we reduce costs?" is an easy question to ask. Answering it, as travel buyers and managers will know all too well, is the hard part. In an environment where the costs of travel are increasing and travel budgets are being squeezed the old way of doing business and creating value sit in the past.

Carlson Wagon-lit Travel shared the findings of research of 800 travel managers and outlined their priorities for 2013. The top three, driving air and transportation savings, improving traveller compliance and optimising hotel spend were the focus of the discussions amongst buyers, suppliers and consultants at the show. The approach to achieve cost reduction in these areas varied – from better control and procurement practices, improved negotiation to achieve better rates and across to re-engineering programmes with a strategic focus on business outcomes.

One buyer with a strategic hat on was Torbjörn Erling from IKEA. Hosted buyers heard from Erling about demand management and IKEA's philosophy of "Meeting the IKEA way". Erling described travel and meetings programme as a "cog" in a far bigger process of business operations. Every aspect of IKEA operations is focused on the outcome – delivering the best products to IKEA customers - with the travel and meeting programme designed and shaped by how it can help the business add value for the customer. Erling believes his role is to "support the core business" and that the role of travel and meetings managers is "steering the programme to enable business solutions" that meet the needs of the end customer. This outcome driven approach is a paradigm shift from the idea of simply buying business travel.

It's all about change

Change is hard. Leo Tolstoy, the Russian writer once said, "Everyone thinks of changing the world, but no one thinks of changing himself." Change has to be embraced by all those that are involved in a programme - from senior management all the way through to the individual traveller. A proposed mobility strategy or new solution is only the seed of idea. It needs to be watered, seen and used by people if it is to become a reality.

Creating Value

Businesses are changing the way they operate to optimise performance. The travel and mobility sector, as a service industry, has to evolve to meet the new needs of the business community. In

the quest for savings travel and mobility managers are now actively looking to 'get their hand's' around all aspects of expenditure associated with business trips to understand where to efficiently 'target' their energies, achieve savings and optimise business processes.

The IKEA approach, where Erling reports into the HR function, is a holistic approach to optimisation – from an operational effectiveness, cost and people perspective. The result has been the creation of a "meetings culture" rather than a travel management programme. Erling believes that meetings and travel and "interdependent" and need to be managed as such if the business – and perhaps more importantly, its customers are to benefit.

Integrated Solutions

Given the focus on the end to end trip amongst buyers, there was an increase in the level of integration across different modes of travel in supplier's solutions. BCD Travel was demonstrating its Trip Planner to delegates. This solution, powered by trip technology company routeRank, combines the traditional and less traditional sources of travel used by business travellers, such as: public transport and their schedules, as well as the travel time and the fuel price, and enables door to door travel rather than point to point.

BCD Travel was not alone. KDS was promoting its new NEO product, which provides postcode to postcode travel, whilst Amadeus shared with buyers the development of its meeting optimisation tool that selects the best meetings venues for travellers based on their locations from a cost and time perspective.

Amongst these pioneering solutions there was a mass of ground transportation solutions being integrated into TMC, booking tool and GDS systems. With buyers looking to get their hands round the entire trip cost suppliers are responding with solutions that now pull together different modes of travel and present increased levels of visibility of the true costs of travel. With visibility buyers can start to see opportunity.

Its early days

A 'one transaction trip', a booking that incorporates all modes of travel, accommodation and meetings solutions from door to door, is the seed of an idea. It is perhaps the panacea of a managed mobility programme as it has the potential to create value across all aspects of the value chain - reduced distribution costs, streamlined booking time, cost control, improved customer

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chain – reduced distribution costs, simpler booking time, total cost of trip comparison (and therefore savings from optimised travel planning) and simpler reconciliation and payment process.

And last, but by no means least, if a simple process enables the traveller to focus on delivering business outcomes and not travel arrangements then compliance will rise.

The next steps

A seed needs to be watered and if it is to come to life. The challenge for the travel and mobility community is two fold. Creating the distribution architecture that makes the proposition possible is not a simple. However, pioneering suppliers are partnering with technology suppliers to show what is possible – and buyers are getting a taste for it. Secondly, the market – the buying community – are the drivers of innovation and will encourage the investment needed, be part of beta testing and help create the solution that meets corporate and traveller needs. Partnership and collaboration are essential ingredients of success in a managed and integrated travel and mobility programme. And central to these two drivers are people.

What will the seed grow into?

What the seed of integrated business travel and mobility management will grow into will only be known if buyers and suppliers keep watering it. What is clear however, is that there is an appetite for innovation as the old ways of doing business travel do not deliver the results for customers, business and the travellers of today. 2013 looks set to be a year of exciting innovation.

| 07/02/2013 | Jonathan Green

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