Travel Management Priorities for 2009
Traveling Smarter

Carlson
Wagonlit
Travel

Contents

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Executive summary

Tough times present an opportunity for companies to demonstrate the value of an effectively managed travel program. As the global economy slides deeper into recession, many organizations need to control travel costs while limiting the impact of cost-saving measures on their business. Traveling smarter is the answer.

More than a third of companies predict less travel in 2009

According to a Carlson Wagonlit Travel (CWT) survey of 178 travel managers conducted in October 2008, 37 percent of companies expect employees to take fewer trips in 2009 than in 2008. Surprisingly, perhaps, 38 percent expect the number of trips to remain unchanged while 20 percent forecast an increase. (The remaining 5 percent said they did not know.) These figures should be approached with caution, however, given the volatile nature of the current economy.

What is certain is that all companies will find managing travel spend a growing challenge as the cost of trips continues to rise. Airfares will be further impacted by reduced capacity, less competition on some routes and new ancillary fees. At the same time, hotel rates may continue to increase in some markets even though occupancy is beginning to fall.

To face this challenge, travel managers are employing measures ranging from raising awareness of the travel policy and enforcing compliance (72 percent and 70 percent respectively) to imposing a travel freeze if necessary (13 percent), as shown in the following chart.

Figure 1
How is your company managing rising travel expenses?
(Several responses possible)

Raising awareness of the travel policy	72%
Enforcing compliance	70%
Encouraging videoconferencing	67%
Reducing travel	62%
Tightening the travel policy	53%
Imposing a travel freeze	13%
None of the above	3%

Source: CWT Travel Management Institute
Based on a survey of 178 travel managers worldwide, October 2008

Most travel managers will increase their focus on savings above all, and some will also ramp up service, security and sustainability

Travel managers will naturally focus on maximizing savings in 2009, but they will also seek other benefits of a well-managed travel program—service, safety and sustainability.

More than half of the survey respondents intend to make a higher priority of improving traveler compliance (66 percent), driving air and ground transportation savings (59 percent), optimizing hotel spend (59 percent), optimizing simple bookings (56 percent) and optimizing the travel policy (56 percent).

In addition, a significant number of travel managers plan to place more focus on developing key performance indicators (46 percent), tackling meetings and events (39 percent), further consolidating the travel program (36 percent) and enhancing the traveler experience (34 percent). Corporate social responsibility will also be higher on many companies' agenda in terms of addressing safety and security needs (20 percent) and making the travel program more environmentally friendly (18 percent), as shown in the following chart.

Figure 2
Which of the following areas will become a higher priority in your 2009 travel program compared to 2008?
(Several responses possible)

Improving traveler compliance	66%
Optimizing hotel spend	59%
Driving air and ground transportation savings	59%
Optimizing simple bookings	56%
Optimizing the travel policy	56%
Developing key performance indicators	46%
Tackling meetings and events	39%
Further consolidating the travel program	36%
Enhancing the traveler experience	34%
Addressing safety and security needs	20%
Making the travel program more environmentally friendly	18%

Source: CWT Travel Management Institute
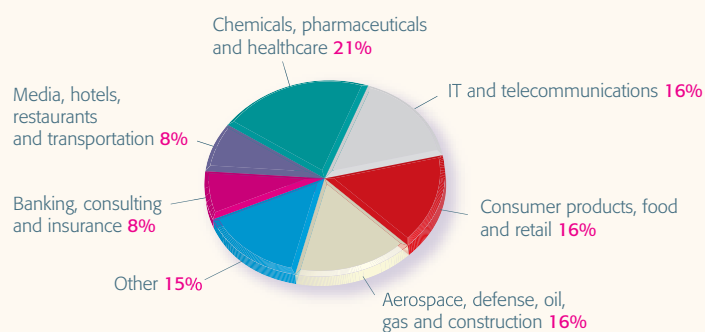Based on a survey of 178 travel managers worldwide, October 2008

This document discusses each of these priorities for 2009 and some of the challenges travel managers will face as they address them.

About the CWT survey

CWT conducted an online survey of 178 travel managers representing companies based in Asia Pacific, Europe, Latin America and North America. These companies operate in a wide range of industries and each has a travel program that covers at least two regions and at least US$5 million spend. The survey took place in October 2008.

Figure 3
Breakdown of surveyed companies by sector

Chemicals, pharmaceuticals and healthcare **21%**
IT and telecommunications **16%**
Media, hotels, restaurants and transportation **8%**
Consumer products, food and retail **16%**
Banking, consulting and insurance **8%**
Other **15%**
Aerospace, defense, oil, gas and construction **16%**

Source: CWT Travel Management Institute
Based on a survey of 178 travel managers worldwide, October 2008

Improving traveler compliance

Traveler compliance is key to getting the most from a travel program, particularly when the pressure to reduce costs is high. According to the CWT survey, 66 percent of travel managers intend to place a higher priority on improving compliance in 2009, making this the most frequently mentioned area of focus.

In-depth research conducted by the CWT Travel Management Institute[1] indicates companies can save on average 12.6 percent of their total travel spend when they adopt best practices to boost compliance in five main areas: booking air at least two weeks in advance, using restricted fares, limiting bookings to preferred suppliers, authorizing the right level of traveler comfort in terms of air class and hotel category, and mandating preferred booking channels (on- and offline booking through the travel management company).

Figure 4

Companies can save on average 12.6 percent of total travel spend by improving traveler compliance in five main areas. When combined with policy improvements, savings can rise to 20.6 percent.
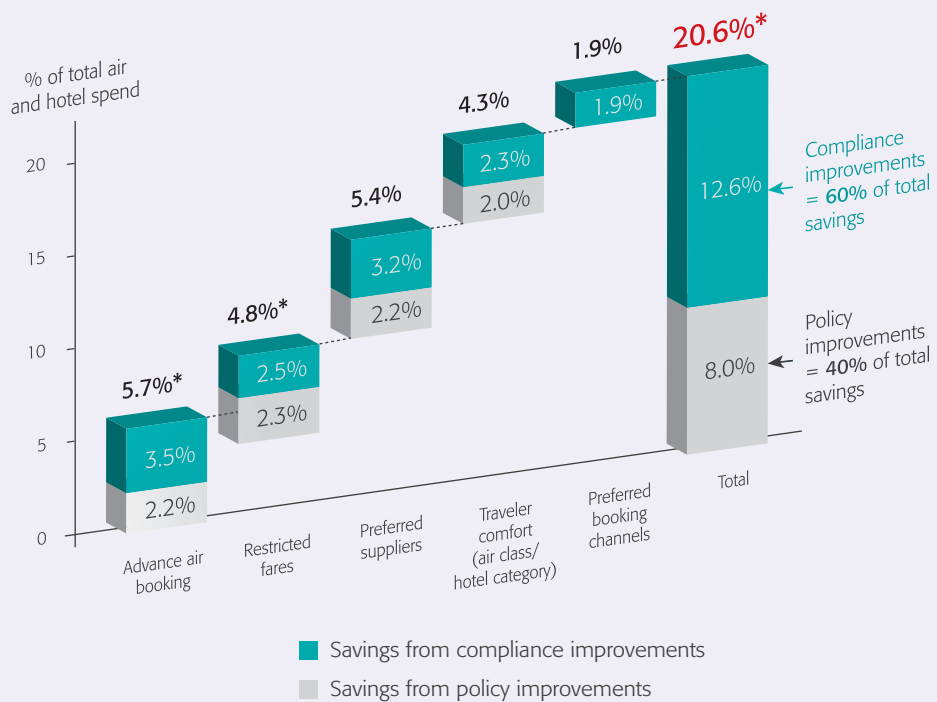
Source: CWT Travel Management Institute
* As restricted fares are typically available in advance, CWT calculates a 1.5% overlap in savings from improved performance in these two areas. This figure is deducted from the total savings, which become 20.6% instead of 22.1%.

As the preceeding chart illustrates, significant savings can be reaped by combining efforts to improve compliance with a focus on the travel policy. (See Page 12 on optimizing the travel policy.) Among the measures that can drive compliance are the following:

- **Engage management throughout the organization.** For best results, companies can make senior management support visible to travelers, escalate the approval process, provide managers with the relevant information to query or refuse non-compliant bookings, and engage team leaders in post-trip follow-up and ongoing feedback from travelers.

- **Provide travelers with clear, comprehensive guidelines.** A policy should cover the five main areas for increased savings and, where possible, set mandates. (See Pages 12-13 for information on travel policy.)

- **Communicate and provide training on the travel policy.** Best practices include making the travel policy easily accessible online and available in local languages, communicating policy changes and the benefits of compliance, ensuring travelers understand the policy and booking processes, and sharing progress reports.

- **Actively remind travelers of the policy when they make non-compliant bookings**, through, for example, an automatic email. The traveler's supervisor can be notified at the same time, helping to track and reinforce compliance.

- **Implement point-of-sale measures.** An online booking tool can be programmed to filter out non-compliant choices. Offline, travel management company counselors can advise travelers on compliant choices, request approval for non-compliant bookings and, if authorized, refuse out-of-policy transactions.

- **Track progress and take corrective action.** It can be useful to compare results by business unit or division, as well as identify non-compliant travelers for targeted action. Non-compliance reports can indicate areas of the travel program that need to be changed to better meet traveler needs.

Optimizing hotel spend

Optimizing hotel spend will be a higher priority for 59 percent of surveyed travel managers in 2009.

Despite slowing occupancy growth, negotiated rates for 2009 may not fall dramatically in many cities. Experience shows it is not unusual for rates to continue rising when occupancy falls. In the United States for example, rates have performed differently during economic slow-downs:

- During the recession in the early 1990s, rates grew more slowly than inflation, in effect making them a better deal for companies

- In the late 1990s, rate growth slowed but still grew faster than inflation

- In the early 2000s after 9/11, hoteliers cut rates well below inflation

The market should be considered city by city. An initial assessment carried out by the CWT Solutions Group in September reveals that rates proposed by hoteliers for 2009 contracts have risen on average 4.7 percent compared to those proposed for 2008. The proposed rates vary between a 3.9 percent rate decrease in Beijing to an 8.6 percent increase in Austin, as shown in the following chart.

Figure 5
Initial assessment of rates proposed for 2009 compared to 2008 negotiated rates
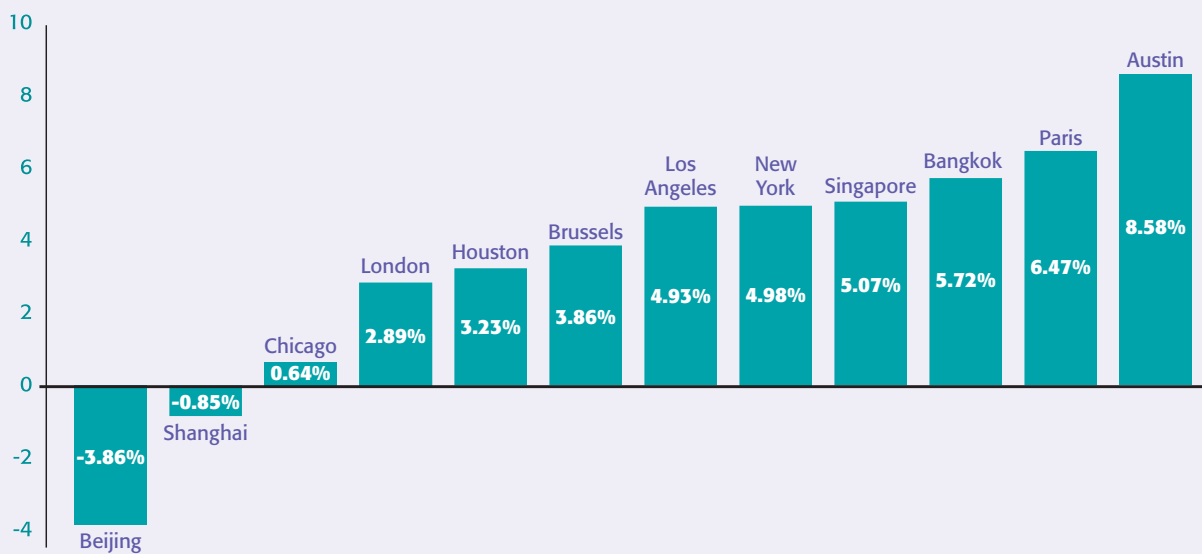
Source: CWT Solutions Group
Based on 5,000 hotels and 25 clients, September 2008

On the other hand, the public best available rate (BAR) offered by hoteliers may well drop below negotiated rates as the economic slowdown continues, presenting savings opportunities for corporate travelers who can select the BAR if it is lower at the time of booking.

To maximize savings, companies should also ensure that travelers and hoteliers alike respect the travel program. The following best practices are worth highlighting:

- **Conduct regular audits** to ensure the correct rates are loaded into global distribution systems (GDSs) and hotels respect last-room availability clauses.

- **Drive booking channel compliance.** According to CWT research[2], booking through the travel management company (on- or offline) increases compliance with the hotel program and results in rates that are on average 20 percent lower than those obtained directly through hotels or Web booking sites.

- **Track traveler satisfaction and compliance with the hotel program,** adjusting the travel program if necessary.

By the time negotiations for 2010 come around in the third and fourth quarters, buyers are likely to be in a stronger bargaining position in some cities where demand is softening. Travel buyers should continue to consider supply and demand dynamics in each city, as well as each property's approach to corporate deals. In addition, CWT offers the following advice for optimizing negotiations with hoteliers:

- **Consider negotiating with chains locally** even if a global deal is offered. The largest discounts are usually offered at a property level.

- **Negotiate flat-rate agreements** whenever possible to set a ceiling price on the corporate rate. Dynamic pricing deals—a discount off the BAR—provide less visibility on savings but can be worth considering.

- **Ask for a last room availability (LRA) clause** to maximize the availability of rooms at the negotiated rate.

- **Negotiate amenities** such as breakfast and Internet access, which typically represent 20-30 percent of hotel spend.

- **Consolidate spend data** from different sources to maximize the volumes tracked and leveraged in negotiations. Ideally, data on TMC bookings and credit card transactions should be combined.

[2] *Playing by the Rules: Optimizing Travel Policy and Compliance*, CWT Travel Management Institute (2008)

Driving air and ground transportation savings

Fifty-nine percent of travel managers say driving air and ground transportation savings will receive more attention from them in 2009, making it their second priority, along with optimizing hotel spend, after improving traveler compliance.

A number of developments in the air sector are likely to impact the corporate travel program in 2009.

First, new ancillary charges introduced in 2008 are likely to stick. North American airlines in particular have raised their fees for changes and cancellations; introduced charges for inactive segments that are not removed within 24 hours of a flight's departure; and added fees for services that were previously complementary such as checked bags, in-flight refreshments and exit-row seats. Carriers in other regions have also started to adopt these revenue drivers and additional fees will be introduced in 2009 for such services as video entertainment and seat selection. Collectively, these fees can add hundreds of dollars to an airfare. They also make air spend more complex to manage as most "unbundled" services are not yet available through global distribution systems (GDSs) and online booking tools. (GDSs should enable the integration of unbundled features starting in 2009.) In contrast, fuel surcharges may be reduced or removed altogether by many airlines if fuel prices remain at lower levels than in 2008.

Second, changes in capacity and routes may bring some disruption to travelers while making it harder for some companies to reach volume objectives. According to the Official Airline Guide (OAG), the world's airlines cut flights by 6 percent worldwide in the fourth quarter of 2008 compared to one year earlier, or by 11 percent in the United States, 5 percent in Europe and 7 percent in Asia. OAG predicts that more than 200 airports worldwide will lose scheduled service: 33 in the United States, 94 in Asia Pacific and 45 in Europe. Altogether, these flight reductions translate into 46 million fewer seats worldwide (-5 percent). This said, some busy routes will see increased capacity, most notably those which are or will be served by new superjumbo jets in 2009 such as Sydney-London, Dubai-London and Perth-Sydney-Los Angeles. It is worth noting that the new Airbus A380 increases the number of seats per flight by 35 percent, while reducing the carbon impact of flying.

Third, regulatory changes and accelerated airline consolidation will bring some turbulence. On the one hand, open sky agreements such as the one between the European Union and the United States, are increasing competition and effectively bringing down prices on some routes. As an illustration, on Paris-New York, a new entrant's average published business fare is significantly lower than those offered by the three legacy carriers, as shown in Figure 6. The same airline is offering lower negotiated fares to CWT clients. On the other hand, deregulation is facilitating airline consolidation, which may reduce competition on some routes and result in fare increases. In any case, changes in the competitive landscape are leading many airlines to reorganize their hubs, routes and schedules. Travel managers need to carefully monitor these changes as the year unfolds.

Figure 6
Comparison of average published business fares between Paris and New York before and after the E.U.-U.S. "Open Skies" agreement came into effect on March 30, 2008 (in US$)

Before Open Skies	Q4 2007 - Q1 2008	After Open Skies	Q2 2008 - Q3 2008
Airline A: $3,747	Airline A: $3,621
Airline B: $3,236	Airline B: $3,602
Airline C: $3,172	Airline C: $3,301
	Airline E (new entrant): $2,376
Airline D: $1,038	Airline D: $951

Open Skies Phase 1 March 30, 2008

Source: CWT Solutions Group

To stay on top of changes, companies may wish to consider the following advice in 2009:

- **Adapt the travel policy to incorporate clear guidelines on airline ancillary fees.** Travelers should know which services are authorized for different types of flights.

- **Reinforce compliance with air travel policy** and mandate advance booking and the use of restricted fares, which offer significant savings.

- **Expect tougher negotiations with airlines** who may be more cautious in offering volume-based discounts. There may be opportunities, however, to negotiate deals on ancillary services.

- **Monitor new opportunities for preferred suppliers** as airlines reorganize their services.

- **Consider premium economy**, when available, as a cost-effective alternative to business class.

- **Use rail wherever possible as a cost-effective and environmentally friendly alternative to air travel.** Rail trips under three hours are particularly convenient for business travelers who can save time by avoiding travel through airports. New high-speed routes will continue to be launched. In Europe, for example, Brussels-Cologne and Brussels-Amsterdam will come on line in 2009, ahead of international passenger rail services opening to competition in 2010.
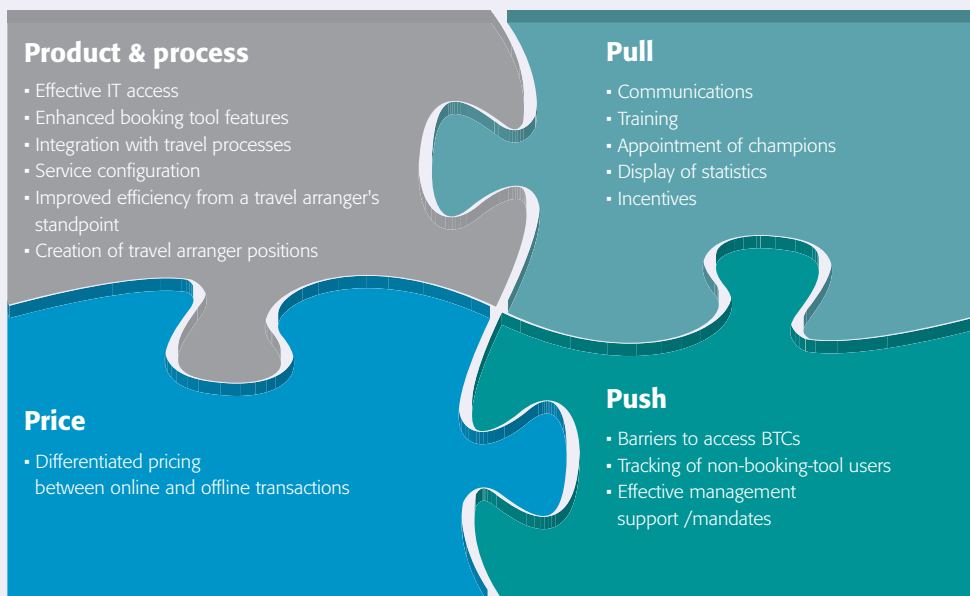
Optimizing simple bookings

Fifty-six percent of surveyed travel managers will focus more on optimizing simple bookings in 2009, recognizing the considerable cost savings an online booking tool (OBT) can bring.

According to CWT in-depth research[3], companies can reduce their travel costs by up to 15 percent when they implement an OBT by leveraging a combination of reduced transaction fees and higher compliance with travel policy. In the majority of cases, payback occurs within one to two years of implementation.

Companies tend to achieve a higher adoption level when they are under significant pressure to reduce costs. Illustrating this point, the number of online transactions made by CWT clients in Europe rose by 18 percent in the first nine months of 2008.

Successful companies tend to use a holistic approach, combining four key drivers or the "4 Ps": product and process, price differential, push from management, and pull through training and incentives, as shown in the following chart.

Figure 7
The 4 "Ps": a holistic approach

Product & process
- Effective IT access
- Enhanced booking tool features
- Integration with travel processes
- Service configuration
- Improved efficiency from a travel arranger's standpoint
- Creation of travel arranger positions

Pull
- Communications
- Training
- Appointment of champions
- Display of statistics
- Incentives

Price
- Differentiated pricing between online and offline transactions

Push
- Barriers to access BTCs
- Tracking of non-booking-tool users
- Effective management support /mandates

Source: CWT Travel Management Institute

[3] *Toward Excellence in Online Booking*, CWT Travel Management Institute (2006)
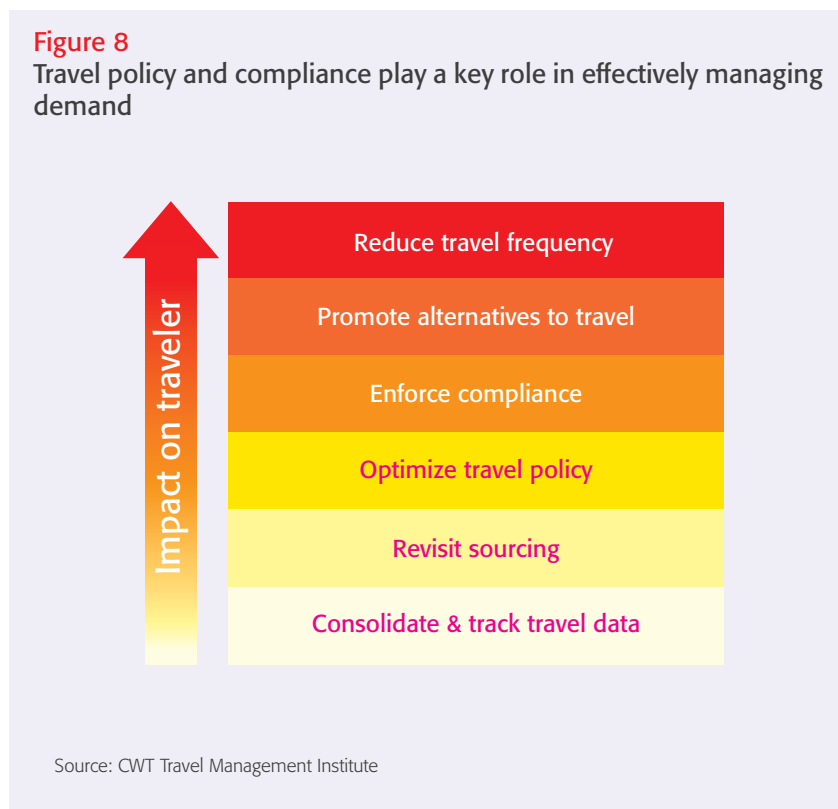
Optimizing the travel policy

According to the CWT survey, 56 percent of travel managers see optimizing the travel policy as a higher priority for the year to come.

Many companies are aiming to better manage demand and generate greater return on investment from each business trip. Their policies may define when it is appropriate to travel, how many people should travel for the same purpose, and when alternatives such as videoconferencing should be considered. According to the CWT survey, 37 percent of travel managers expect their company to reduce the number of trips in 2009 and 67 percent intend to promote the use of videoconferencing. Only 13 percent intend to cut travel altogether. Increasingly, travel is seen as an investment. Many companies are therefore reinforcing their pre-trip approval process and asking travelers to clarify their reasons for traveling.

The following chart indicates, in order of increasing severity, the different steps travel managers can take to better manage demand.

Figure 8
Travel policy and compliance play a key role in effectively managing demand

Impact on traveler

- Reduce travel frequency
- Promote alternatives to travel
- Enforce compliance
- Optimize travel policy
- Revisit sourcing
- Consolidate & track travel data

Source: CWT Travel Management Institute

As seen earlier (Page 5), companies can typically save 12.6 percent of total travel spend by implementing best practices in traveler compliance. When they also focus on improving policy, they can save a further 8 percent on average. Policy improvements may include the following:

■ **Provide clear guidelines in a user-friendly format.** Ideally, the travel policy sets mandates rather than recommendations and succinctly covers each of the five main areas for savings: advance air booking, restricted airfares, preferred suppliers, travel comfort (air class/hotel category) and preferred booking channels (on- and offline booking through the travel management company). In 2009, travel managers may wish to review their guidelines on air expenses to address, for example, the growing number of ancillary fees charged by airlines at the airport or in-flight.

■ **Benchmark industry performance.** Companies can compare their policy with those of peers to ensure it remains in line with industry standards. Notably, the level of comfort authorized for travelers can be important in attracting and retaining talented employees.

■ **Standardize the policy regionally or globally.** By aligning rules and processes across business units and regions, travel managers can share best practices and reduce travel spend by 12 percent on average, according to in-depth CWT research.[4]

■ **Leverage travel management company expertise.** Travel management companies have a comprehensive view of the industry and its best practices. In addition, they have specialized professionals and technology to help companies design an effective travel policy and make improvements on an ongoing basis.

[4] *Global Horizons: Consolidating a Travel Program*, CWT Travel Management Institute (2007)

Developing key performance indicators

It can be argued that a travel program is only as effective as the data on which it is based. Accurate information is essential to every aspect of travel management, from program design and sourcing to initiatives to boost traveler compliance. And in a difficult economic context, accountability takes on extra importance. Many companies are seeking not only to tighten control over their travel program but to demonstrate more clearly the value effective travel management brings.

In 2009, nearly half of surveyed travel managers (46 percent) intend to increase their focus on developing key performance indicators. These typically cover air, hotel and ground transportation spend, as well as service levels, traveler behavior and, increasingly, environmental friendliness. Examples of the relevant indicators include:

- **Travel spend per category**

- **Air spend:** average ticket price, advance booking, use of restricted fares and class of service

- **Hotel spend:** average room rate and room category

- **Air and hotel supplier market share** to optimize sourcing

- **Adoption of the corporate online booking tool and compliance with preferred booking channels** (on- and offline)

- **Compliance with preferred suppliers**, including the corporate credit card provider

- **Missed savings** related to non-compliance

- **Traveler satisfaction**

- **Carbon dioxide emissions**

For the most comprehensive view, data can be consolidated from multiple sources, including the travel management company, credit card providers and suppliers. Although combining information in different formats can be challenging, it is an effective way to monitor progress and exploit opportunities by:

- **Benchmarking industry performance** and ensuring the program remains competitive

- **Assessing compliance** with policy when bookings are made outside the preferred channels

- **Leveraging spend volumes** in negotiations

To this end, an increasingly number of companies will combine TMC and credit card transaction data in 2009. In addition, more travel managers are likely to exploit hotel e-folio data, or electronic invoices that provide details of spend on services such as meals, Internet access and parking, in addition to the room charge. These services can amount to 20-30 percent of total hotel costs and are worth negotiating. Up until now, relatively few hotels offered e-folio reporting, discouraging travel managers from integrating the data into their programs. There are signs, however, that the practice will become more widespread in the year to come, especially in North America.

Tackling meetings and events

Meetings and events (M&E) are often considered the next frontier for travel managers, who typically do not have responsibility for this major area of spend, estimated at around 25-40 percent of the total travel and entertainment budget. Increasingly, however, companies are realizing the benefits of applying best practices from travel management to M&E and exploiting synergies with transient travel.

In 2009, more than a third of surveyed travel managers (39 percent) intend to ramp up their efforts to tackle M&E, which they see as a significant savings opportunity.

Doing so can be challenging, as the responsibility for M&E procurement, planning and tracking is often spread across departments within a company. Data is therefore fragmented and the different stakeholders can demonstrate considerable resistance to change. Companies that successfully tackle M&E take a methodical approach, making a thorough assessment of their M&E activity before designing and implementing a strategy with support from top-level executives.

Best practices worth highlighting include the following:

- **A meetings and events policy** defining relevant roles, responsibilities and processes, including rules for authorizing face-to-face meetings and events

- **A centralized team** of specialists in M&E procurement and logistics, aligned with the travel management team

- **Expert sourcing**, consolidating M&E with transient travel volumes for best leverage in supplier negotiations

- **Online registration and booking** to increase policy compliance, reduce transaction costs and facilitate traveler tracking in the event of an emergency

- **A single payment/reconciliation system and consolidated data** for better planning, sourcing and compliance tracking

- **Post-event evaluation** to optimize future meetings and events with feedback sought from both participants and suppliers

Figure 9
Key indicators of M&E program maturity

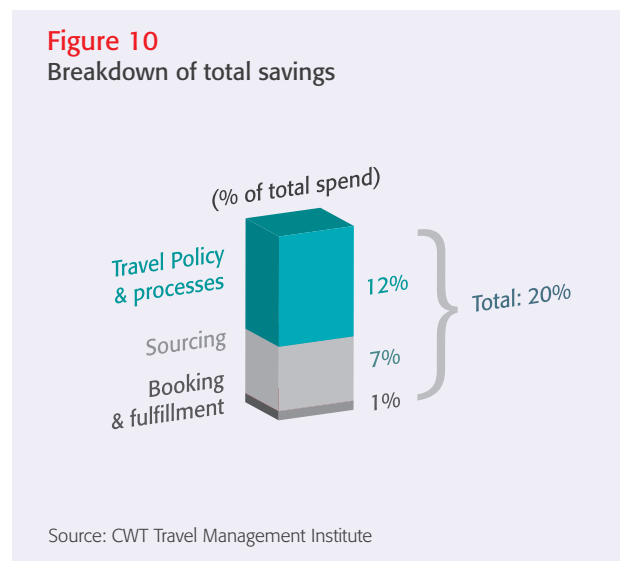|	Early	Advanced
M&E strategy	Local strategy/vision	Global/regional strategy
M&E policy & compliance	No distinct M&E policy	M&E policy structured and compliance monitored
Organization	Decentralized and dispersed	Specialists centralized and integrated in the travel management team
M&E processes & technology	Various processes, low technology usage	Streamlined processes and Web-based technology
Sourcing/ suppliers	No preferred suppliers, spot buying	Preferred suppliers, contracts and leveraged negotiations
Data capture/ monitoring	Data not captured or captured inconsistently	Data consolidated, analyzed and used for action
Evaluation	Superficial to none	Relevant and used for improvement

Source: CWT Travel Management Institute

Further consolidating the travel program

In a global economy, it often makes sense for companies to take a global approach to their travel program. Doing so can save companies on average 20 percent of their total travel spend, as well as enhance service and security, according to in-depth research by the CWT Travel Management Institute.[5]

According to the latest CWT survey, 36 percent of travel managers intend to make a higher priority of consolidating their travel program in 2009. Many of them have already embarked on consolidation but the process can take several years to achieve. Savings come from three main areas: travel policy and processes, sourcing, and booking and fulfillment, as shown in the following chart.

Figure 10
Breakdown of total savings

(% of total spend)

Travel Policy & processes 12%

Sourcing 7%

Booking & fulfillment 1%

Total: 20%

Source: CWT Travel Management Institute

Among the key initiatives that bring savings are the following:

- **Reallocating air volumes to maximize volume-based discounts.** Doing so involves consolidating data on air spend, using a limited number of preferred suppliers, selecting challenger airlines with lower prices and taking into account traveler needs and preferences.

- **Consolidating hotel sourcing to maximize discounts, mainly at a property level.** Companies need to track and consolidate data from multiple sources, leverage business from outside the home market in negotiations, orchestrate negotiations to streamline processes, and reduce the number of local suppliers.

- **Consolidating car sourcing.** While car rental companies negotiate rates mainly at a local level, global service contracts can be obtained. Most companies allocate more than three-quarters of their car spend to the handful of global brands.

- **Building on strong foundations.** Three critical components are data consolidation, a standardized travel policy and global performance monitoring. In addition, having one global travel management company plays a key role in supporting the consolidation process. Strong project management skills are another key to success.

- **Finding the right level of consolidation—global, region or local—for different program components.** Some components, such as high-touch services, are best managed locally. Others, such as online booking tools, are best managed regionally. This said, a global approach makes sense for the majority of program components, including data consolidation, sourcing, travel policy, supplier service level agreements, key performance indicators and security.

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[5] *Global Horizons: Consolidating a Travel Program*, CWT Travel Management Institute (2007)

Enhancing the traveler experience

Thirty-four percent of surveyed travel managers say they will place a higher priority on enhancing the traveler experience in 2009.

In particular, they are likely to keep a close eye on emerging mobile services. Increasingly tech-savvy employees will receive more information via their mobile devices to make their trips more convenient and productive.

The following developments are worth noting:

- **Check-in via mobile devices** will be offered by the majority of airlines by the end of 2009.

- **Paperless boarding** will be introduced by more carriers and rail providers using mobile barcodes.

- **Mobile messaging** will become more commonplace to keep passengers informed of flight delays and cancellations, changes to departure gates, baggage reclaim issues and more.

- **Wifi Internet** will become more widespread in airplanes, trains and taxis.

- **In-flight telephony** may be offered by more airlines once initial tests are completed.

In 2009, companies should continue to work with their travel management company to encourage regular use of services that enhance the traveler's experience.

- A good starting place is a **one-stop, Web-based traveler portal** that offers relevant content, including the company's travel policy and destination-specific information, as well as easy access to corporate booking and profiling tools.

- As personalization becomes increasingly important to the traveler, having access to **a complete, easy-to-use profiling tool** that is integrated with on- and offline booking is essential to ensure that personal preferences are taken into account and bookings properly made.

- Day or night, anywhere around the world, travelers must know how to access **emergency assistance** in the event of a crisis or off-hours change in travel plans.

Addressing safety and security needs

Recent events highlight the need for companies to ensure the safety of employees on the road and assist them in the event of an emergency. This is increasingly recognized as not only a legal and moral obligation but a way to limit risks that can be costly to an organization.

Awareness of travel-related risks is heightened when companies seeking to control spend introduce policy changes that could impact traveler comfort and productivity. A company's duty of care to its employees has also been underlined by recent legislation in the United Kingdom[6] that requires companies to protect the health and safety of employees both in the workplace and when they are traveling for business.

In 2009, 20 percent of surveyed travel managers plan to place more focus on safety and security needs. To help protect travelers, maintain their productivity and limit corporate liability, they can consider a number of best practices:

- **Thorough planning.** In particular, specific safety and security policies must be clearly defined and kept up-to-date. These could include, for example, banning high-risk destinations, mandating the use of carefully vetted preferred suppliers and evacuation procedures in the event of an emergency.

- **Destination information for travelers.** Useful information can range from immunization requirements and recommended itineraries to pre-trip briefings on the threats and hazards of high-risk destinations.

- **A disaster response plan.** It is useful to conduct practice drills to ensure that the plan is effective and travelers know what to do in emergencies. A 24-hour hotline should be available for information and assistance.

- **Traveler tracking and real-time notifications in the event of an emergency.** Ideally, the travel management company will use proprietary booking data to pinpoint and identify travelers. Travelers can then be notified by SMS messages, for example, and provided with the necessary assistance wherever they are. Such services are becoming more and more valuable in today's risk-filled environment.

- **Post-emergency feedback.** Companies should aim for continuous improvement to ensure their risk mitigation strategies remain as effective as possible.

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[6] *The Corporate Manslaughter and Corporate Homicide Act 2007*

Making the travel program more environmentally friendly

Although surveyed travel managers' main focus will be on measures to control spend, 18 percent of travel managers still intend to pay more attention to making their travel program more environmentally friendly in 2009. This is the least mentioned priority for 2009 but an important one nonetheless. Travel-related emissions can represent 15-20 percent of a company's carbon footprint, according to a CWT analysis of a sample of 2007 annual reports. Organizations wishing to limit their carbon emissions should therefore consider "greening" their travel.

The following checklist may be helpful:

- **Reduce travel-related carbon dioxide emissions** as much as possible and aim to **offset the rest** by working with a carbon management company

- **Ask suppliers for "green" credentials** such as initiatives to increase energy efficiency

- **Raise traveler awareness of the carbon cost of travel** by using an online carbon calculator

- **Encourage travelers to take environmentally friendly travel options** such as rail travel where appropriate

- **Consider nonstop flights** as an alternative to connecting flights

- **Use "green" hotels** and environmentally friendly meeting facilities

- **Hold meetings and events in locations that limit the distance traveled** by participants

- **Prohibit upgrades to larger, less fuel-efficient vehicles** and where possible, work with rental car companies that offer hybrid vehicles for better fuel consumption

- **Consider the use of videoconferencing and/or Webinars** as an alternative to certain business trips, meetings and events

Conclusion

This year will be a particularly challenging one for travel managers and an opportunity for them to highlight the value of an effectively managed travel program.

Companies facing increasing financial pressure will naturally make a higher priority of reducing the cost of business trips and better control overall travel spend. To that end, most travel managers intend to seek greater compliance from travelers while ramping up efforts to optimize their travel policy. The majority will also accelerate efforts to fine-tune sourcing and drive savings through online booking.

Moreover, this latest CWT survey shows that many companies intend to focus more on developing key performance indicators that will help them track progress and ensure their program continues to meet needs. A substantial proportion of travel managers will continue to pursue consolidation and work harder to bring meetings and events into their scope.

Savings, however, will not be the only priority in 2009. Enhancing the traveler experience, addressing safety and security, and making the travel program more environmentally friendly will all receive greater attention, even if travel managers intend to allocate their main resources to cost-saving efforts.

Overall, tough economic conditions will not prevent travel managers from pressing ahead with best practices. In fact, increased cost-consciousness within organizations may well provide a boost to the travel program.

The CWT Travel Management Institute

The CWT Travel Management Institute conducts in-depth research into effective travel management practices to help clients worldwide derive the greatest value from their travel program. Drawing on the global resources of Carlson Wagonlit Travel, the institute aims to provide a regular flow of business intelligence and best practices, offering actionable insights into what CWT has identified as the eight key levers to effective travel management.

To this end, the CWT Travel Management Institute publishes original research, white papers and case studies, as well as the global periodical *CWT Vision*, issued three times a year. Recent research publications include *Effective Travel Management: Eight key levers to optimize a travel program* (2008), *Playing by the Rules: Optimizing Travel Policy and Compliance* (2008), *Global Horizons: Consolidating a Travel Program* (2007), and *Toward Excellence in Online Booking* (2006).

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