



Round Table Discussions

Discussion topics

- Travel Management is increasingly becoming part of Procurement
 - What are the pros - why
 - What are the cons - why
 - What are the challenges - why
- What benefits, if any, do centralized agreements have for corporations today
 - What are the benefits - why
 - What are the challenges – why
 - What is the future – why
- What KPIs are most important for senior management
 - From the perspective of Travel Manager – why
 - From the perspective of Senior Management - why
 - From the perspective of Procurement - why

Table # 1

Travel Management is increasingly becoming part of Procurement

What are the pros ?	Why ?
"Gets to a higher level". Professional buyers Support from the board of directors.	To get management support. Buying is the core business of the purchasing people.
The cons can be that the purchasing becomes technical.	

Table # 2

Travel Management is increasingly becoming part of Procurement

What are the cons ?	Why ?
Lack of understanding of travel management	<ul style="list-style-type: none"> -Wrong measurements - unable to consider all stakeholders
Procurement is too simplistic	<ul style="list-style-type: none"> -Lack of the understanding the complexity of TM → broad outlook vs tunnelvision
Lack of ownership of the complete agreement	<ul style="list-style-type: none"> -Contract signed and then left → who is responsible?
<p>” The whole table could not really agree that Travel Management is moving towards procurement. It was agreed that TM is moving more to other areas in the company → TM more towards business support with increasing involvement of sourcing / procurement.</p>	

Table # 3

Travel Management is increasingly becoming part of Procurement

What are the challenges ?	Why ?
Targets can be on direct savings	Procurement targets can be set differently to the target.
Responsibilities and implementation not ongoing	Procurement focused in negotiations + initial contracting, but often fall out of long term implementation issues.
Travel category different from other procurement categories – constantly changing business models	Expertize required to keep up to date of changing business models e.g. commissions, GDS/merchant fees, airline surcharges etc
Risk of commoditizing	HR has more power to mandate when hurdles are met.
Procurement could replace travel management.	Category team to ensure specialists in travel still involved / good network required within company.

Table # 4

What benefits, if any, do centralized agreements have for corporations today

What are the benefits ?	Why ?
Reporting	<ul style="list-style-type: none"> -Data collection - Follow-up - Budgeting - Helps negotiations
Cost savings	<ul style="list-style-type: none"> -Win-win situations - Save time from travellers - Lower prices from suppliers - Process cost
Control	<ul style="list-style-type: none"> -Mandate - Support from management
Support company policy	<ul style="list-style-type: none"> -Environmental policy - Security policy
Implementation	<ul style="list-style-type: none"> -Guidelines - Online system – e.g. Amadeus - Different IT systems
Supplier	<ul style="list-style-type: none"> - Commitment - One point of contact - Streamlined - Less time consuming

Table # 5

What benefits, if any, do centralized agreements have for corporations today

What are the challenges ?	Why ?
Communication	<ul style="list-style-type: none"> - How to reach the right persons in organisation - No value locally from global deals - Company and local ethics and rules applied
Consolidated data	<ul style="list-style-type: none"> - Suppliers not ready - Field is too scattered
Immatureness	<ul style="list-style-type: none"> - All sides not mature enough - Mandate lacking - Processes, technology not ready

Table # 6

What benefits, if any, do centralized agreements have for corporations today

What is the future ?	Why ?
Cantralization ongoing strongly	Scale of economics
Flexible contract management	Dynamic market pricing
Online activities growing including centralized agreements	Travel policy easier to implement and communicate

Table # 7

What KPI's are most important for Senior Management

From Travel Manager's perspective	Why ?
Demand reports by trip reports	
Travel safety	
Cost effective travel programme and processes	
Beneficial supplier contracts	
Balanced travel, including responsibility issues	

Table # 8

What KPI's are most important for Senior Management

From Senior Management's perspective	Why ?
Cost savings (in figures & percentage difference)	To measure if plans have been met * Trends
The whole picture of the travel structure and patterns	-To understand the big picture - Know your own WoW – Way of Working
Satisfaction surveys	Barometer (end users) of overall functionality of Travel Management
Compliance & process	WoW – Way of Working

Table # 9

What KPI's are most important for Senior Management

From Procurement's perspective	Why ?
<ul style="list-style-type: none"> - Monthly savings - Client satisfaction 	<ul style="list-style-type: none"> - Saving time - Saving money - to develop
<ul style="list-style-type: none"> - Process efficiency - Benchmarking –procurement performance 	<ul style="list-style-type: none"> - Saving time - Saving money - to develop
<ul style="list-style-type: none"> - Overall ROI - Security 	<ul style="list-style-type: none"> - Saving time - Saving money - to develop
<ul style="list-style-type: none"> - Quality 	<ul style="list-style-type: none"> - Saving time - Saving money - to develop

Table # 10

Travel Management is increasingly becoming part of Procurement

What are the challenges ?	Why ?
Steering to chosen partners	<ul style="list-style-type: none"> - Personal interest of traveller - Loyalty programmes
Top down KPI's	<ul style="list-style-type: none"> - Focus only on financial figures
Knowledge in sourcing not enough	<ul style="list-style-type: none"> - Business Travel is not commodity
Co-operation between travel and sourcing	<ul style="list-style-type: none"> - Different background, culture and interest - Unclear responsibility / mandate, support, decision making

Table # 11

What benefits, if any, do centralized agreements have for corporations today

What is the future ?	Why ?
Centralized agreements give better pricing, less negotiating, easier monitoring, but do not suit all categories equally well.	Consolidated reporting better
Presently centralized agreements are not good alone. The mixture would be ideal in this situation.	Dynamic pricing better
Global centralized agreements do not always serve the local unit. Communication critical (Travel, Management, TMC, Intranet for example)	Local units and market conditions should be taken into consideration.

Table # 12

What KPI's are most important for Senior Management

From Procurement's perspective	Why ?
Average rate development * Also the trip avoidance	To see the efficiency of the travel management
Benchmark figures	To see the performance against other companies within the market
Compliance * The share of non compliant bookings	To see how the end users are behaving, how the policy works and how the contracts are in use
Safety issues / Environment * The time when the travellers are reached in a case of emergency	To report the issues related to CSR
Environmental issues * CO2	To report the issues related to CSR