



Rohm and Haas Drives Savings, Increases Control and Enhances Service Through Globally Consolidated Program

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*- Ginger Monahan
Global Procurement Strategist,
Rohm and Haas*

Rohm and Haas is a global pioneer in the specialty and performance materials industry, with annual sales revenue over \$8 billion USD. With operations in 37 countries and a growing, worldwide customer base, Rohm and Haas was looking to globalize its travel program for several reasons:

- The previous travel management company (TMC) was not connected to service all travelers. As a result, Rohm and Haas was using multiple agencies around the world – even within single markets. Other regions had no designated travel partner – or policy controls – in place, and travelers often booked directly with air and hotel suppliers.
- Capturing data on the full \$80 million T&E spend – about which \$30 million is air – was impossible. As a result, Rohm and Haas could not leverage its total volume in negotiations or monitor key performance indicators (compliance, preferred vendor volume, etc.) across regions.
- There was no way to track the company's 7,000 travelers worldwide and contact them with information or support in emergency situations. Further, service to travelers was inconsistent from region to region.

"We had no global data and only had reports on our US volume," explains Global Procurement Strategist Ginger Monahan. "Additionally, safety and security were big issues for us; we had no idea where our people were at any given time – and no way to track them or contact them."

Despite being a technology savvy company, online booking was only in place in the US and UK. Rohm and Haas realized it had opportunity drive additional transaction processing savings and provide greater convenience to travelers by rolling out an online tool to other regions. The decision was made to consolidate its travel management globally with one provider, and implement on-line bookings in key markets. After an intensive bid process, American Express Business Travel was awarded the business. "What really impressed us was the team American Express brought to the table, their experience and what they could do for us, particularly some of the global reports and information they could consolidate. We just didn't see it with other TMCs and we didn't see the global resources," says Monahan.

Best Practices – Strong Global Leadership Support, Regional Representation

Going into the consolidation, Monahan received strong support from leadership, which was critical to the success of the program, particularly because travel is not heavily mandated at Rohm and Haas.

For this reason, Monahan knew that soliciting regional representation would be essential to gaining buy-in for the consolidation. A Global Travel Council was formed to provide guidance on broader issues, along with a Global Travel Team to manage tactical consolidation initiatives. Both included representatives from each region.

Additionally, the regions established a Global Focus Group of travel arrangers and travelers from different markets to gather feedback on program components impacting the day-to-day travel function – i.e., the new global travel policy and service level agreements. The Travel Team relied upon this group to update their colleagues, collect any issues and bring them back to the team.

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A final aspect of the consolidation involved creating a Mission Statement (see call out box) to guide the Travel Team, share goals of the global travel program and communicate benefits to travelers.

Challenges – Local Resistance, Online Ambiguity and Change

Despite the Travel Team’s robust change management tactics, and regional and traveler participation in the consolidation initiative, Rohm and Haas experienced some local resistance once the consolidation was underway.

China was not immediately convinced of the benefits of consolidation and felt protective about its existing travel program. India and Turkey had strong relationships with local agencies.

ROHM AND HAAS MISSION STATEMENT FOR A GLOBAL TRAVEL PROGRAM

Enable Rohm and Haas travelers to maximize the benefits of business travel to the company. Critical factors include:

- Making the traveler feel safe and secure
- Allowing the traveler to feel in control of their travel (no “hard stops”)
- Ensuring business needs of the traveler are heard (focus groups & on-line surveys)
- Recognizing that regional requirements may differ (flexibility)
- Providing efficient and effective tools for travel arrangements
- Providing confidence that travel prices are very competitive
- Collecting total data to manage spend & negotiate optimal agreements with partners
- Keeping abreast of the evolving industry trends and issues

For some countries, learning a new online booking tool was the greatest challenge. Other markets struggled with concerns around privacy issues and providing personal information in order to create traveler profiles.

“Overall, there were general concerns about change everywhere,” recalls Monahan. “It was universal.”

Solution – Global Processes, Local Participation, Flexible Approach

With an aggressive timeline of six months to consolidate travel operations in 37 countries, Monahan relied heavily on the experience of her American Express Team. Led by Client General Manager Andy Costantino, American Express developed a strategic consolidation plan to ensure that individual country needs were addressed while supporting the global corporate goals Rohm and Haas had set for itself.

Consolidating travel program operations to reduce operating costs, increase spend visibility and aggregate volume for maximum negotiating leverage. After determining that a shared servicing configuration would best support Rohm and Haas, the Travel Team and American Express chose Business Travel Center (BTC) locations based on traveler servicing needs. The strategy was to target the largest countries first in terms of number of travelers.

Rohm and Haas consolidated from 12 recognized travel partners – and a multitude of call center, on-site and leisure walk-up locations – to one, centralized BTC in every country. The only exceptions were countries where multiple language support was required. (e.g., Switzerland, where travelers in Zurich speak German while those in Geneva speak French).

To educate travelers about the new program, American Express and Rohm and Haas developed a collaborative training and educational program, meeting with travelers face-to-face and ensuring local leadership ran the meetings wherever possible. “Having local teams lead the orientation sessions sends a message that leadership is fully onboard,” explains Costantino. “Still, some things come down to timing and being sensitive to local needs and challenges. Flexibility is key,” he continues. “If a local business unit was moving locations or rolling out new software, we moved our timelines to accommodate their needs.”

In locations where there was resistance to the consolidation, American Express worked diligently to tailor the implementation and support local needs. In China, this meant providing a series of cost/benefit analyses to gain support and eventually building a plan location by location. In Turkey, waiting until expansion plans were announced and tying the implementation to construction of a new plant helped gain buy-in.

“One of the most important things is that the local American Express teams met with our people in each country. It was really important to have someone from the TMC go in and be able to speak the language and understand the culture of each country,” remarks Monahan.

Moving volume online to drive process savings and provide convenience to travelers. Prior to consolidation, Rohm and Haas had only online booking tools deployed in the US and the UK. As part of the new global program, American Express rolled out online booking to eight additional countries – Canada, Singapore, Australia, Italy, Sweden, Germany, Switzerland and France – based on number of travelers, travel volume and regional adoption rates.

Not all countries were culturally receptive to booking online and some struggled with the impact to local travel arrangers and managers. These challenges reinforced the need for high-quality traveler education and training to drive online adoption. Travelers needed to understand how online booking benefits them and the company, as well as learn how to use the new technology.

In addition to training sessions, Rohm and Haas used point-of-reservation messaging and sent out regular traveler updates via e-mail. The Travel Team continues to meet with travelers and enhance the booking site to increase adoption, drive compliance and optimize preferred supplier agreements. “When you move more volume online, you have to tweak the site so you can direct travelers to the best travel options,” stresses Costantino. “Beyond positioning your preferred suppliers, you have to use good messaging in the remarks on individual markets and fares to help travelers drill down to the best supplier for each specific city pair. You have to watch codeshares carefully and really play with the system to hit volume hurdles.”

Increasing traveler safety and security measures, and providing consistent service worldwide. The Travel Team implemented American Express’ TrackPoint solution to track travelers and alert them to potential security safety issues prior to their trips or while en-route. Before the consolidation, Rohm and Haas had no way of reaching travelers – or even locating them – in emergency situations.

With TrackPoint, Rohm and Haas can quickly identify travelers in impacted areas and access their itineraries. A web-based tool, TrackPoint pulls information from both online and traditional bookings. This capability ensures all

Rohm and Haas travelers are in the system, regardless of how the trip was booked. Additionally, the system captures pre-travel data, allowing Rohm and Haas to proactively contact travelers heading to an impacted area before departure.

“Guerilla forces in Sao Paulo were stopping buses, taking people off and then bombing the buses,” recalls Monahan. “It wasn’t a situation widely covered in the news and we were concerned because we had employees from other regions already there or scheduled to travel to the region,” she continues. “With our new program, it was very easy to alert travelers to the situation so they could make arrangements to get home or adjust their travel plans.”

In addition to enhanced safety and security, the new global program provides Rohm and Haas travelers with a single point of contact, consistent service and a reliable source for information.

Benefits to Rohm and Haas – Increased Savings, Control & Service

Within one year of consolidation, Rohm and Haas realized benefits of its new, global travel program with American Express in three key areas:

Savings

- Travel program costs decreased by \$1.7 million year-over-year.
- Air savings increased by 15%.
- Hotel program costs remained stable and Rohm and Haas did not experience the industry average increase of 8% to 12%.
- Online booking resulted in transaction fee savings of 66%.

Control

- Global spend visibility increased significantly, allowing Rohm and Haas to leverage travel data in support of strategic business initiatives. For example, Rohm and Haas used aggregate data to analyze its air volume in Switzerland, the home of its new European headquarters, and leverage the findings to negotiate a new contract with Continental, which offers direct flights between Newark and Geneva.

- Compliance increased significantly, with 90% of US and 65% of global air spend on preferred carriers.
- Global traveler tracking data helped Rohm and Haas mitigate risk and reduce corporate exposure.
- The ability to track travelers globally increased traveler safety and security – while enhancing organizational productivity. Rohm and Haas has used TrackPoint in emergency situations such as the “liquid” scare in the UK and riots in Paris. The solution has also helped navigate events including strikes impacting travel in Europe.

Service

- Services provided to travelers are consistent from region to region and satisfaction levels with the new program are strong. 84% of travelers are “extremely” or “very satisfied” according to a recent client satisfaction survey.
- The expanded online booking program has increased traveler convenience.

2006 Online Adoptions Levels	
NA	
Canada	21%
US	93%
JAPA	
Singapore	62%
Australia	49%
EMEA	
Germany	23%
UK	46%
Italy	36%
Sweden	50%
Switzerland	24%

The Global Travel Team and American Express achieved the objectives Rohm and Haas initially outlined for consolidation. “I think our new program reflects our Mission Statement and all of the goals we set for ourselves,” confirms Monahan. “Now we can track all of our travelers all around the world and advise them of issues that may affect their safety. Just as important, we now have the data to capture our full travel volume and better negotiate with the airlines and hotels.”

The success of the global consolidation led to a two-year extension of the partnership, and Rohm and Haas looks forward to continued program savings, and the global service and support its travelers now enjoy through American Express.

To learn how we can help manage your travel program, visit us at www.americanexpress.com/businesstravel.

