



## HOW TO ESTABLISH A BEST-IN-CLASS ONLINE TRAVEL MANAGEMENT SOLUTION

### THE EMERGENCE OF WEB-BASED TRAVEL SOLUTIONS AND THE CRITICAL SUCCESS FACTORS IN SHIFTING FROM TRADITIONAL TO ONLINE

The labour intensive, time-consuming and expensive processes by which organisations have managed their travel and entertainment (T&E) expenditure will soon be part of history.

New technology allows progressive enterprises to forsake paper and phones for online solutions so procurement managers and financial controllers at medium to large organisations can simplify processes, increase compliance with company travel policies and maximise employee involvement. Organisations now have more power to create, manage and control their corporate travel programs than ever before.

But there is more to creating a rewarding online program than simply choosing the right technology. Success depends on process analysis and consultation, firm project management, business travel technology expertise, strategies to drive employee adoption, effective change management and comprehensive support post implementation. It is a complex task.

#### *Critical success factors*

In 2006, it is estimated that 4% of Asia Pacific corporate travel transactions will be online. Australia makes up about 50-60% of the region's online sales<sup>1</sup>. The shift to web-based solutions is driven by the desire of travel and procurement managers to be able to focus on the more strategic aspects of their organisation's travel management.

Source: 2006 PhoCusWright Inc.; *Corporate Travel Distribution: Key Markets*

American Express Business Travel makes a series of recommendations to clients looking to implement an online T&E management program. We call them the *Seven Steps to Establishing a Best-in-Class Online Travel Solution*.

#### **Step 1: Determine your travel requirements and strategy**

It is vital to know how your organisation operates and how you need to change in order to implement a successful online travel management system.

Assess your current program and seek recommendations from your chosen Travel Management Company (TMC) on how best to achieve your short and long-term program goals.

In implementing an online travel management system your main objective should be to streamline the travel bookings and approvals process in your organisation so your travellers, arrangers and approvers spend less time organising travel and more time on their core job responsibilities.

You should also aim to leverage the visual guilt factor which helps travellers book the lowest logical fare; achieve process savings and increased productivity; reduce TMC transaction costs; mandate your organisation to achieve the highest employee adoption; manage supplier preferencing at point of sale; and improve compliance with your corporate travel policy.

We believe these goals are best achieved by appointing a dedicated client manager who provides strategic ownership of your account and who can act as your primary point of contact with other online travel management specialists, such as an implementation manager, a usage manager, a team leader, travel consultants and product development specialists.

### **Step 2: Design a solution that aligns with your travel policies and goals**

Higher levels of employee compliance with corporate travel policies should be one of the primary aims of any online travel management system. Removing manual intervention for travel bookings helps generate higher levels of compliance.

Customising the technology to suit your organisational needs is the first task.

You must adopt an online solution that enables fully-automated quality control and travel policy compliance on every booking that is received, supported by a robust end-to-end system. By mandating the way your employees travel, you are in control of their compliance with corporate travel policy and preferred supplier agreements.

The maxim here is simple: if the solution doesn't fit your organisation and meet your goals then it is not for you.

### **Step 3: Ensure a smooth and complete technical implementation**

One of the challenges for an organisation seeking to implement an online travel management solution is finding a TMC with the depth and breadth of experience necessary to develop proven best practice strategies to help you realise your travel management goals.

Partner with a TMC that maintains relationships and leverage with many technology vendors around the world so you can source and develop the online solution that is right for your

organisation. A TMC that keeps solid business contacts with technology providers will also be able to escalate issues on your behalf when required.

You need a TMC that can manage your site's pilot, launch, rollout and review. We believe it is best to work with implementation managers who can ensure a seamless rollout of your solution according to the specifications and functionality you requested and who can monitor your solution's performance to ensure maximum return.

### **Step 4: Maximise staff adoption**

Following implementation of your new online travel management solution, you will need to institute a change management program to alter employee behaviour and ensure it is being adopted by as many employees as possible. This is where the expertise of an experienced usage manager is invaluable.

Success with online travel management is not derived from the technology itself, but from the level of online employee adoption you can achieve. Higher online usage means greater savings and control. Implementation support, booking assistance and adoption consulting will help you maximise your organisation's online potential.

Your task is to source dedicated online implementation specialists that are skilled in delivering complex programs at both a national and multi-market level. Work with a TMC that can implement a tailored program for sustained use that fits with your policies and goals.

To help your travellers feel confident and comfortable using your solution, partner with a TMC that can not only provide comprehensive training and communication support, but also maintain a dedicated team of online specialists to provide continued technical and navigational assistance.

You want to be able to develop and deploy best practice strategies that help ensure employee adoption and cost savings.





We recommend a structured approach for any organisation responsible for managing change that includes a technology implementation. We believe it is vital to:

- Use a proven change management methodology.
- Manage the change as a project.
- Have a clear scope for the project and define its success.
- Communicate your organisation's vision.
- Ensure that your organisation's leadership is committed to the change.
- Ensure that those employees who will be affected by the change know why you are changing and how they will be impacted.
- Detail the practical benefits and outline any negative impacts.
- Design and execute a comprehensive communications plan.
- Provide support for those affected by the change.
- Identify likely points of failure and mitigate them.

Usage managers are a great resource to help you deliver a successful launch and continued analysis of your program to ensure a rapid uptake among employees.

#### **Step 5: Adopt highly automated processing**

In order to realise the savings offered by online solutions over traditional methods, it is critical that the highest possible percentage of your online transactions are processed without manual intervention.

This makes it imperative to source a TMC that has made significant investments in advanced file finishing software that can automatically correct errors and insert vital information that may be missing from reservation records booked by your travellers online.

This will provide a streamlined administration and an automated reservation process that reduces your transaction costs significantly by allowing users to go straight through to the booking engine. No-one is needed to verify your policy and hand-holding by travel agents is a thing of the past. As a result, you can eliminate time-consuming steps from the travel booking process.

You should aim to partner with a TMC that can produce a touchless rate of at least 70%.

#### **Step 6: Monitor solution performance and make adjustments if necessary**

No project, especially one with a major technical component, can hope to achieve sustained success without its owners securing continued advice, support and management from partners.

Your minimum aim should be to enlist a dedicated client manager who is responsible for conducting quarterly reviews and visits to your site. These examinations should provide an overview of your organisation's entire relationship with your TMC partner.

Your client manager should be reviewing key performance metrics such as online penetration, touchless rates, traveller compliance and TMC compliance. Your client manager should also be able to advise you on new strategies to further meet your goals.

### Step 7: Stay abreast of technology enhancements

Global best practice for any major technology project demands that the task does not finish with implementation. Continual improvement is only possible with vigilance and the expertise that is necessary to keep pace with technological advances.

Ultimately, you want your TMC partner to provide you with the confidence of knowing that they have the ability to tailor your online solution to your changing business and travel needs.

### Conclusion

As procurement and finance managers look to their TMC for insight and expertise to solve critical issues about their travel programs, employees who travel as part of their job simply want a better booking experience.

To satisfy everyone in your organisation you need a combination of travel management consulting expertise, strategic sourcing and supplier negotiation support, industry-leading technology and customer service.

American Express Business Travel is the world's leading provider of corporate online booking services. Today, more than 140 medium and large Australian enterprises are currently using AXO. Our latest online travel solution, AXO-Next Generation gives organisations more power to create, manage and control their corporate travel program.

AXO-Next Generation allows your organisation to manage not just transaction fees, but also daily travel procurement costs from a total value perspective. You can bring the greatest possible experience to the table to access a broad array of negotiated rates from suppliers and build a program that promotes an informed and compliant travelling employee population.

You also have access to the tools and expertise to continually analyse pre and post-travel data to identify new ways to save, identify supplier compliance gaps and promote greater traveller compliance.

American Express Business Travel is different in the approach we take to help our clients reach – and sustain – the highest levels of online adoption and policy compliance. We provide:

- A consultative approach to designing a solution that is right for you.
- Complete understanding of each client's needs and objectives.
- Comprehensive change management strategies.
- An easy-to-use range of online booking tools that can handle the most complex travel policy, as well as offer the option of having fares displayed in a fares matrix format.
- The most highly automated end-to-end system in the industry.
- Seamless implementation and vendor integration.
- Dedicated teams to handle navigational support and online issue resolution.
- Implementation, usage and product development experts to solve any problems, drive adoption and keep pace with technology advances.

A strong partnership with your TMC is pivotal to the success of your travel program. Choose one that works with you to understand your travel goals and business needs so you can achieve the savings, service and control you want from your travel management program.

