

Empowering Global Travel Consolidation

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How Industry Innovation Has Made Global Savings a Reality

This white paper details how recent innovations in the corporate travel industry have made the benefits of consolidating a company's global travel program a reality for many forward thinking corporations. During this current economic downturn, companies are embracing the opportunity to identify additional cost savings from global consolidation.

Defining Global Travel Program Consolidation

At Egenicia we define global travel program consolidation as 'the development of a program structure and set of processes that support the management and oversight of a company's travel expenditures, sourcing, policies, and tools at a global level to reduce costs, increase efficiencies and travel productivity.' Global Consolidation for a company is often accompanied by the selection of a global TMC partner relationship to serve the company's travel programs needs for most, if not all, operating regions for the company.

The Benefits of Consolidation

The benefits of global consolidation for a company accrue to four main areas:

- Improved Travel Program Management
- Reduced Travel Expenditures
- Improved Service
- Increased Traveler Security

Improved Travel Program Management

With full global visibility of worldwide travel spend and program data, consolidation empowers your company's travel management team to make smarter, more strategic decisions regarding the direction of your travel program. As travel policies and processes are aligned across company regions, the program itself is able to run more efficiently and with fewer resources.

Reduced Travel Expenditures

A decrease in travel expenditures can result from the negotiation of more cost-effective global supplier agreements, as your company's entire travel spend can be leveraged when sourcing preferred air, hotel and car suppliers. In addition, the alignment of travel policies company-wide results in more consistent travel purchase behavior and also contributes to the cost savings.

Improved Service

When your company selects a global Travel Management Company as its partner in the consolidation process, it also enjoys the benefit of receiving a consistent level of travel agent service for all your company travelers. Global TMCs like Egencia implement rigorous selection, training and continuous improvement processes for all of their travel agent services, regardless of location. This allows them to achieve a higher standard of service delivery to your travelers. The online travel booking technology available is also standardized to ensure an efficient and effective user experience for all travelers.

Increased Traveler Security

Finally, consolidation offers immediate access to information regarding the location of all traveling employees. Global TMCs monitor all types of events that can impact travelers worldwide and quickly notify your travel management team and any affected travelers as well as provide assistance with alternative travel plans. At Egencia, additional security-related services from third-parties such as Transecur, SOS and iJet can often be integrated into our clients' travel programs for a minor implementation fee.

Why is Now the Right Time to Consolidate?

The potential benefits of global travel program consolidation have been known for some time. It is only recently, however, that industry innovation and technology improvements have made the consolidation process much easier and the accrual of these benefits a realistic objective for more than just the largest of multinational companies. At Egencia, we believe that companies with any significant level of global air, car and hotel spend can benefit from consolidating their program.

In this section, we'll explore seven key areas of innovation and technological advancement and their positive impact on global travel program consolidation.

Seven Areas of Industry Innovation and Technology Advancement

1. Global Online Reporting Functionality
2. TMC Negotiated Supplier Savings
3. Travel Program Management Technology
4. Improved Traveler Productivity
5. Standardized Global Customer Service
6. Insightful, Effective Global Account Management Support.
7. Faster Implementation

1. Global Online Reporting Functionality

With new global consolidation reporting capabilities available from TMCs, achieving and measuring global savings is now a real possibility. As an example, Egencia has developed a single global platform for our travel technology that enables companies to generate online reports of their worldwide travel spend in a matter of seconds. “A unique advantage of our single technology platform,” says Simon Tam, Senior Vice President Product & Technology, “is the capability to capture and store the same detailed information for all travel purchases made worldwide, in one single location. With this capability, we can now immediately deliver a wide variety of extremely valuable consolidated spend reports to the travel manager, in their preferred currency, via their online account.” Accessing travel data such as a ‘top global market pairs for airline purchases’ report makes it easy for companies to uncover new savings opportunities. In the past, spend data from each region would need to be compiled separately, integrated, and then analyzed to achieve the same results.

Access to this level of consolidated information also improves your company’s ability to leverage its global spend in its negotiations with key suppliers, and maximize the value of existing negotiated agreements.

Lastly, data monitoring tools offered by TMCs, such as Egencia’s DataMinder[™] continually track a company’s progress towards its global objectives, including the contracted goals set out in supplier agreements to ensure potential savings are actually achieved. “Consolidated reporting combined with global policy controls and monitoring capabilities helps our customers prove to suppliers they have both the travel volume required for a negotiated agreement, and the means to ensure their contract commitments will be met,” says Noah Tratt, Vice President of Supplier Relations at Egencia. “It also allows them to identify how to correct their spend patterns if they are not meeting their contract objectives. It’s much easier to be proactive when you fully understand your market opportunities and can monitor them on a consistent basis.”

"We are presently consolidating our North American and European travel programs at Flowserve with plans to add Asia Pacific in the near future. The ability to immediately access consolidated spend reports is already proving to be extremely valuable as we look to drive travel cost savings throughout our global organization."

Brenda Thompson,
*Corporate Travel Manager,
Flowserve Corporation*

2. TMC Negotiated Supplier Savings

With the negotiating power gained from serving companies around the world, global TMCs are constantly negotiating unique travel inventory for the benefit of their clients and business travelers. This unique inventory can take the form of direct savings, such as discounted rates, or indirect savings such as the inclusion of business friendly amenities (parking, internet access, breakfast) or supplier benefits (funds to be used to waive change fees, name changes, etc). Egencia aggregates the demand of both its corporate customers and Expedia's vast base of leisure customers to negotiate significant savings at over 3,200 business-friendly hotels worldwide and on air routes with 40 leading airlines. Over 500 air, car and hotel supplier managers are charged with negotiating the best agreements possible for our customers in cities around the world.

3. Global Travel Program Management Technology

The technology available to travel managers to manage their global travel programs has improved immensely in recent years. Some TMCs, like Egencia now offer global online program administration tools for managing traveler profiles, setting travel policies, security and program access levels and promoting preferred suppliers in a consistent manner across all regions of the world. For companies, this means that many of their travel policies and practices can be standardized for all locations. Localization of travel policies is easy to implement and is now driven only by the need to address travel considerations, not due to a difference in the technology and tools available.

4. Global Access to Best-In-Class Booking Technology

As online booking technology has matured, access to best-in-class booking technology is now available to travelers located anywhere in the world, not just North America and Europe. Egencia's single technology platform provides all travelers with a similar set of robust travel booking tools, which are then optimized for each local region. Companies no longer have to sacrifice traveler productivity in certain regions in order to consolidate their program with a single TMC.

Advances in the depth and quality of destination information, including user generated content such as hotel reviews, allow travelers worldwide to find the best travel options online, without the need for a local expert agent. Complete access to TripAdvisor's destination content has been incorporated in Egencia's booking technology, including traveler reviews and local advice on such topics as entry requirements, banking and local etiquette.

5. Standardized Global Customer Service

Travel agent technology has also greatly improved in recent years and now empowers agents around the world to deliver a higher level of customer service to travelers. Egencia's single platform technology ensures that every travel consultant has access to the exact same inventory, policy settings and user experience as the local traveler they are serving. The frustrating disparity that once existed between the inventory and tools provided to travelers and agents no longer exists.

More importantly, TMCs like Egencia have developed and enforced global standards for hiring, training and measuring the performance of their travel consultants. Companies can now rest assured their travelers are taken care of, and are guided to book in policy from the broadest base of inventory, regardless of location.

Egencia's Negotiability Index identifies the relative ability of companies to negotiate supplier discounts in key markets around the world based on the latest industry data.

[Read Egencia's 2009 Forecast and Negotiability Index here.](#)

6. Insightful, Effective Global Account Management Support

With new globally consolidated reporting available, Global Account Managers assigned to your company's account have access to both company spend information and industry analyses, such as Egencia's Negotiability Index. They can identify new savings opportunities that otherwise may have been missed, and more strategic level guidance based on global program data that was previously unavailable but can now be accessed immediately online.

Many TMCs are adopting a team structure consisting of a single global AM that ensures global, strategic objectives are achieved and regional AMs with localized expertise to support a company's specific geographic locations.

7. Faster Implementation

As TMCs have gained experience assisting companies with their global consolidation, their Implementation teams have become more adept at helping companies manage the overall process, which results in reduced implementation time and a faster ROI. TMCs like Egencia offer centralized implementation support, in coordination with local implementation experts at each point of sale to address country-specific issues. Managing the implementation centrally improves the quality and success of the implementation effort and local expertise ensures that each region is served optimally and increases 'buy-in' of employees in each region. The standardization of technology on a global basis within TMCs has also helped to minimize the number of technical issues related to integrating T&E systems for a company as part of its global rollout. Centralized loading of negotiated air, car and hotel contracts has also become much more efficient through the development of these common technology platforms. In combination, all of these efficiencies add up to fewer resources being required on both the company and the TMC side to support the consolidation process.

Summary

Global travel program consolidation has held the promise of greater savings, control and program efficiency for companies for many years. Several recent and exciting advancements in the travel industry and its supporting technology have greatly improved a company's ability to fully realize those benefits. These advancements have also expanded the breadth of companies that can quickly achieve an ROI from combining their disparate travel programs around the world.

Now, more than ever before, companies can better identify and exploit new savings opportunities using consolidated reporting solutions and single platform administration and booking technology that is optimized for each locale. Moreover, consistent delivery of agent services and expert global account management consulting provide companies with the support they require to extend their program's value to all regions in which they operate. Finally, expert implementation personnel and supporting technologies offered by TMCs such as Egencia, reduce the time to implement a globally consolidated program and fully realize the desired ROI.

Forward-thinking companies like Flowserve are embracing the savings opportunities offered by global travel program consolidation. Now is the time to take the initiative and explore this same opportunity for your company.

Egencia's Expanding Global Alliance Network

Egencia is the fifth largest travel management company in the world. As part of Expedia, Inc., (NASDAQ: EXPE), the world's largest travel marketplace, Egencia helps business get ahead by offering the only truly integrated corporate travel service. Already providing localized service in 14 regional markets today, including Australia, India, France, Germany, Belgium, United Kingdom, USA and Canada, we are focused on establishing additional partnerships and extending our global footprint throughout 2009. These strategic partnerships will enable us to meet all of our client's unique international travel requirements and maximize the cost savings and control delivered by our innovative travel technology.

In 2009, we are adding complete custom reporting capability, end-to-end T&E integration and global availability of our proprietary Egencia Preferred Hotel Rates as we continue to lead the industry by providing the only truly integrated corporate travel service to companies of all sizes. Compete anywhere with Egencia.

Egencia integrates the strength and technical innovation of Expedia, Inc. with the customer service, business intelligence and policy oversight of a world class travel management company.

Trusted as a leader among the top five global corporate travel management companies, Egencia takes a customized approach that speaks to the specific needs of each client.

Whether a growing local business, a prominent multinational corporation, or anything in between, Egencia develops corporate travel solutions to optimize the value in your corporate travel program.

Are You Ready to Get Ahead?

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