

Director

BUSINESS TRAVEL

Holding onto your Special agent

They go beyond the basics of finding the best flight and hotel deals—and they're good in a crisis, too. Travel management companies are a vital weapon in the battle to control budgets

The internet has given businesses ever more choice when it comes to booking their travel, but by the same token **the array of opportunities has made it harder to know that they are getting the best deal.**

SMEs in the UK account for £2.5bn of business travel spend, but according to a survey carried out by the Business Travel Show earlier this year, **up to £500m of that is wasted because they simply don't have the know-how to ensure they get the best deal and travel costs quickly add up.**

"You might be in an organisation where you travel first class and stay in first-class hotels and before you know it you are spending a quarter of a million pounds a year," says David Chapple, event director of the Business Travel Show.

Some companies, large as well as small, have called in a travel management company (TMC), a sort of corporate travel agency but where the services offered go beyond booking a return flight or a hotel room. **"A TMC is an organisation that helps you manage your travel spend,"** says Chapple.

TMCs offer a huge variety of services. Beyond booking air and rail tickets, hotel rooms and car hire, they also organise visas and passports, offer 24-hour help in the case of an emergency, and arrange group bookings and chartered jets. "It wasn't too long ago that you had a limited choice in the structure of how you worked with a TMC, so you either used one or you didn't, but with online booking tools and other technology you can now tailor make your own service model," says Paul Tilstone, chief executive of the Institute of Travel Management.

But according to Heather McInroy, programme director for the National Business Travel Network, before deciding to use a TMC, it is vital to have a business travel policy in place. "If a company does not have a business travel policy then they need to understand exactly what they need, how much they travel and how much it is costing. Unless they are very well informed about their company spend they probably won't get much from a TMC," she says.

Controlling travel spend is high on many companies' wish list and using a TMC will certainly help to achieve this. **"If a company has a lot of travellers then control through a travel policy is vital,"** says David Moore, board director of the Travel Management Group. "With a policy in place, a TMC can then control that through the parameters agreed with the company. The company can decide whether all travel has to be at the lowest fare or whether some people can travel in a certain class—it can all be managed and controlled through a TMC. In the past you'd have people going on all sorts of weird and wonderful routes with certain airlines because they would gain good air miles, effectively costing the company a lot more than they needed to spend."

Often, says Stewart, it is a revelation to businesses when you show them a report of their travel and

spend. **"We might look at it and say to them 'do you know on average your travellers book three days in advance? If they book five days in advance they can get a better deal',"** he says. "They use the information to learn about themselves."

Beyond cost control, the employers' duty of care is more important, particularly with the introduction last year of the Corporate Manslaughter Act, which holds companies responsible for staff safety when travelling on company business. **"A TMC does track all your travellers and should an emergency occur, such as a terrorist attack, they can pinpoint where your staff are and get in touch with you quickly and make arrangements,"** says Chapple. **For Stewart, the Mumbai terrorist attack last November showed exactly how efficient the system is. "Inside a few hours of the attack happening we had located 200 of our clients' people who were in the city on business and we knew exactly where they were,"** he says.

The recession means that business is more preoccupied with cost, and Tilstone says a recent survey showed the number of companies reviewing their TMC every year has jumped by about 50 per cent. "The economic climate has meant that more people are looking to reduce costs through tendering the contracts," he says, adding that **there has been a marked increase in the demand for self-booking tools, essentially giving companies a search tool for them to do the research but still booking through the TMC and benefiting from special deals.**

It is important to consider how much time is spent when staff book their own travel. "I book my own travel and I do have a certain understanding of which airlines offer good-value flights and where to get a good deal on accommodation, but it takes time to find," says Chapple. **"I recently booked a trip to Los Angeles and it took me the entire morning to do. I did get a good price, but arguably a TMC could have got me the same kind of value and it would have taken me just five minutes to explain to them what I needed."**

If you earn £40,000 per year then you have a cost per hour in terms of the time you take to book your trip rather than creating revenue for your company," says Chapple.

Moore reckons a good TMC should first provide options and solutions that a client may not have thought of already or that would take a long time for them to source, but he insists services have to go beyond the point of sale. "It is about constantly understanding the client's travel patterns, and if we notice a new route or if we identify they have volume going to a certain destination or hotel it is about making sure they take advantage of it by negotiating good deals."

"They all do it differently, some might charge per transaction while others charge an annual fee."

"The fare structure is so complicated that unless you have a simple requirement, doing it yourself is probably not the right option. You shouldn't oversimplify the process. It is a complicated market and it needs a great deal of specialist understanding."