

[T101] Demand Management: Managing the Consumption of Business Travel

Thursday, 21 August 2008

10.45 – 12.00

Compliments of:



Demand Management

ACTE Singapore
August 21st 2008
Leigh Garvan

Agenda

What is it ...

And how to do it?

A discussion is six main stages :-

1. Assessment
2. Improvement Opportunity
3. Demand Drivers
4. Influencing Usage and Spend
5. Propose Solutions
6. Implement Change

Definition

Demand Management (DM) is a proven mechanism to take costs out of an organisation without further reducing capacity to execute.

With DM organisations address :

- the underlying drivers of external spending,
- align their purchases to their business needs, and
- eliminate unnecessary consumption

Unlike targeting just the unit price paid, DM targets the QUANTITY of services or products purchased – CONSUMPTION

1. ASSESSMENT

Baselining phase using 3-pronged approach in data collection

- Spending Groups – airlines, hotels, agency, telecoms
- Suppliers – sourcing review, agreements
- Business Lines – understand their needs, document and confirm

This is where Organisational Support should start to take shape – ensure early consultative engagement

2. Identify Improvement Opportunities

This phase builds high level assumptions in preparation for next steps

- interview key employees – bottom up/top down
- CRM – formalise involvement through scheduled meetings
- workshop – structured discovery session. Although Travel Managers know their business, stakeholders ‘own’ the travel policy in their minds
- external benchmark
- prioritise categories

Analyse your findings and clearly document opportunities .. identify the organisation’s appetite for change

3. What Drives Demand

This quite complex phase drives thorough understanding and criticality of the root causes of travel spend :

- demand drivers will vary across business lines – client driven or shared services driven
- employee mandate – base location / responsibility area
- quality of service airlines - schedules, flexibility
- “ “ “ hotels – location, security, infrastructure
- Soft factors

Enhanced understanding of the source of excess or non-critical demand identifies area specific potential to reduce demand.

4. Influence Usage and Spend

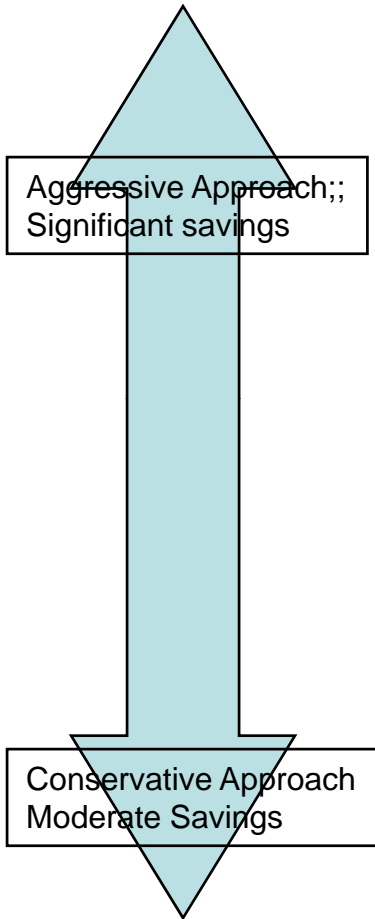
Determine the best way to do this using demand reduction levers – aggressive or alternative?

Aggressive – eliminate the spend item

Conservative – heighten cost awareness..

See next slide examples

Benchmarks will always have impact – use internal and external examples to support this phase



Demand Reduction Levers	Example
Eliminate Demand	Cancel non-essential meetings
Reduce quantity	Restrict non-essential internal meetings
Simplify Specifications	Lower the City Cap (hotels)
Reduce Frequency	Reduce number of internal meetings
Encourage substitutes	Video conference as an alternative for one in person meetings
Impose tighter process trackers	Approval tools, Exception Reporting Circulation
Increase Cost Awareness	Publish cost differences by notification of booking 14 days in advance for internal mtgs travel

Decision makers will consider a range of options ...in influencing usage and spend

5. Propose Demand Reduction Solutions

Suggested Approach ;

- present a **range** of options showing the many different approaches (and levels of aggressiveness)
- Decision makers should be able to choose from a fairly conservative solution (eg. *Issuing notices to employees*) to a more aggressive – (eg. *executive pre approval for all travel*)
- Solution adopted will depend on the underlying fact base & savings estimates
- Note in any recommendation the potential impact on customers – (not necessarily negative – eg. Sustainability policy could be a positive brand message)
- Gain organisational support top down & bottom up.. Leadership committees, travel category steering committee involvement etc

Put the science around each recommendation with robust analytics and transparency.

6. Implement

Success is won or lost here ..

- continuous monitoring to ensure changes are embedded throughout the business
- upfront planning to force business lines to consider feasibility and micro plan for change
- ensure results are aligned with opportunities presented
- performance measures – stay close through change for issue and problem monitoring and early resolution
- communications – early and ongoing
- supplier (agency) pro-activity to manage policy changes

Successful programmes produce financial organisational rewards leading to an enhanced level in the cost cutting equation

Autodesk – Case Study

Agenda

- Company Profile
- Sustainability Initiative at Autodesk
- Current State
- Travel Department Role in Sustainability
- Where Next?

Autodesk Company Profile

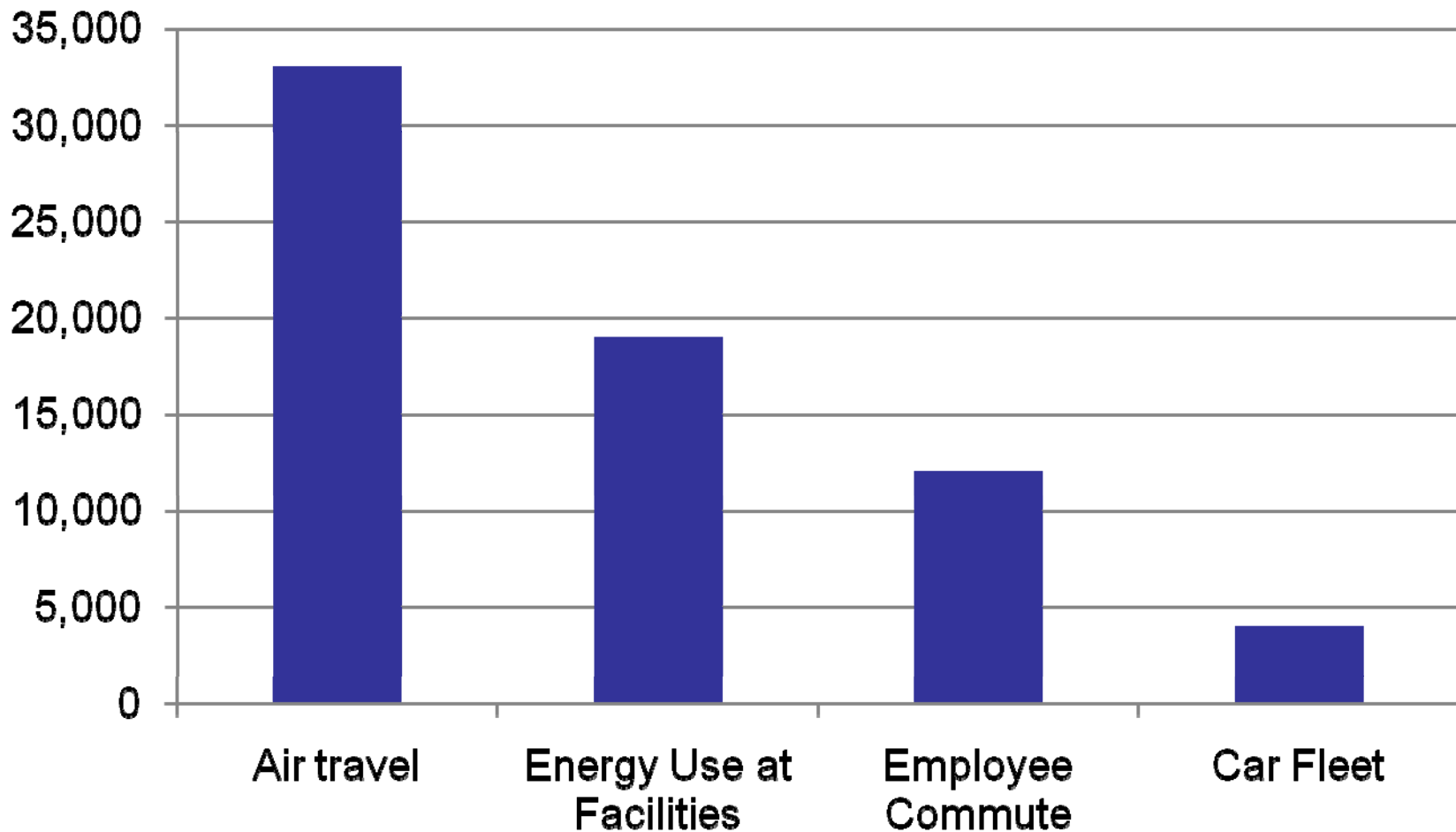
- 28 years ago launched first product: “AutoCAD”
- Today: Global Leader in Digital 2D and 3D Design Software
- Headquartered in San Rafael, California (just north of SFO)
- 7,500 employees worldwide with over 3,000 travellers
- Multi-national Corporation with 118 offices in 38 Countries
- \$2.5 Billion Annual Sales
- Market Capitalization \$9 Billion
- 100% of Fortune 100 Companies use Autodesk products

Sustainability at Autodesk

- Focus our product development on green design software
- Commitment by ADSK to be industry leader and “walk the talk”
- Hired full-time Director of Sustainability to:
 - Create EMS to manage and optimize ADSK’s environmental footprint
 - Measure Company’s global CO₂ and sources
 - Publish metrics and global CO₂ initiatives in fall 2008
 - Established network of “green teams” to identify opportunities
 - Target specific GHG reductions
- Key contributors to company CO₂ footprint
 - Travel largest contributor
 - Facilities second largest contributor

GHG Emissions: Current State

Estimate 67,000 metric tons CO₂-e from operations (FY2007)



Travel Department Role

- 2004-2008: Global travel data consolidation project to:
 - Drive monthly travel metric reports for managers
 - Identify cost savings opportunities
 - Leverage spend for vendor negotiations
 - Project completed in May 2008 w/incorporation of Apac
- 2007 - Travel industry shifts attention to “green”
- January 2008 – Travel Dept. collaborates with new vendor to:
 - Leverage consolidated travel data to calculate travel CO₂
 - Identify top city-pairs for potential reductions via “TelePresence”
 - Expand to calculate Autodesk global CO₂ Facilities footprint
 - Prepare Company for potential reporting of GHG’s to authorities

greenboard technology



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Global warming overview

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- [Can We Do Anything About It?](#)

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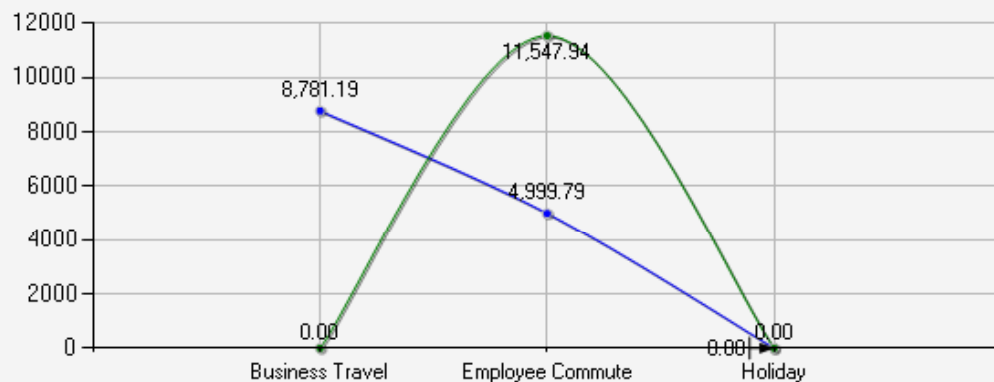
Personal CO₂ Dashboard



My CO2 Dashboard My CO2 Calendar

Period from: 7/1/2007 To: 3/29/2008

CO2 Output by Category



Co2 Description	CO2 Reduced	CO2 Output
Business Travel	0.00	8,781.19
Employee Commute	11,547.94	4,999.79
Holiday	0.00	0.00
1		
Co2 Output:		13,780.98 lbs

Show Co2 Reduced Show Co2 Output

All Categories



Global Facilities Listing



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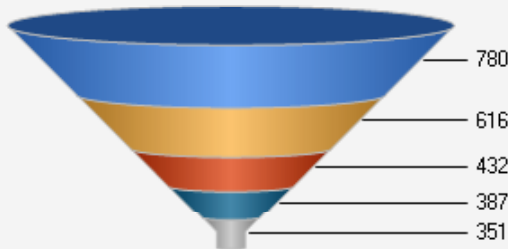
Corporate Offices Office Details

Office ID	Office Name	Address	City	State	Country	Office Type	# Employees	Avg Commute Distance
CNSH	Autodesk Software (China) Co. Ltd.	Shanghai Branch	Shanghai		CN	Independent	780	28.90 kilometers
CNXU	Xuhui, Shanghai, China	21F, 19 Building	Xuhui, Shanghai		CN	Independent	616	36.39 kilometers
CAS1	Autodesk, Inc. - Worldwide Headquarters	111 McInnis Parkway	San Rafael	CA	US	Independent	432	60.30 kilometers
USHM	Home Residence U.S.				US	Home Office	387	19.26 kilometers
NHMA	Autodesk, Inc.	100 Commercial Street	Manchester	NH	US	Independent	351	55.94 kilometers
SGS1	Autodesk Asia PTE Ltd.	391B Orchard Road	Singapore		SG	Independent	328	20.81 kilometers
CASB	Autodesk, Inc. (M & E)	The Landmark @ One Market	San Francisco	CA	US	Independent	279	51.69 kilometers
QCMT	Autodesk Canada Inc. (M & E)	10 Rue Duke	Montreal	Quebec	CA	Independent	257	36.03 kilometers
ONTO	Autodesk Canada Co.	210 King Street East	Toronto	Ontario	CA	Independent	243	42.00 kilometers
CHNE	Autodesk Development Sarl/SA	Rue du Puits-Godet-6	neuchatel		CH	Independent	233	28.32 kilometers
CAS4	Autodesk, Inc.	4000 Civic Center Drive	San Rafael	CA	US	Independent	224	60.60 kilometers
JPTQ	Autodesk, Ltd. Japan	24F/25F, Harumi Island Triton Square, Office Tower	Tokyo		JP	Independent	193	35.68 kilometers

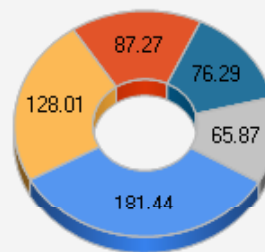
1 2 3 4 5 6 7 8 9 10 ...

Total Offices: 177

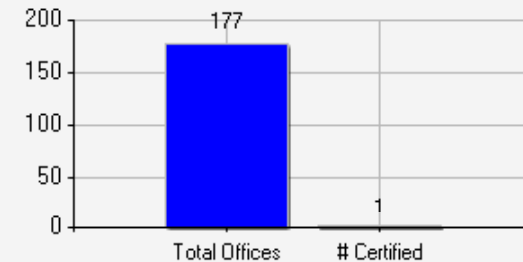
Employees by Office (Top 5)



Avg Commute Distance By Office (Top 5)



LEED Certified Offices



STRATEGIC SUPPLY CHAIN MANAGEMENT: MOVING BUSINESS FORWARD

Office Energy Analyzer



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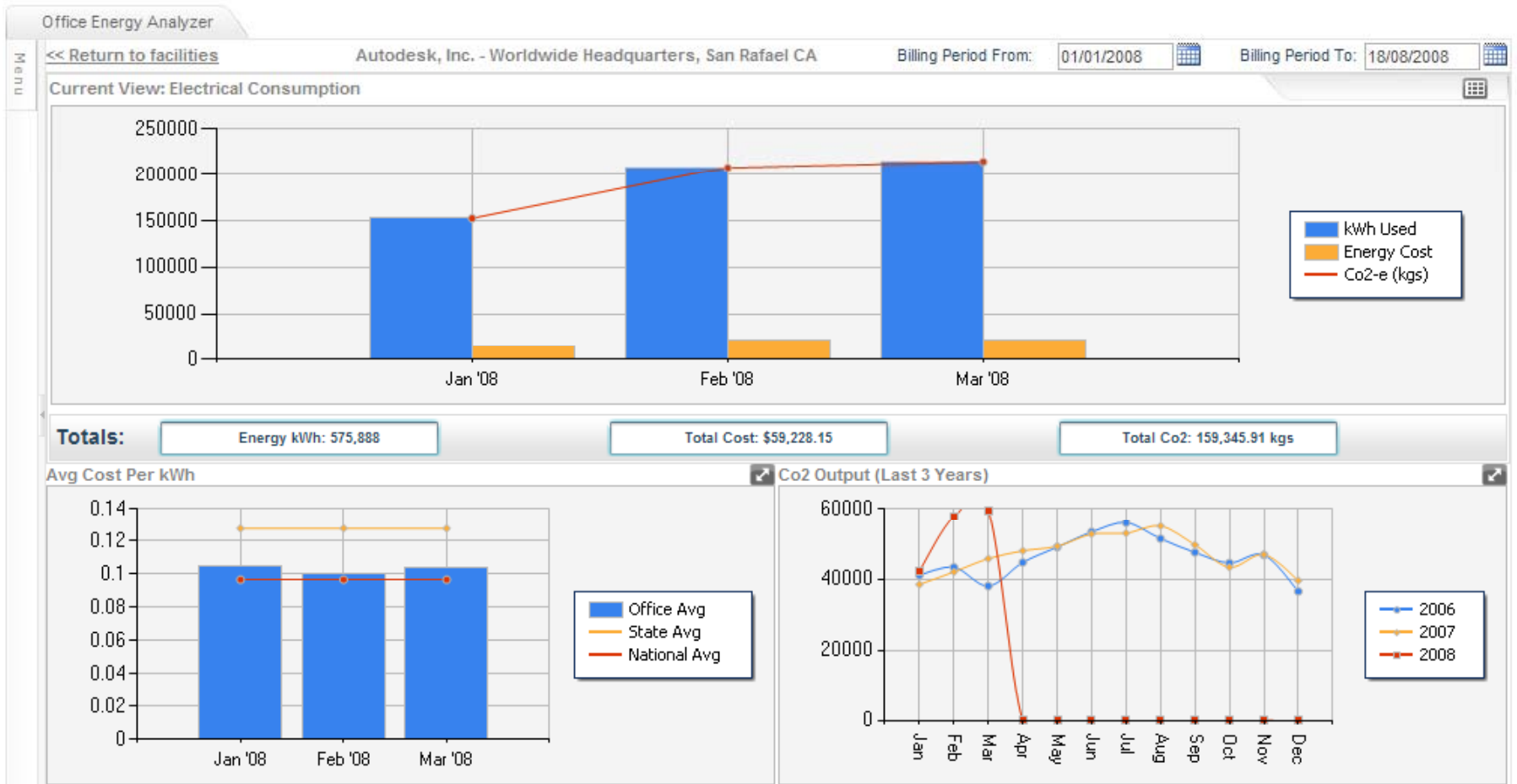
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STRATEGIC SUPPLY CHAIN MANAGEMENT: MOVING BUSINESS FORWARD

Waste Management Calculator



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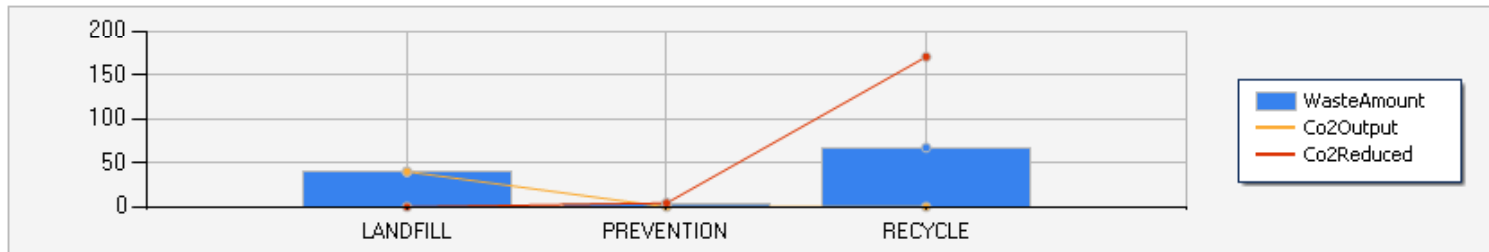
Welcome, Mike Fruhbeis

Corporate Offices Office Details

Waste Type	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
ALUMINUM CANS	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
ALUMINUM CANS	.26	.30	.32	.34	.36	.33	.00	.00	.00	.00	.00	.00
CARDBOARD	.60	.83	.81	.79	.90	.92	.00	.00	.00	.00	.00	.00
COMBUSTIBLES	1.10	2.20	3.31	4.41	5.51	6.61	7.72	.00	.00	.00	.00	.00
COMPUTERS	.25	.25	.25	.25	.25	.25	.00	.00	.00	.00	.00	.00
CORRUGATED CARDBOARD	2.20	3.31	1.10	4.41	5.51	6.61	7.72	.00	.00	.00	.00	.00
ELECTRONICS	1.10	1.10	1.10	2.20	1.10	1.10	2.20	.00	.00	.00	.00	.00
OFFICE FURNITURE	1.00	.50	.60	.40	.20	.10	.00	.00	.00	.00	.00	.00
ORGANICS	.50	.50	.50	.50	.50	.50	.00	.00	.00	.00	.00	.00
PAPER - 50% RECYCLED	.81	.22	.25	.30	.35	.40	.00	.00	.00	.00	.00	.00
PAPER TOWELS	.14	.04	.10	.11	.12	.13	.00	.00	.00	.00	.00	.00
PLASTIC BOTTLES	.26	.15	.10	.08	.12	.16	.00	.00	.00	.00	.00	.00
Total (in tons):	11.47	12.35	11.60	16.96	18.13	20.52	20.64	0.00	0.00	0.00	0.00	0.00
Diversion Rate:	80.97%	75.76%	62.88%	68.05%	63.85%	61.73%	48.07%	0.00%	0.00%	0.00%	0.00%	0.00%

Details
Equipment
Energy
Waste

Select Year: 2008



Download

Current Office: Chicago Office, Chicago IL



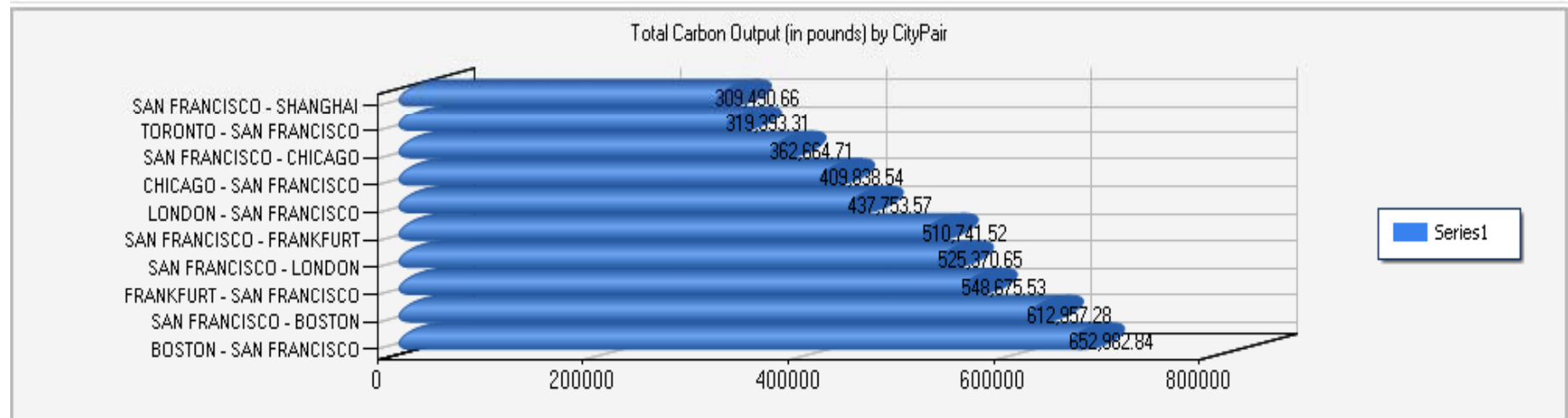
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City-Pair CO₂ Calculator

Carbon Emission Detail Report

Period Analyzed : 1/1/2007 to 12/31/2007

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Rank	CityPair	Total Mileage	Num. Segments	Carbon Output (in pounds)	Carbon Offset Cost	% of Total
1	BOSTON - SAN FRANCISCO	1,672,771	620	652,982.84	\$3,540.22	1.67%
2	SAN FRANCISCO - BOSTON	1,570,236	582	612,957.28	\$3,323.22	1.57%
3	FRANKFURT - SAN FRANCISCO	1,405,563	247	548,675.53	\$2,974.34	1.41%
4	SAN FRANCISCO - LONDON	1,345,862	251	525,370.65	\$2,848.47	1.35%
5	SAN FRANCISCO - FRANKFURT	1,308,386	230	510,741.52	\$2,768.68	1.31%
6	LONDON - SAN FRANCISCO	1,121,410	209	437,753.57	\$2,373.43	1.12%
7	CHICAGO - SAN FRANCISCO	1,049,899	568	409,838.54	\$2,222.57	1.05%
8	SAN FRANCISCO - CHICAGO	929,052	503	362,664.71	\$1,966.76	0.93%
9	TORONTO - SAN FRANCISCO	818,202	363	319,393.31	\$1,731.51	0.82%
10	SAN FRANCISCO - SHANGHAI	792,834	129	309,490.66	\$1,678.29	0.79%
	OTHERS	83,779,234	67,188	34,323,486.54	\$186,137.03	87.98%
	FINAL TOTALS	95,793,449	70,890	39,013,355.15	\$211,564.52	100%

Future Vision

- Expand measurement of CO₂ footprint
 - Include supply chain and external vendors
 - Insure accuracy in global calculation
 - Support green teams to lower GHG's
 - Identify opportunities to lower “green” taxes
- Remain major contributor to EMS Team
- Negotiate with vendors for “green” options
 - Hotels with “green” programs
 - Car rental (hybrid) vehicles



Thank You

Autodesk

THANK YOU FOR PARTICIPATING!

Help us serve you in the future:
Please complete the session evaluation.

Mark Your Calendar For the Following Upcoming Conferences:

