

Tuesday, 14 October 2003

Sarbanes-Oxley to Impact All Corporate Levels — Even Yours

Business travel managers from around the world got acquainted with the Sarbanes-Oxley Act on Monday — and the view has galvanized the association into action. Enacted by the U.S. Congress in 2002 to restore confidence, integrity, and accountability to a tarnished corporate structure, the Act creates a government authority to monitor and prevent white-collar crime.

According to presenters Jim Lennon, Global Travel Leader, PricewaterhouseCoopers LLC; and Garth Jopling, Travel Manager, Canada, PricewaterhouseCoopers LLC, SOX (as the Act is called) was spawned by the devastating collapse of corporations like Enron and WorldCom. As such, it may inspire travel managers to tighten fuzzy open-ended guidelines that might permit fraud.

One question asked in the session titled "Regulating Fiscal Accountability: The Sarbanes-Oxley Act and the Travel

Department" was, "Who will this effect?" The answer: In all likelihood — you. It will apply to any public company, regardless of location, listed on the U.S. stock exchange. Every layer of corporate management will be affected by this Act. In fact, violations will result in personal penalties for senior executives. (This is expected to drive compliance down.) Red flags will be triggered by cash advances, spouse travel for executives, and expense policies.

The implications of the Sarbanes-Oxley Act are so broad, that the association has formed a task force to address the issue, and will incorporate their findings into an initiative. SOX will be the focus of a special programme at the Orlando Global Conference. One participant suggested bringing along your internal audit people. •

"Fantastic! I never believed we could achieve so much in just three hours!"

These words were the unanimous verdict of all those who attended Monday's Members Only Advancing the Industry Workshop. Orchestrated by Dr. Dennis Sherwood, UK creativity guru of The Silver Bullet Machine Manufacturing Company Limited, this workshop marked another milestone in ACTE's continuous drive to enhance industry knowledge, and provide a forum for the industry's liveliest discussions.

Workshop delegates were invited to generate new ideas by imagining some world very different from today's. Like a world with no contracts.... A world in which the entire travel process is genuinely seamless... A world in which all the information needed to administer the travel experience is available from a single source.

Sherwood's message is the key to taming the complexity of our industry is to recognise that no single player, or group of players has the power, unilaterally, to do much by themselves. The industry is too interconnected. But if we co-operate, we can design much simpler standard contracts, much smarter processes and information systems, to give the traveller a much better experience. Our industry needs a similar, industry owned 'utility' to hold the key data on all our behalves.

So, we must create an industry task force to do the design work, and start lobbying to build a pan-industry consensus. Sherwood concluded ACTE is in a truly unique position to do this. His challenge: to step up to the plate. •

For more information, go to www.acte.org

Honoring Those Who Lead...

ACTE honored the contributions of three industry leaders who selflessly served on the association's Board of Directors. ACTE President Mark Williams presented Marilyn Clifton, Colleen Guhin, and Angela Naegele with a crystal globe. He stated, "Each of these dedicated members has generously given us her time, her talent, and a good part of her life in advancing our industry, and everyone's career."

Williams then presented the President's Award for ACTE EMEA to Nadine Dewart in recognition for countless hours given to educational planning, organisational expertise, and leadership participation.

ACTE's Advancing The Industry Award honors extraordinary, innovative professionals whose achievements have resulted in positive change. This year's EMEA winner was Bernd Burkhard of DaimlerChrysler Corporation.

The ACTE Distinguished Fellow Award was conferred upon the membership team of Margaret Moynihan and Mike McMahon for their highest-rated educational session "Procurement and Travel: A Success Story," presented in Las Vegas last spring. •

Lady Leaves With Laptop

Angela Naegele, Global Procurement Director, AT&T, won a laptop at the Technology & Business Process Showcase.

*You got automation needs. We got solutions.
Win your laptop tomorrow.*

Every visitor to the Technology Showcase today gets a bottle of Bailey's Irish Cream — Compliments of CityWest Hotel.

Business Travel Executives on the Front Line

Describing the European Union as a "huge colossus of a market, consisting of 400 million people with enormous buying power," The Honorable Robert Reich enthusiastically predicted a quickly approaching upturn of the European economy.

An essential component of his positive forecast is what he calls "relational capital."

"The only way to solidify creative collaboration, trust and confidence in business," he emphasized, is by meeting face-to-face. "You," he said pointing to the international ACTE audience, "are therefore on the front line of the global economy."

The end result of cutting travel out of corporate budgets will be a loss in the irreplaceable power generated by personal contact. This is a realisation that will become inevitable to corporations around the world.

Although Reich's bottom-line message was that of an improved economy, he did advise that Europeans should be

cautious of several potentially inhibiting factors. The first is the concern that one central bank, headquartered in Brussels may or may not be able to justly set the economic policies for many diverse countries.

The second is the issue of "labor inflexibility." Policies dealing with welfare, and issues such as paid holiday time differentiate Europeans from other leading economic powers and could inhibit international investments. Lastly, similar to Americans, European citizens are plagued by the worries of how their government can handle a large and quickly aging baby-boomer generation.

Yet, despite the elements of worry, Reich reminded the audience that the advantages of the European Union are greater to its members than are these structural challenges. He also emphatically stated that it is professionals like the ones attending the ACTE Global Conference who make positive change inevitable. •

Distribution Made Easy — Almost

Professor Fariba Alamdari captivated the audience yesterday with her compelling presentation: "The Future of Distribution." She opened with crises that continue to affect the progress of travel throughout the world: ranging from terrorist attacks, the Gulf War, and SARS. Alamdari then detailed how factors such as the emergence of low-cost carriers, heightened competition among suppliers, and the complexity of Global Distribution Systems (GDS) operations have affected business travel.

Finally she explained how the industry inevitably develops financially opposing

goals. New technology and the need to cut costs changes relationships and business priorities.

For example, financial necessity and technological capability changed a 40-year-old relationship between carriers and travel agents.

So what is in store for the future? Alamdari's model suggests that the economic water will find its own level, striking a complex balance of supply and demand — plus a few variables. This session fueled a series of breakout sessions, the findings of which will be disclosed today. •



Going Global...

by Keith Haynes, Senior Vice President, Global Sales, RADIUS - the global travel company

For most members of the ACTE family, the last year has been among the most challenging within memory. However, I have noticed real growth in the very activity that is the heartbeat of this association: global travel management. Economic downturn focuses minds on cost and efficiency and more businesses have realised that consolidating their travel programmes on a worldwide basis can drive serious savings.

At RADIUS, our business development department has been involved in more global bids than ever before. Suppliers are getting organised. For many years, corporate clients complained that airlines were incapable of negotiating on a consolidated, multinational basis. Now even the airline alliances are making efforts to speak with one voice to large accounts.

In return, suppliers point out that clients must be ready,

willing and able to control their travel programmes globally. Willing they may be; ready and able, all too often, they are not. That too is changing. Using lessons learned from organisations such as ACTE and from strategic sourcing of other services, travel buyers are extending the disciplines of policy, management information and supplier consolidation beyond national borders.

It is not easy. Practical complications and cultural clashes multiply when a buyer embarks on this sort of overseas adventure. However, there are enough good news stories from global pioneers to prove not only that it can be done but that the considerable investment of time and resources reaps enormous rewards.

Globalisation is well and truly with us. This year's ACTE Conference can help us define the blueprint that will bring mutual benefit to all sides of the industry. •