

[T103] Successful Global Programs, Part 1

Thursday, 24 August 11.45-12.45

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T103 Successful Global Programs Pt1

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Why Globalise?

greater Control

bigger Savings

standardisation

improved Visibility

less Duplication

better Policy Management

consolidated MIR

enjoying Benefits of Scale

more Consistency

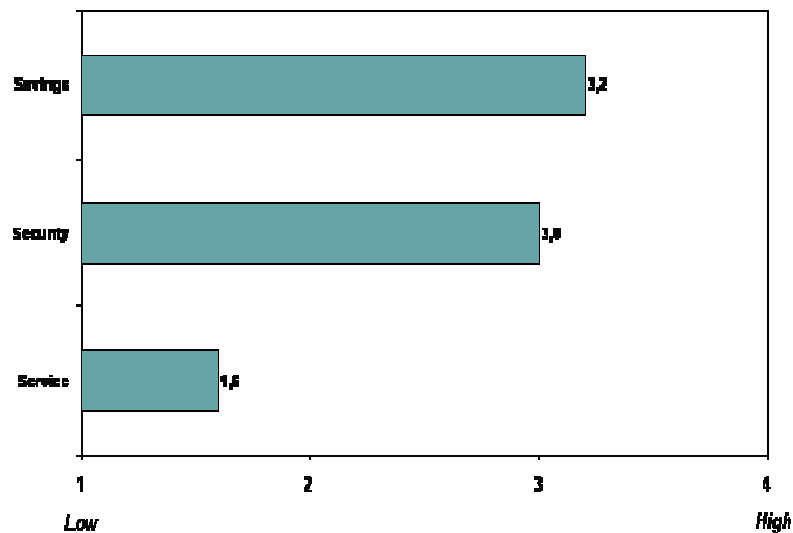
supplier Leverage

traveller Safety

ease of Contract Management

greater Efficiency

Average perceived impact on main benefits
achieved through global consolidation



What Surveys Tell Us...

Travel managers perceive/
believe the greatest benefits of
globalising a travel program come
in the form of “savings”.

Security benefits were also rated
highly, but lesser benefits were
believed to come in the areas
relating to service.

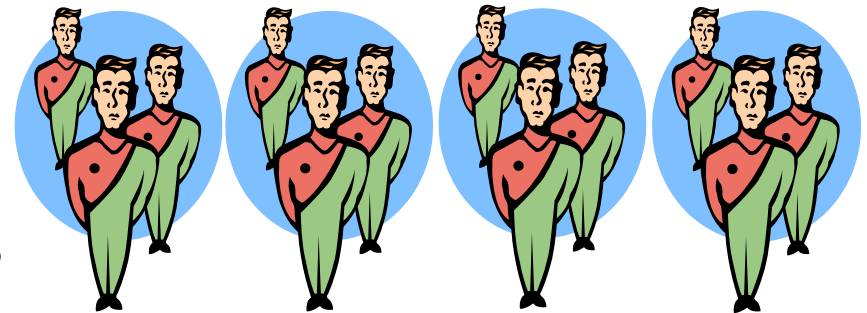
And some remain to be convinced
on any benefit in consolidation !!

What to Globalise?

Do you make everything the same?

or

Make worldwide in scope and application?

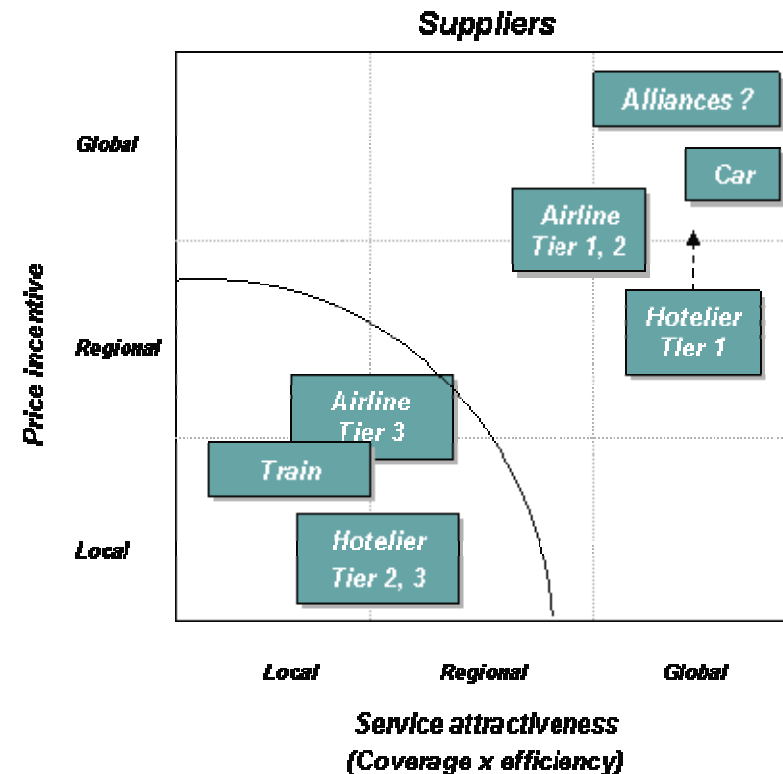
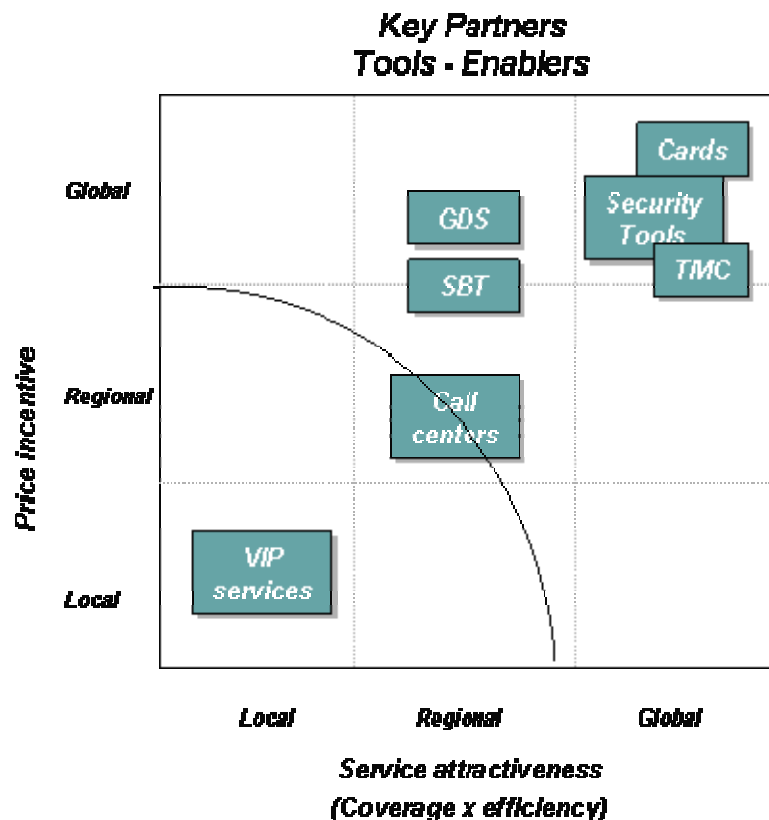


What can be globalised?

or

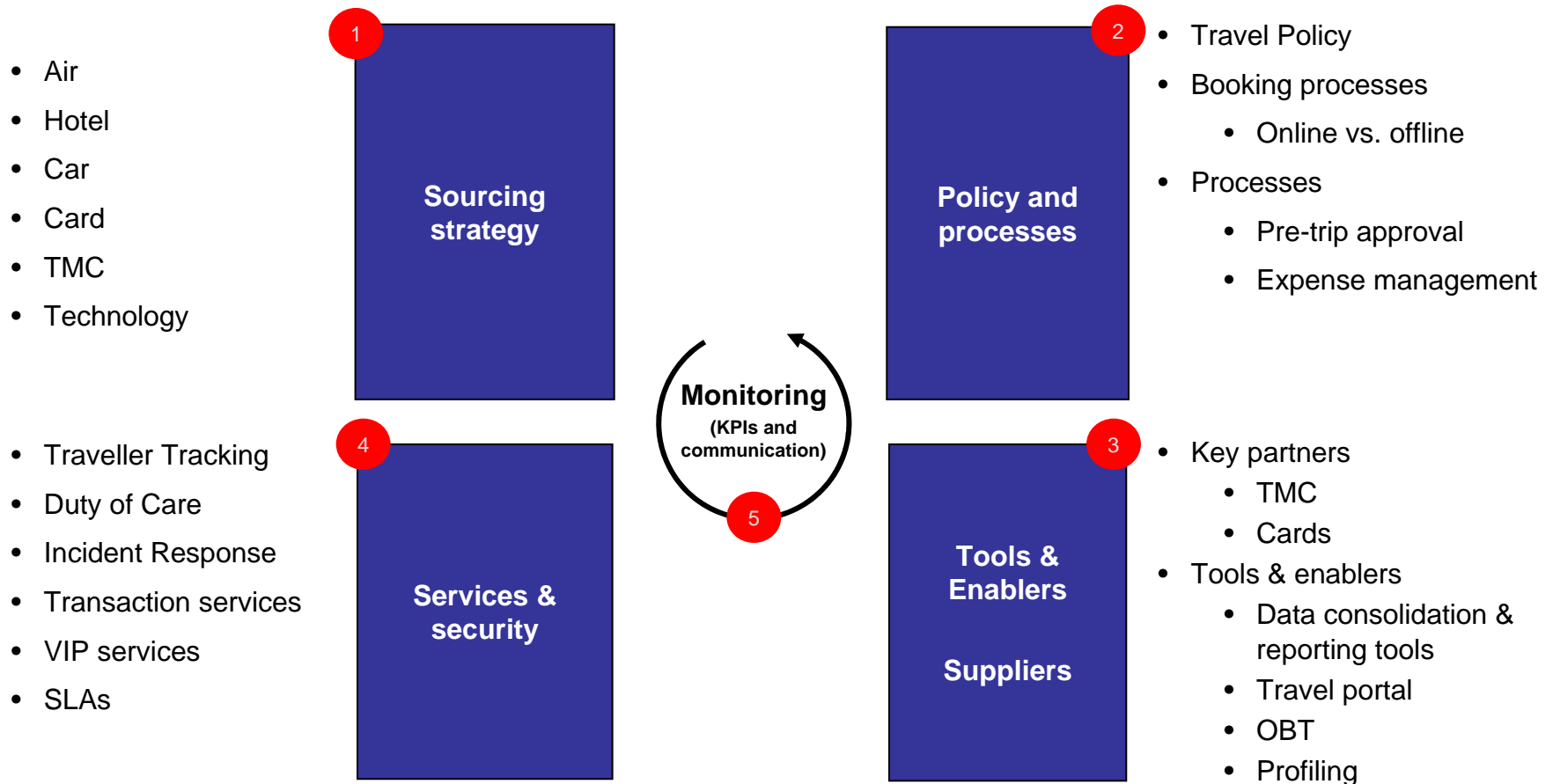
What should be regionalised or localised?





Some program enablers and suppliers are naturally more global. Optimum results come through a blend of global, regional & local inputs

What Needs To Be Present to Successfully Globalise?



Tangible Outcomes from Globalising Travel Program

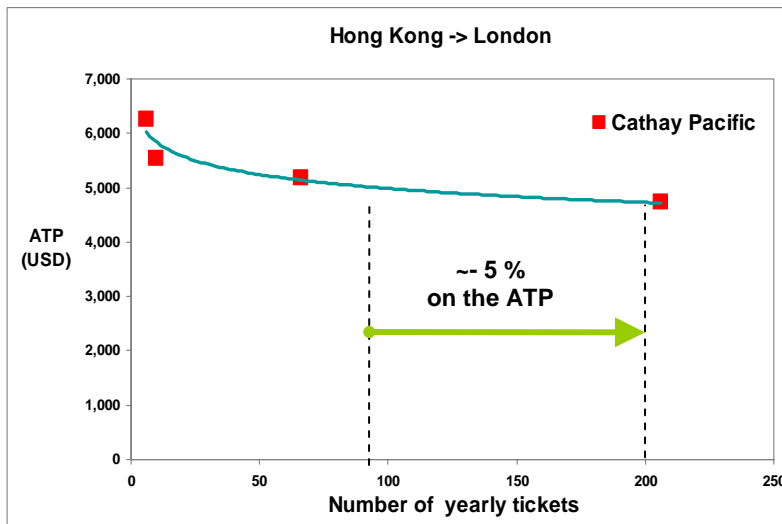
Air

Hotel

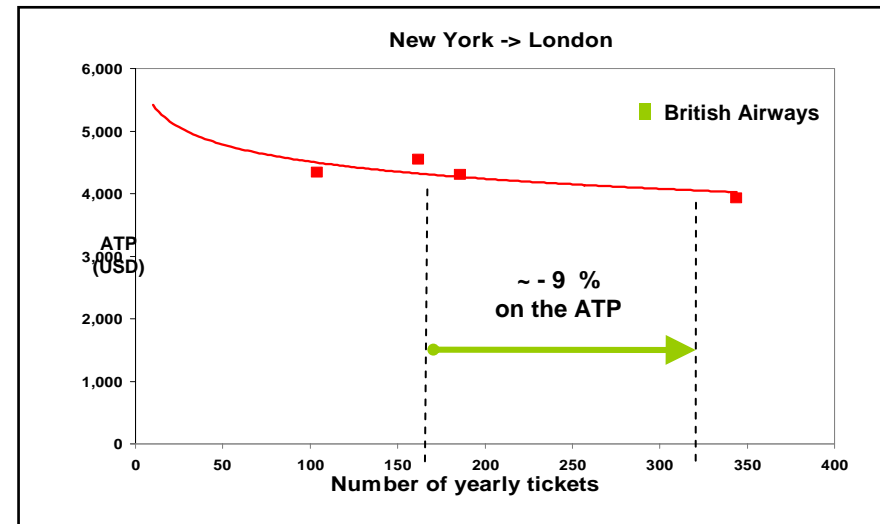
Travel Management Company

Corporation 1 (HKG-LON) had previously relied on locally negotiated air contracts. Moving to a global air contract and aggregating the air spend enable stronger route deals to be negotiated.

Corporation 2 (NYC-LON) had previously been unable to consolidate their spend data effectively. Once this was achieved and they had greater visibility on their air spend they had a case for negotiating better air contracts



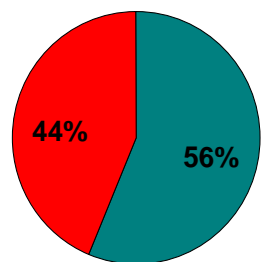
**Doubling volumes, the ATP
decreases by ~ 5 %**



**Doubling volumes, the ATP
decreases by ~ 9 %**

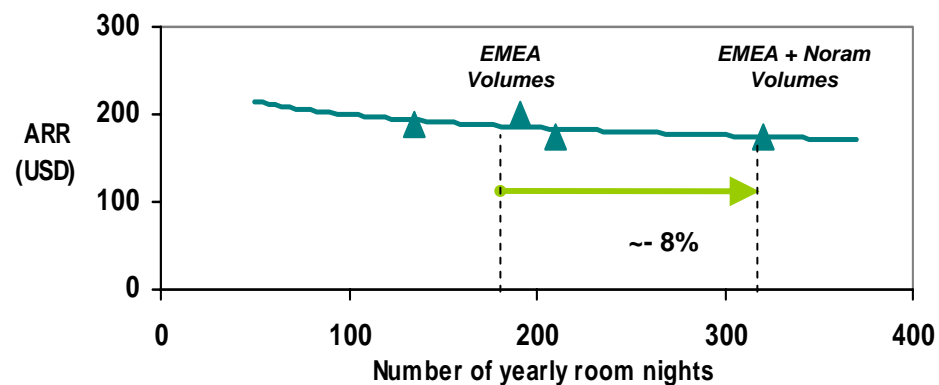
Corporation 3 had unknowingly held 2 contracts at the same hotel through different operating groups. When this came known through some data analysis and the contracts were consolidated a rate reduction of 10% was negotiated

***Nights breakdown according to the
incoming region
(Paris - Mériadien Etoile)***

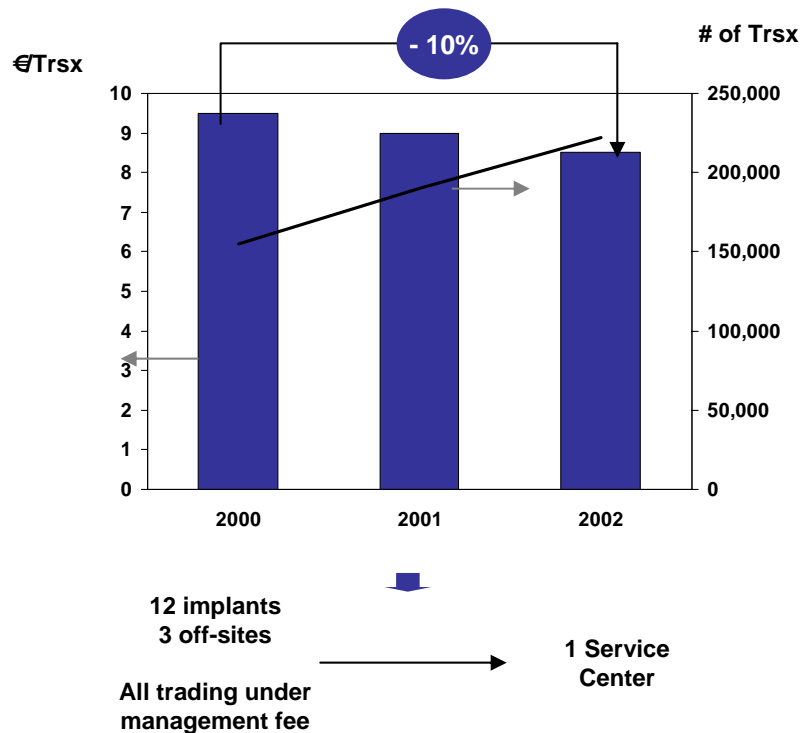


■ EMEA ■ NORAM

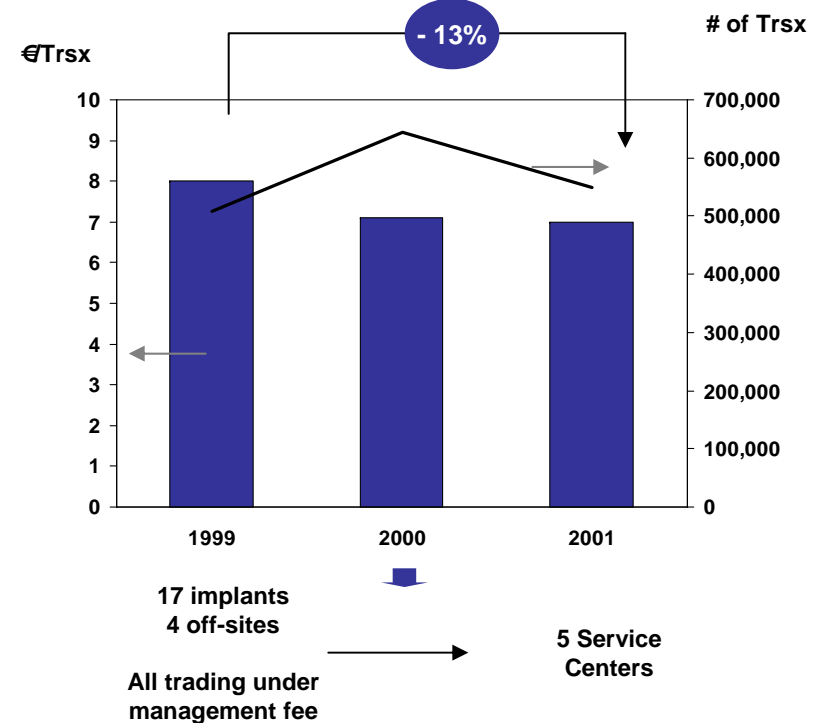
Impact on the ARR



By consolidating to a single serving locations in one country, Corporation 4 reduced its transaction cost by 10%



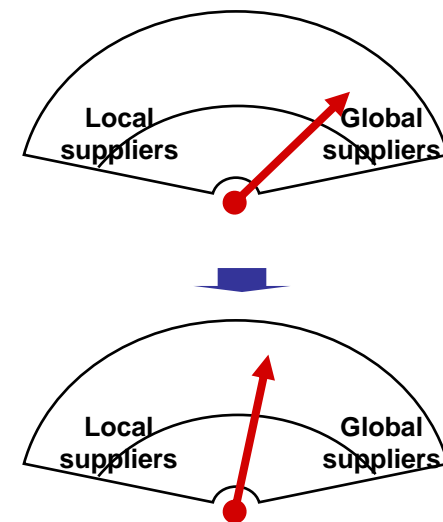
By reducing the number of serving locations in one country, Corporation 5 reduced its transaction cost by 13%



Amongst corporations with “extremely” global travel programs there has been a shift back to also embrace more regional and local supplier contracts.

- ▶ Some corporation have reduced their spend through global contracts to improve coverage.
- ▶ An increase in spot buying or open skies behavior has also lead to some reduction in global contract spend. This is particularly influenced where LCC's form part of the policy.
- ▶ Inventory challenges have lead to some corporations needing to supplement global contracts with local ones
- ▶ Global contracts may not always meet local needs. A trend towards supplementary hotel programs is an example of this trend.

Supplier Mix



Closing Thoughts

- Determine what are the non-negotiable elements of your global program
 - be prepared to allow variation on others
- Tangible benefits need to be seen at all levels
 - global programmes need champions in all geographies
- Globalising because it's fashionable is not a good idea
- Understand and work with local market nuances
 - how transportable is your corporate travel policy?
- Implementing a global program is only the beginning
- Beware the pseudo global supplier
 - “ well it works in the US”

BALANCING ACT:
GLOBAL
VERSUS
LOCAL

**ACTE Asia-Pacific Regional
Education Conference 2006**

ACTE
GLOBAL

ASSOCIATION OF
CORPORATE TRAVEL
EXECUTIVES



Thank you

T103

Successful Global Programmes

Part 1

Wendy Reynolds

**Global Travel Agency & Technology Manager
Hewlett Packard Company**

August 24, 2006



Agenda

HP Today

HP's Global Travel Program

Successful Global Programmes

Key Drivers and considerations

Research

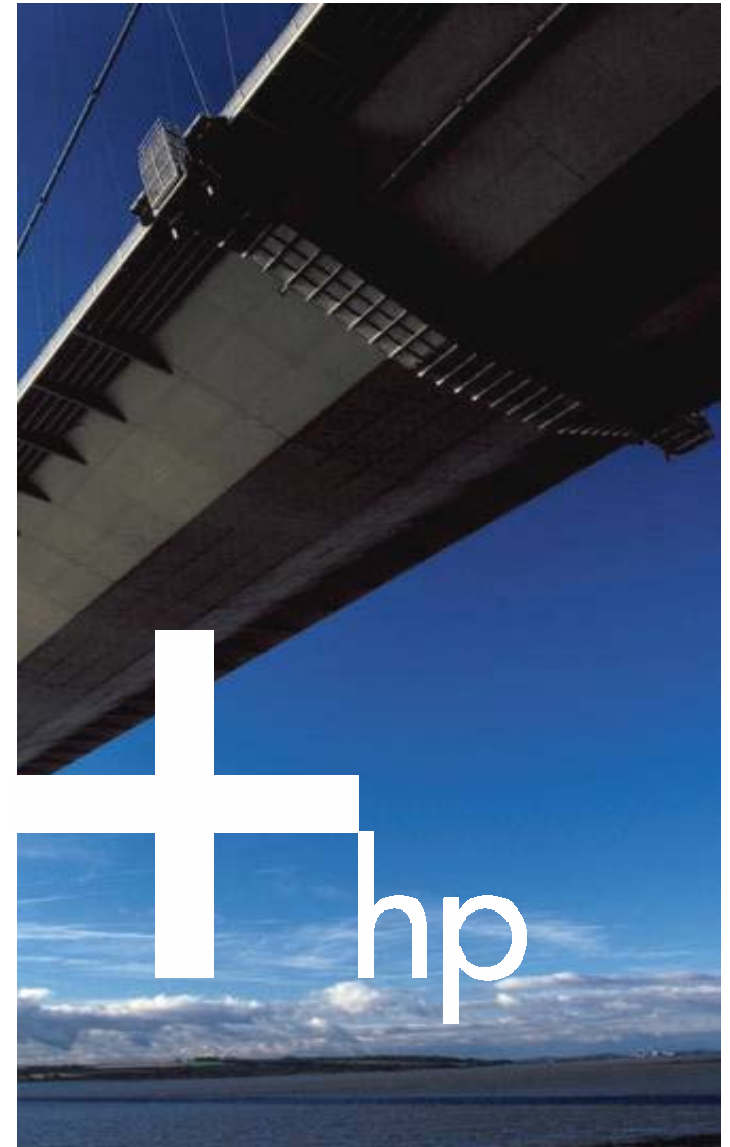
Planning

Execution

Q&A



HP Today



Broad Capabilities

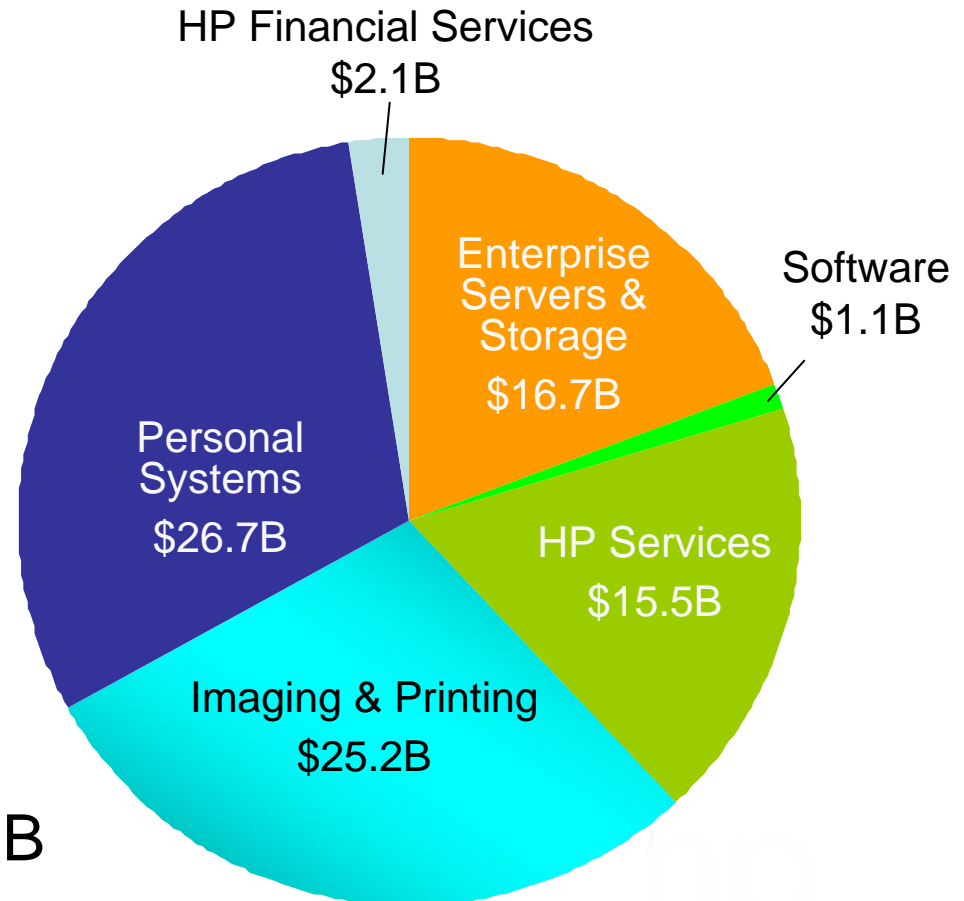
- Fortune 11 company
- Leadership in virtually every market, customer segment and region
- Operations in more than 170 countries
 - 43 currencies, 15 languages
- 150,000 employees
- 70,000 service partners
- 210,000 sales partners



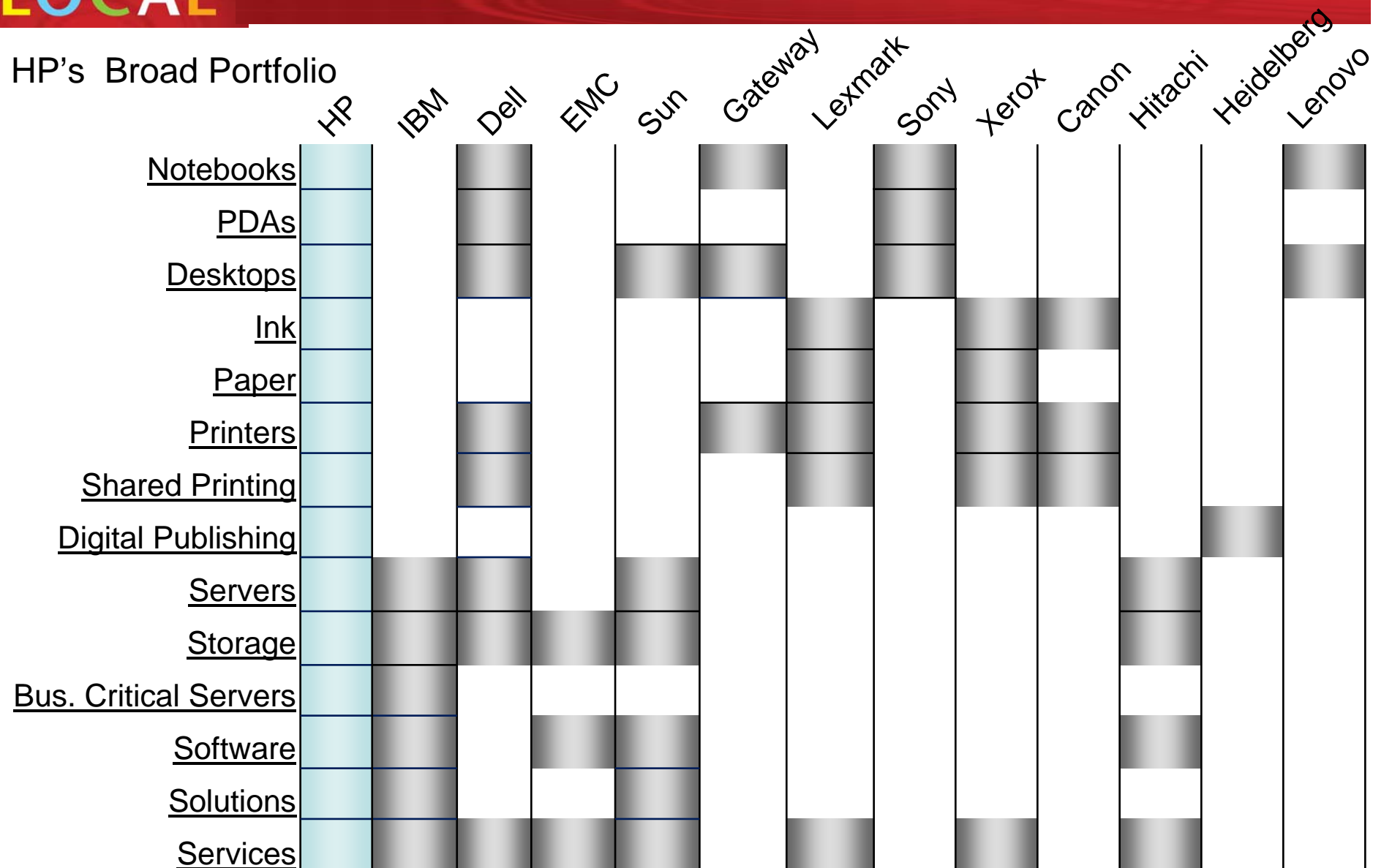
Financial Strength

- \$6.8 billion in revenue growth in FY05
- \$13 billion in gross cash at end FY05
- Generating \$6.6 billion in free cash from operations annually

FY05 revenue: \$86B



HP's Broad Portfolio



Halo Interactive Virtual Conferencing

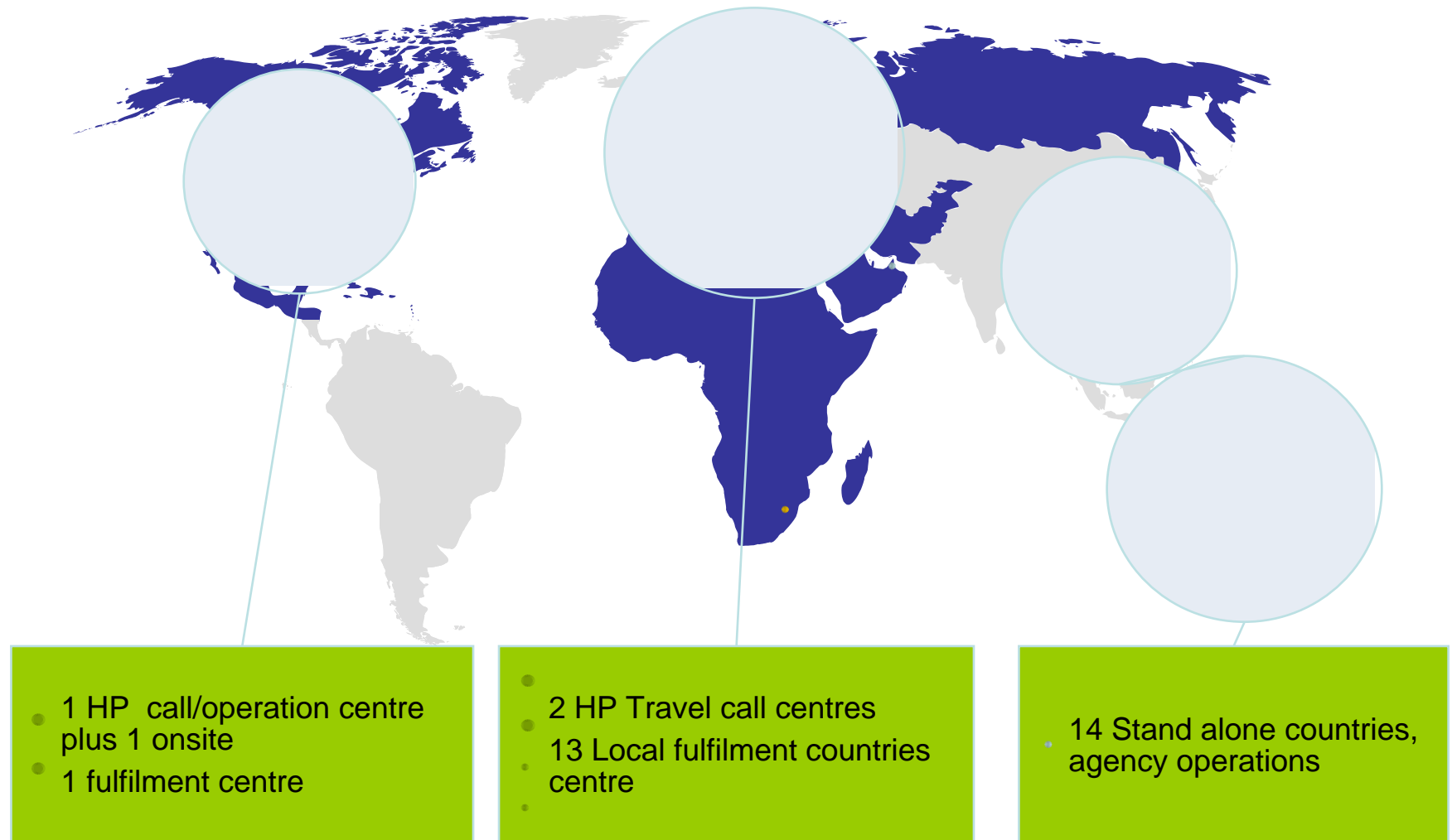
- A real-time, seamless communications experience that can improve how people work and interact
 - Enhanced person-to-person engagement
 - Greater decision-making effectiveness
 - Improved time management and reduced travel costs



HP Global Travel Program Today

Structure:	Global vertical organization -Global Work Stream -15 Fulltime Employees
Customers:	80,000 Travelers
Agency:	80% transactions consolidated with single agency
Air:	global airline program negotiated centrally, supported by region resource
Car:	two global rental car co-suppliers
Card:	one global T&E card program
Hotel:	centrally managed global hotel program
Meetings:	global owner, strategies in development
Communications:	Global lead facilitates all regions

Current HP WW call centre and operations centre



Global vs Local opinions

“Our focus is in NA, we have addressed 80% of our spend in our negotiations with the global hotel chain”

“It is the principal of it- why should we pay \$20 more for our hotel room nights in this region than XXX company?”

“We must consolidate our air spend to drive better contract terms with our global carriers”

“Oh, but, but, we need to spread our spend to many local carriers to simulate local competition”

“We mandate this self booking tool only”

“The Global self booking tool does not get us the contents we need”

Successful Global Programmes - Why do we need to learn about it?

Because :

Many Global travel managers are :

- **successful in consolidating in the Americas region**
- **now looking to dive deeper**
- **entering an unfamiliar market**
- **looking to develop local knowledge, local partners and local staff**
- **aligning global travel organization to the local context; and**
- **engaging and managing community and political stakeholders.**

Because :

The Rest of the world now have:-

- **> 50% of spend and volume %**
- **fastest growth rate**
- **improved industry market maturity**
- **improved knowledge and readiness**



Connects global Strategy to Local execution.

A successful Global Programme addresses the operational and execution issues when looking internationally for new opportunities

- Anticipating the impact of operating globally in economic and operational terms
- Managing the key issues and risks
- Monitor and leverage the rapid growth and development of travel industries

Connects global Strategy to Local execution.

A successful Global Programme addresses the operational and execution issues when looking internationally for new opportunities

Key drivers and considerations :

- Control
- Compliance
- Leverage
- Structure
- Consolidation
- Information & Influence
- Demand
- Vision

Preparation – Do the research

- Company organization
 - Regional
 - Country
 - Businesses
- Culture
 - Company
 - Region
 - Current program
- Structure
 - Leadership
 - Decision makers
- MOC
 - Issues
 - Managing
- Communication
 - Push and pull
 - Formal and informal



Preparation – Do the Research

- Enterprise systems
 - HR
 - Finance
 - Procurement
- Tax and Regulatory Issues
 - Government
 - Company
 - Currency
- Language and fluency
 - Expectations
 - Reality
- Procurement
 - Roles and responsibilities
 - Current contracts
- Policy & Processes
 - Travel
 - Reimbursements
 - Procurement
 - Finance operations
 - Vendor payables

Preparation –Stakeholders and Suppliers

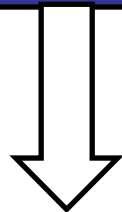
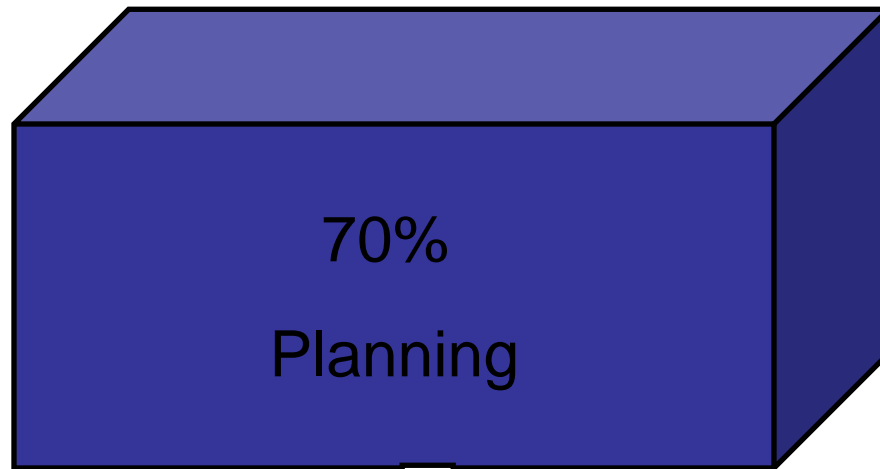
Stakeholders and Allies

- Leadership & management
- Local networks
- Advocates
- Key influencers
- Remoteness from “HQ”
- Windows of opportunity
- Mandates vs. recommendations

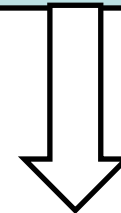
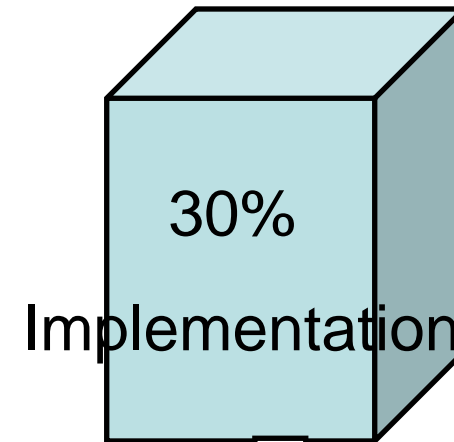
Supplier Organizations

- Structural expectations
- Accountability
- Ownership
- Points of contact
- Change management
- Local vs. Regional vs. Global

Preparation : Planning Pays off

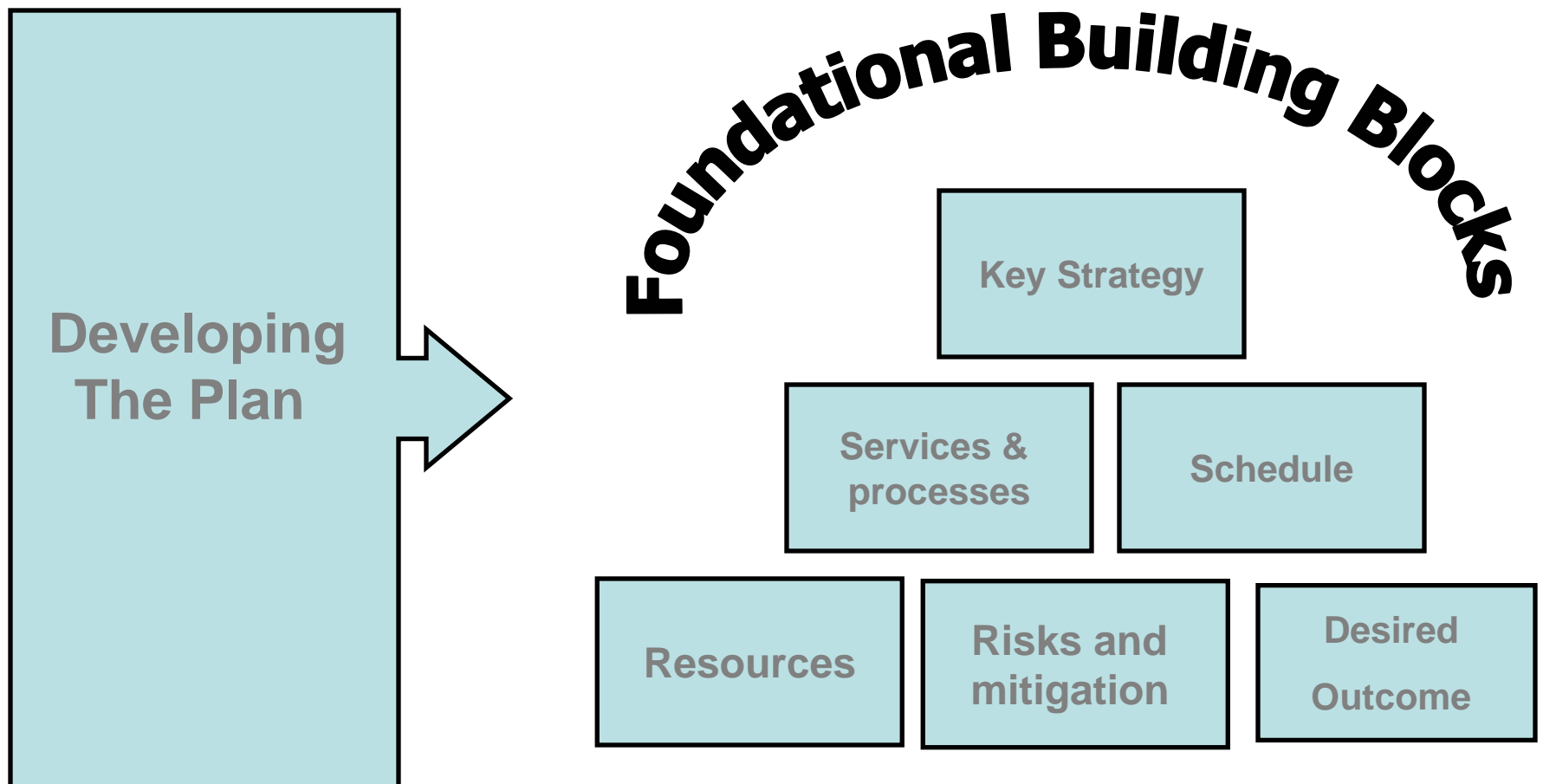


- Don't know what you don't know
- Greatest risks
- Chance of realizing risk
- Mitigation plans



- Scope
- Schedule
- Resources

Global Strategy, Local Execution



Developing the Plan

Key Strategies

- Global vs local
- Geographic coverage
- Technology and tools

Service delivery & Processes

- Operations
- Compliance
- Supplier management
- Communication
- Cultural consideration

Schedule

- Timelines & milestones

Resources

- People
- Supplier structure
- Cost

Risk Mitigation

- Realized risk
- Escalations
- MOC

Desired Results

- outcomes
- measures

Executing the Plan – Implementation

- Leadership
- Consistency to plan
- Over communicate
- Leverage allies
- Call out issues & roadblocks
- Expect pain of change
- Patience and persistence
- Creativity
- Report out successes



Executing the Plan - Key Challenges

- Consumer readiness
- Supplier readiness
- M O C
- Bandwidth
- Consumer care
- Numerous moving parts
- Industry changes
- Management changes
- What you don't know



Thank you !

Q&A ?

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