

ACTE Asia Pacific Conference

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Demand Management

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Agenda

- What is Demand Management?
- Critical Success Factors
- Managing Travel Demand - Methodology
- Ways to Reduce Travel Demand
- Benefits of Managing Travel Demand more Effectively

What is Demand Management?

- Typical Procurement Definition
 - Strategic consumption management
 - Focuses on quantity and purchase to pay platforms
 - Reduces costs and changes behavior

- Travel Manager's Perspective
 - Having the right suppliers, contracts, processes and relationships to support the organization's travel policy and core business requirements today and in the future
 - Once the above is in place the Travel Manager can then focus on:
 - Working with the business to optimize current and forecast future demand based on objectives and levers
 - This in turn provides additional value to internal clients

Critical Success Factors

- **Data, data, data** - “If you cant measure it you cant manage it!”.

Sources can be:

- Card, Expense System
- TMC/Agency, Pre-trip approval
- Suppliers direct, Corporate Booking Tool
- Other information - Access to T&E budgets, business plans

- **A sound travel management program foundation**

- A standardized and well communicated travel policy
- All levels of management support
- A medium level of travel supplier rationalization e.g. TMC, air, hotels, meetings and events

- **Know Your Business**

- Formal and well executed client engagement program
- Open and regular communication
- Result in identifying opportunities, gaining buy-in and executing demand management changes more quickly and effectively

Managing Travel Demand (Methodology)

Assessment Phase

Design and Implementation Phase

Establish
baseline and
analyze data

Identify
implement
opportunities

Determine
demand
drivers

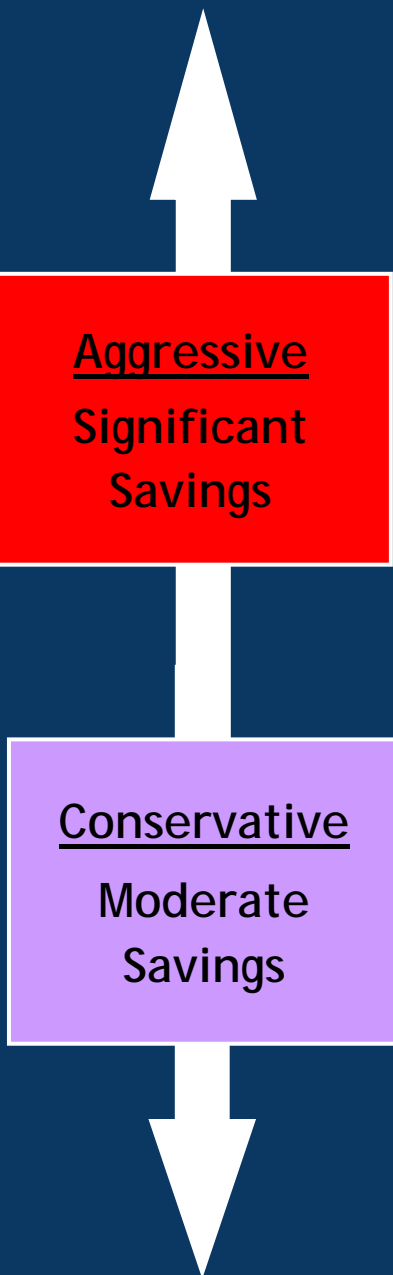
Influence
usage and
spending
to reduce
demand

Propose
demand-
reduction
solutions

Implement
Recommend-
actions

Manage and Communicate

Ways to Reduce Travel Demand



Demand Reduction Levers	Examples
Reduce demand	Reduce need to travel by applying rigorous pre-purchase controls such pre-trip approval
Reduce quantity	Restrict travel for all non-essential internal meetings
Simplify specifications	Establish market-based maximum hotel rate for frequent destinations and restrict use of luxury hotels. Reduce class of travel for time/distance
Reduce frequency	Reduce number of internal meetings requiring travel. Combine trips
Encourage substitution	Encourage use of video- conferencing as an alternative to in-person meetings
Impose tighter process and tracking	Enforce non-reimbursement for travel booked outside of preferred agency/TMC or not preferred hotel
Increase cost awareness and tighten policies	Publish missed savings incurred by not booking within policy for air, hotel and car

Benefits of Managing Demand More Effectively

Reduces Cost Structure

- Reduce spend at source/point of sale
- Balances spend against the true needs of the business
- Realizes bottom-line savings

Instills A Culture of Cost Control

- Eliminates cost creep
- Shines the light on undesirable actions and celebrates successes



Drives a Consistent Policy

- Raise visibility throughout the organization
- Ensure business-appropriate decisions are right across the entire organization

Provides Data to Manage Costs

- Increases transparent spending
- Elevates the cost implications of individual actions
- Provides a mechanism for monitoring costs and usage

SUMMARY