

SAP Concur 

Redefining Travel Management in India

THE BEST RUN



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Executive Summary

Traditionally there were benefits in engaging multiple TMC partners by an organization. In the new normal however, the need of the hour is combining technology, duty of care, user experience and spend management. In a recent study 77% of Indian business travellers agreed their employers were not adopting the latest technologies available, and 70% of organisations stated visibility and control as their primary objective. This can be best achieved by consolidating to a single TMC powered by an end to end T&E technology platform. The Redefining Business Travel in India whitepaper highlights the benefits of engaging a single TMC partner powered by an integrated technology platform for an organization, its employees and the TMC partner itself. It compares various industry studies that have addressed this while balancing off pragmatic new ways to overcome prior concerns. This should help organisations set forth a roadmap for adapting their managed travel program as part of any digital transformation initiative while considering the scale of cost savings and any duty of care considerations.





Redefining Best Practice Travel Management in India

As companies begin to navigate the New Normal with regards to business travel, it becomes even more important for them to review what their current practice is for managing their business travel needs and what they will need for the future.

Whereas in the past organizations could use multiple **travel management companies (TMCs)** and allow employees to book hotels and airlines directly, these practices undermine some basic principles. A well-managed travel program with employee compliance to a travel policy balances cost efficiency with traveler satisfaction, traveler safety and security. Using a TMC is a key building block of a managed travel program. A dedicated relationship with a professional TMC partner helps an organization control their travel costs and identify potential vendors for negotiated rates, as well as provide travelers with booking autonomy and assistance during travel disruptions. Combining this with the latest in technology for booking, approvals, expensing transactions, payment and reporting, as well as the ability to easily track and communicate with employees on the road is without doubt the future for organizations, particularly for Enterprise clients based in India. Indeed, this has been quantified at over **\$9,700** per employee per year with a possible **Return on Investment of 650%** when implemented as a full suite platform¹.

When it comes to TMCs, Indian organizations have taken either a single partner approach or a multiple partner approach for a variety of reasons. Both may offer specific benefits to the users or the organization historically that varies depending on the size of the company and the volume of travel needs; however with the evolution of the India corporate travel market there is now opportunity for companies to embrace what is seen globally as best practice- the use of a single TMC for corporate booking and servicing combined with online technology to ensure cost effectiveness.

1. IDC White Paper- Empower Organizations to Digitally Transform Their Expense, Travel, and Invoicing Processes, Oct 2018

Single TMC Managed Travel Program

This approach is seen as best practice by many organizations since it allows them a number of cost benefits and operational efficiencies. A **single TMC program** is also advantageous for employees of the organization as well as the TMCs themselves, who can focus on relevant services at a large enough scale to warrant the investment. Several TMCs have produced public materials on this with various examples of outcomes such as ticket price reductions and operational efficiencies, and estimated savings in strong double digit percentages.^{2,3}

Organizations and the TMCs can respond and adapt quickly to any external market shifts and internal company changes. Strategies and plans can be driven through a single point of contact to achieve business goals rather than splitting the focus over multiple service providers.



2. BCD Travel White Paper- One Size Fits All? Consolidating your travel program, 2009
3. CWT Travel White paper- Global Horizons: Consolidating a Travel Program, 2007

Benefits to Organization

The most important feature of using a TMC for companies is that it allows companies to **control their costs** and rein in unnecessary

A single TMC means single account management and administration, which in turn means organizations can significantly reduce their overhead costs. Travel expenses can be controlled since a single TMC may be able to negotiate better deals with suppliers; the company can take advantage of these discounts in addition to any corporate negotiated discounts and should be able to negotiate lower transaction and other TMC fees based on higher volumes. A single agency can help move market share to meet contract goals with airlines, hotels, taxis, and other suppliers for the organization through strong point of sale compliance. It can also help maximize cost savings

by using the agency's preferred suppliers if they align with organizational needs. Furthermore, internal processes for business travel accounts and corporate travel accounts can be made easier for the company through a single TMC.

Using a single TMC provides companies with the advantage of having all the travel and expense related data consolidated at one place, which will simplify analysis for expense insights and to identify financial leakages.

These benefits ultimately give organizations transparency, visibility, and control over travel bookings and targets.

🗨️ **Large companies are increasingly looking for more visibility and control over travel costs.** Single sourcing offers a myriad of benefits to the corporate including **visibility of spend, traveller tracking and compliance** as well as cost savings. Corporate buyers want end-to-end, managed travel programs that merge travel bookings with expenses to drill down the total cost of the trip by individual suppliers. They need programs that track every traveller, measure ROI per trip, and comply with policy.

Travel management systems provide real-time measurement of supplier performance across the supply chain, **powering dynamic travel policies** that allow travellers to make choices within agreed parameters to meet the need of corporates. Business intelligence through data reporting is the need of the hour, which is difficult to achieve through a multi-supplier environment. 📊

INDIVER RASTOGI

President & Head- Global Business Travel,
Thomas Cook India Ltd.



Policy administration becomes more consistent when common systems and procedures are used throughout the organization for booking travel and reporting expenses. And when needed, dissemination of changes and updates will be more efficient since it can be done through one vendor. This will be critical in the New Normal to ensure business trips are safe, in policy and approved.

Standardization of processes and services related to travel and expenses are more effective with the use of a single TMC. Installing and upgrading technology is also likely to be more efficient. Any online booking tool implementation and deployment can be better organized through a central point of contact, which can then also facilitate training and support throughout the company. In addition, it becomes simpler for the company to introduce new technology or programs to conduct audits of the TMC, such as to check fare differences and best fare trends.

4. ACTE Research- The Journey to Integrated Business Travel Management, Oct 2019

5. Wakefield Research- Business Traveler Report, Sept 2019

Another advantage of using a single technology platform combined with a TMC for organizations is that it offers **effective management and standardization of business controls, and drives visibility**; this is particularly important for organisations with international offices. In a 2019 study, **70%** of organisations asked stated visibility and control as their primary objective for such integration, and **58%** to ensure a duty of care ability⁴; in an even larger study, **77%** of Indian travelers agreed that their employers were behind in adopting travel technology⁵.

Standardized pre- and post-trip reports are easier through the use of a single TMC, which in turn leads to better purchasing power with suppliers. This standardization may not be possible with multiple vendors unless there is a third-party feed coming to a single point of contact.

There is also the benefit of having in place consistent processes for Business Continuity Planning and Disaster Recovery Planning.

Benefits to Employee

A single travel management company and technology platform can offer significant support to the travelers as well. In the New Normal, the need to protect and inform the employee while on the road will take on new importance.

The ability to be informed on the road will be critical. Indian business travelers are among the most likely (88%) to have experienced safety concerns on the road in the last 12 months (global average: 77%)⁶; this is only heightened as we consider changes in international borders, travel plans or unforeseen health situations in business trips in the future.

TMCs become the one-stop-shop for all online and offline travel-related services, which means that the travelers know what to expect and whom to contact. Such a system can be of significant aid to traveling employees as it offers 24/7 support and routing calls from one work group or reservation

center to another as backup or in the case of emergencies. Of course, this is also very important for companies in terms of ensuring the safety and security of their employees while they are traveling for work-related reasons. In the New Normal, the need for a reputable, globally consistent TMC has never been greater.

Traveler profiles, management information, and reporting can be standardized more efficiently through one technology platform and agency. With this consolidated data at one place, identifying employee behavior and staying in touch with them will become easier.

“Working with a single TMC brings a myriad of benefits – full visibility of your travel program that helps you to make informed decisions to support your company’s goals, effective supplier negotiations that drives bottom line savings and more importantly, ensuring maximum duty of care for your travellers, which is critical in times like this.”

AJAY BALI

Managing Director (India), BCD Travel India

6. Wakefield Research- Business Traveler Report, Sept 2019

Benefits to the TMC

Having a single agency for company travel needs is beneficial to the company, but it also comes with advantages for the TMC.

From the TMC's perspective, they may be able to assign client dedicated designated teams with defined SOPs/SLAs, which leads to better governance. They can negotiate better deals with airlines, hotels, cab services, and other services for the entire client company based on volumes. For multinational clients, this can offer significant cost and operational efficiencies that align better with a global framework. There is an ease in internal processes, such as payments and reconciliation between the client company and the TMC.

Overall client management becomes simpler and more transparent, ensuring visibility of data available at a click as well as data privacy. The same security protocols can be put in place in one shot for all the client data.

Lastly, the TMC enjoys the ability to integrate into a single technology platform, guiding the client to utilize, supplement and further automate processes to drive mutual benefit.

🔒 A single TMC solution offers advantages in policy consistency, financial control and risk management, it also reduces an administration layer in the client environment that would otherwise be needed to manage a multi-vendor set up. In short - **it's faster, better, cheaper.** 🗨️

RAKSHIT DESAI

Managing Director (India), Flight Centre Travel Group

TMC

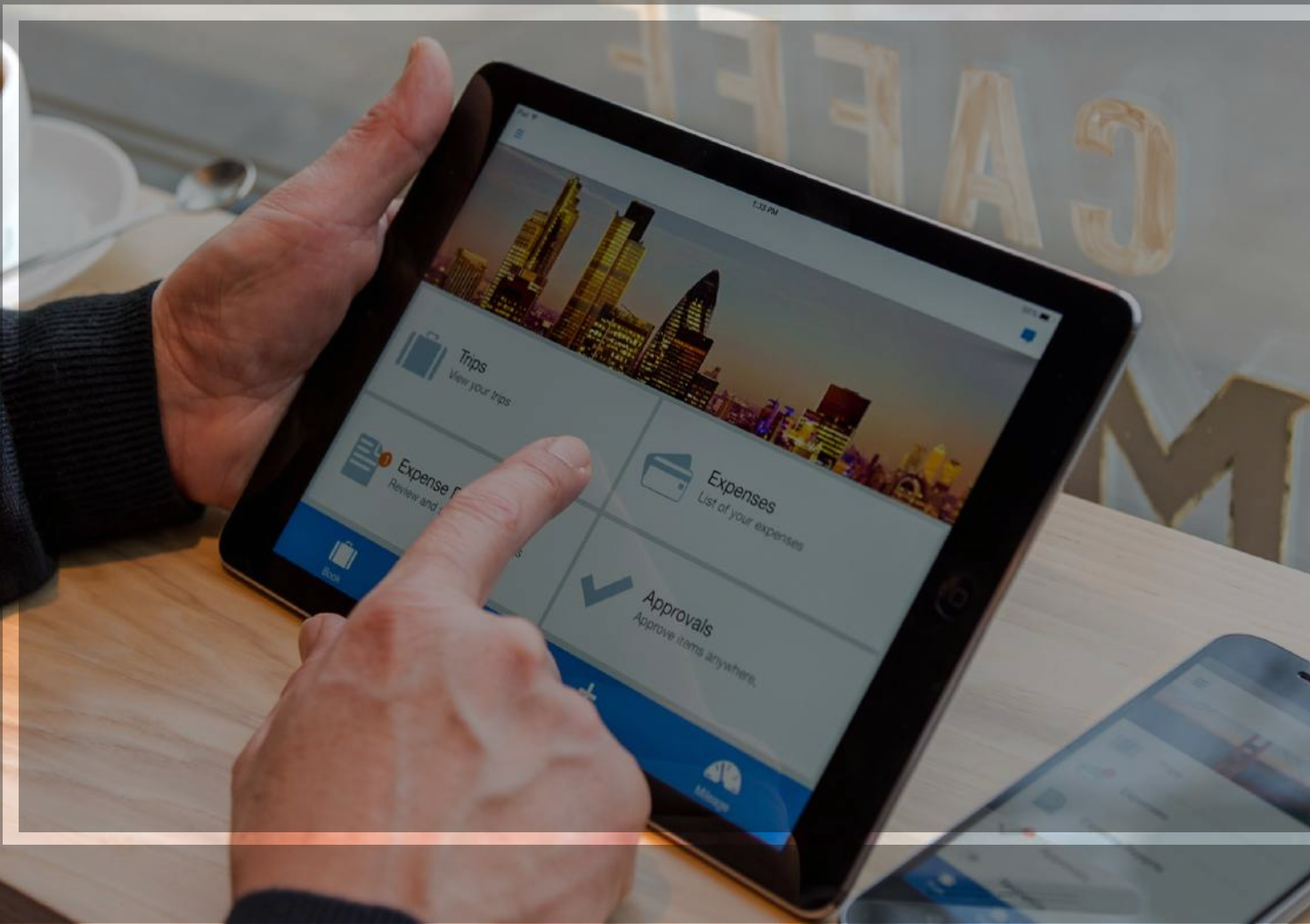
Multisource Solution

This is where organizations use two or more TMCs for their travel needs and has historically been a practice in South and South East Asia, particularly India.

Several companies still continue to engage with multiple TMCs because they feel that this is an easier way to structure and manage the needs of different business units, especially if the companies have offices in multiple countries or regions. Critically, the companies feel that having multiple vendors creates competition among the agencies, which can be used to leverage additional services or better prices. Historically it has been common for a TMC to negotiate a wholesale price for the fares and then increase the ticket price sold to the client. As a result, organizations felt the

need to compare prices across different TMCs; however, GST and new technology can remove this practice to ensure the fares remain as distributed.

Having multiple TMCs may have some specific advantage on occasion. They can reduce any vulnerabilities by providing a backup should one of the TMCs be unable to service them due to financial or service issues; they may also be able to avail the best TMC preferred rate from various segments like retail, consolidator, or experience/technology.



However, these advantages are critically offset by several disadvantages.

The use of multiple agencies for travel requirements calls for significant coordination between the company and the various agencies. The technical challenges of merging management information from multiple sources requires resources that cost time and money- and can still lead to number of errors.

To top it off, no online booking tool today supports an ability to compare the content from multiple TMCs, due to technical challenges (duplication of content for instance) and a reticence from the

TMCs themselves to agree to this arrangement; this makes digitization a challenge, which in turn can make implementations unnecessarily complex. For example, to continue to use multiple agencies, the online booking tool (which of course is integrated to a TMC for content) will need to be duplicated for each TMC, and accessible either by a distinct group of employees or for each employee to have multiple login ids which fail to integrate to their expense system.

“ It can be tempting for a company to seek multiple travel management providers to diversify their business travel program, but it is counterproductive. **The clear downside of this is that you miss out on valuable savings and efficiencies.** With one travel management provider you can standardize processes as your staff only have to learn one way of doing things. This can significantly increase travel compliance and reduce additional costs of using multiple providers. ”

ASHISH KISHORE

Managing Director (India), American Express,
Global Business Travel

Best Practice Recommendation

A recent 2020 study lays out some critical steps to simplify a travel program, calling out that the TMC and online booking tool is seen by organizations (54% and 44% respectively) as very helpful in enhancing a corporate travel program⁷.

Organizations globally have spot-checked that the fares the TMC have offered are what is available in the GDS via fare audits for years; organizations such as Topaz and the Indian headquartered TravelSpenders are companies that can easily check this in real time and ensure the organization has been offered the correct fares, at a minimal cost; they have the ability to audit all tickets or a selection at random giving clients visibility to transactions and savings on a real-time basis.

Further, this technology can also be used to ensure that organizations are being offered the most cost-effective ticket by balancing restricted fare classes within policy. While each company varies due to its travel policy, it is estimated that this may impact around 10% of business class tickets with fare classes varying in price between 10-37%⁸. Enabling this visibility allows travel managers the ability to further optimize their program costs. Introducing a payment tool such as a central travel account to fund tickets further enhances visibility of fares through point of sale purchasing, with advantages such as data feeds, complimentary travel insurance and enhanced reconciliation tools.

7. ACTE Corporate Travel Study- Simplifying Managed Travel, Feb 2020

8. TravelSpenders Case Studies- internal documents, data on request from 2018-2020



It is even more important to ensure that employees book only permissible travel; when approved by their company and the governments of the origin and destination, and that the company can quickly and easily locate and communicate to employees when overseas. This is possible but arduous and labour intensive with a multiple TMC approach; checking each TMC, collating the information in a single format is a needless exercise which inevitably slows down the option for a company to look after its staff.

“ Air fares and hotel rates are dynamic and non-transparent in nature. An engagement with TravelSpend delivers **real-time audit, validation of air fares, hotel rates and analytics with critical insights** assuring an enterprise their mandated TMC operating process, choice of online tools, travel policy and program objectives to deliver realized savings. ”

SURAJ NAIR
Founder, TravelSpend

In summary; consolidating to a single TMC combined with a robust end to end technology platform partner easily enables organizations to enjoy significant spend management benefits. Companies can then direct their travel procurement team to more value-added practices such as airline and hotel selection, negotiation of contracts for price reductions based on volume commitments and examining areas to further reduce the cost of their travel program. In the New Normal, technology plays a further role to include alternatives to travel, such as laptop video conferencing, which have finally become much more acceptable and possible for both internal and external meetings with minimal cost outlay.



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