SAP Concur C·

Peer Pressures

7 Travel Challenges and the
Strategies Your Peers are
Using to Address Them

SAP

You're Not Alone

The best thing about the travel community is that it's a community — a group of like-minded thinkers who like to learn from one another. So when there's a challenge, you've got colleagues you can count on.

We talked to those contemporaries — our SAP® Concur® customers and partners, along with a few internal experts — to find out what travel challenges they're currently facing and, more importantly, how they're managing them. **Here's what we learned.**

Getting Ready for NDC

NDC. Three simple letters that are causing significant stress (and some confusion) in the world of business travel. They stand for New Distribution Capability, but in reality, this is not all that new.

Proposed by airlines and led by the International Air Transport Association (IATA), NDC is an XML-based data transmissions standard created more than ten years ago to help airlines enhance content distribution. To be clear, NDC is not an online platform, it's a data format for airlines, technology providers, TMCs (travel management companies), and businesses – without the limitations of traditional distribution channels. NDC was intended to change the way airlines present their products to customers, enabling more effective, personalized airline retailing and creating flexible fares based on who's shopping for airline services. Since IATA did not actually provide the code necessary to enable those goals, airlines have varying format structures, which has generated a lot of confusion and consternation in the travel industry.

Getting Ready for NDC

How does this affect you? You should expect to see cost savings and richer content over time, plus greater transparency from NDC data, to help manage your program.

While NDC adoption has been rising, it's been accelerated by American Airlines' announcement that it's removing content from traditional distribution channels and organizations must connect to NDC to receive full access to the airline's third-party content. Before such pressures from American and other legacy carriers, the transition to NDC was slow moving – because the shift is costly, complex, and with no specific model for implementation.

The NDC momentum comes with a variety of options and perspectives, but what's most important is that travel leaders work together in the interest of their businesses, ensuring travelers have access to all of their policy-compliant content.

This takes patience.

At SAP Concur, we're helping businesses transition at a pace that makes sense for them, making moves on multiple fronts to offer:

- A connection to airline NDC APIs through Concur **Select Access**, as well as support for customers who need immediate access to content that has been removed or is not available in the GDS.

- **Concur® TripLink** as a way for airlines to offer their best available public channel content, another way for travelers to shop on airline websites/apps, and a way for travel decision-makers to realize corporate discounts and capture duty-of-care data.

Getting Ready for NDC

The advice for travel leaders:

Roger Hale, CEO and President of travel management company (TMC), ADTRAV, says the biggest misperception about NDC is that it's ready to go and that it will work perfectly in every scenario right from the start. Based on the current operational limitations on NDC bookings, the ADTRAV team encourages travel leaders to:

- Evaluate the impact of the current challenges versus the current benefits offered to understand how NDC content will impact your travel programs/goals and look to your TMC for guidance.

- Recognize that the growing pains of the first few months will get worked out and that corporate travel teams and TMCs are working diligently to unlock the full potential of NDC content for managed travel programs.

Lindsay Balram, Associate Director for Global Travel and Expense at Alkermes (a biopharmaceutical company), agrees. She believes in being comfortable and taking a "wait and see" approach, even at this stage of the game. She recognizes that NDC is getting talked about a lot lately, but advises that businesses don't have to act on it right away – they should take time to understand it.

CHALLENGE
#2:

Balancing More Demand with Less Budget

Travel spending was up 73% in 2022 – continuing its climb toward pre-pandemic levels.* That's great news, but airline and hotel costs are rising, too, and broader macroeconomic concerns are also straining budgets.

To make matters worse, suppliers (specifically airlines) aren't back to their 2019 inventory. That means more demand amidst less supply and tighter budgets.
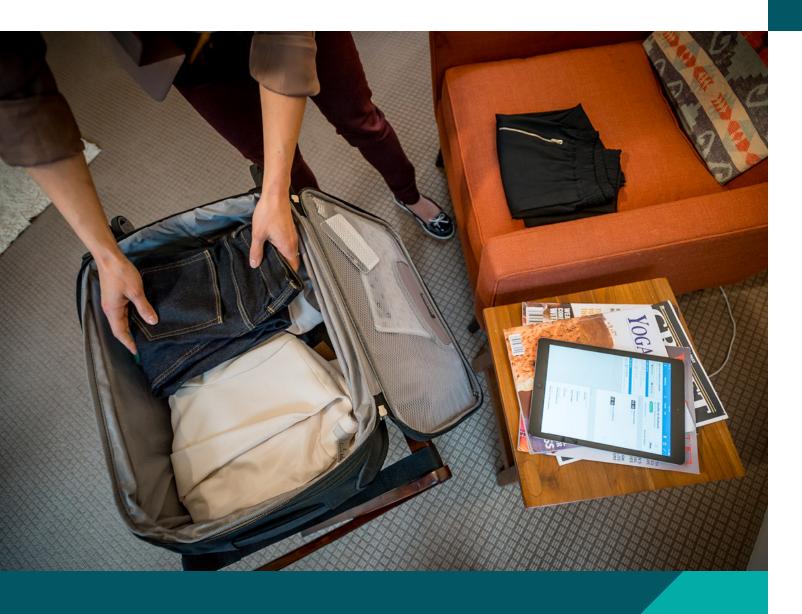
How is this impacting your peers? How are they controlling costs and delivering capacity? And what can you do? We're seeing our customers:

- Encourage fewer, longer trips to get more done in one go.

- Add quick, pre-spend approval processes to make sure each trip meets business requirements.

- Increase messaging to travelers within their booking tools, so they can easily evaluate the purpose and necessity of every trip.

*Spend Insights Report, SAP Concur and Oversight Solutions, 2023

Balancing More Demand with Less Budget

Anne Delgado, Global Travel Manager at SAP, says she and her team are working closely with suppliers in search of creative solutions – like adding discounted rates for higher-priced business-class fares to get access to more seats. And adding meeting and events rates for large-scale gatherings. They're also encouraging travelers to be more flexible in the face of inventory issues, reminding them to book early and be ready for shifts in their schedules.

Roger Hale from ADTRAV is advising his corporate travel customers to expand their preferred supplier relationships. As availability continues to be a challenge, it's important for travelers to have multiple discounted options to achieve their mission requirements. In addition, travelers should be well trained in how to successfully navigate the current travel environment. From booking in advance to leveraging technology, an educated traveler is a happier, more effective traveler.

Addressing Leadership Focus with Program Visibility

When travel was halted in 2020, many organizations enjoyed a bottom-line boost by redirecting that spending or simply celebrating the savings. At the same time, most companies found ways to get business done without getting on planes and trains.

As a result, organizations have shifted the view of travel and expense budgets – from a pre-pandemic, it's-the-cost-of-doing-business viewpoint to "we need to see the ROI to justify the spend."

Of course, that puts travel leaders and their budgets in the spotlight, which puts increasing pressure on sharp reporting and analysis. How are travel leaders responding?

Addressing Leadership Focus with Program Visibility

Lindsay Balram from Alkermes is looking for new numbers beyond traditional metrics. Instead of showing travel spend by supplier, top travelers, or cost center, she's focusing on the value the program offers as a percentage of overall revenue, sales performance, etc. Instead of having suppliers bring metrics to her, she's going to them with what she's seeing – comparing perspectives and identifying differences, reasons, and root causes.

She's analyzing these metrics, making them work for her business, and taking a clear narrative to leadership.

Nari Narvani, former Global Travel, Expense, and Corporate Card manager at PACCAR, stresses that you can't manage what you don't know. So the PACCAR team uses its SAP Concur solutions to get globally consolidated data and a holistic view of spend. Then, they're able see spend from a broader management perspective, and use the intelligence for supplier negotiations. In other words, they have data they can put to work.

CHALLENGE
#4:
Creating a Program that Proves You Care

As the battle for talent continues, consider the fact that travel policies and experiences have a major impact on job satisfaction. So don't be surprised if candidates and current employees want to review your travel policies as they consider a job opportunity.

Like your peers, you'll also want to increase the emphasis on employee wellbeing. Keep an eye on how travel may be straining your teams and pay attention to the differing needs of retirement-age travelers versus increasingly younger travelers. Keep duty of care in the spotlight, as well, making sure travel leaders have the tools to keep travelers safe.

How are your peers handling these issues?

From a policy point of view, we're seeing SAP Concur customers teaming up with HR to build competitive, compelling travel programs – adding perks like TSA Pre-Check in the U.S. or Registered Traveler service in the UK, plus club memberships and other benefits that make travel more comfortable.
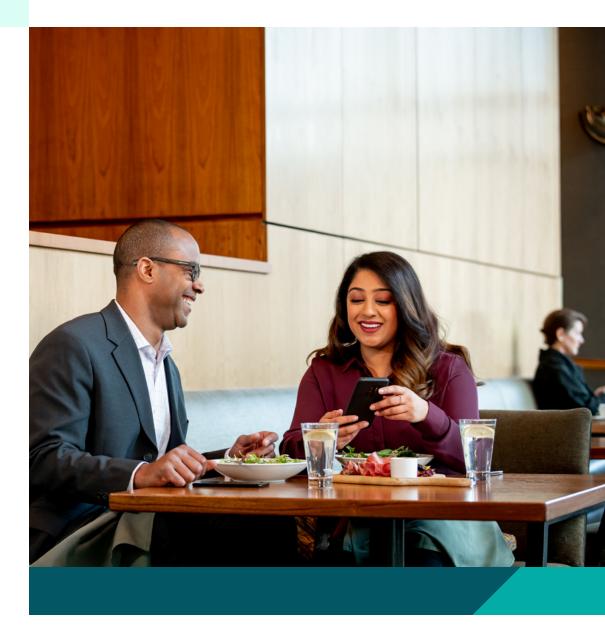
Creating a Program that Proves You Care

The team at **Alkermes** is following this path, too – allowing employees to purchase one annual airline membership, for example, giving them access to club lounges and seat upgrades. It makes travel easier and more enjoyable, but also offers a boost in productivity while saving on things like food and beverage costs.

Ed Phillips, University Travel Manager at U.S.-based Michigan State University (MSU), is focusing on its emerging base of mobile-first, tech-savvy travelers and making sure the university's program integrates the right apps into its travel experience. This can improve everything from travel requests to booking and reconciliation. MSU is also linking a more engaging booking experience with duty of care, using creative communication to let travelers know that preferred channels mean better support when they're on the road.
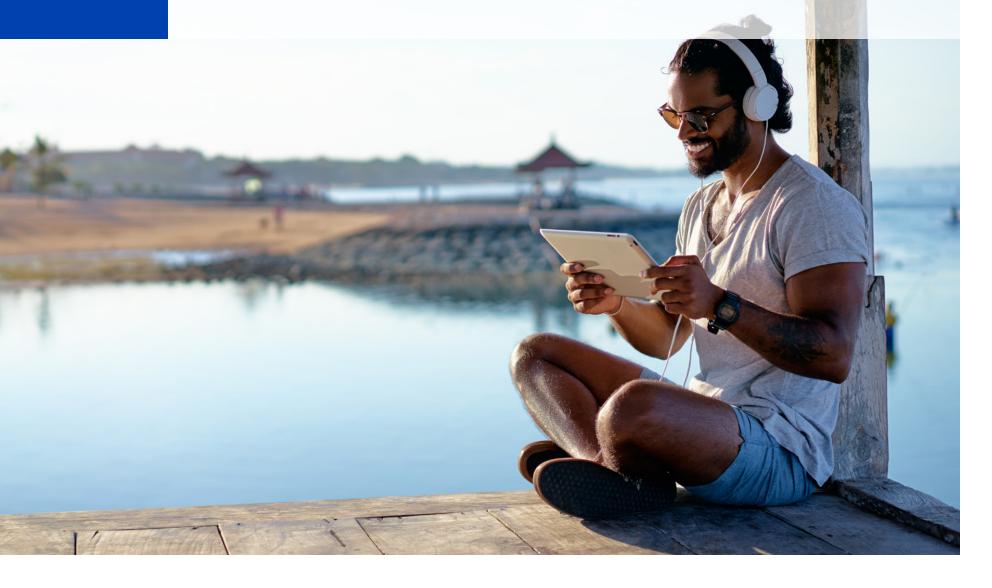
Improvements like this have led to 85% adoption of the MSU booking tool in an environment where those tools aren't mandated. Travelers still have flexibility, however. **Concur TripLink** lets them book directly with suppliers, yet captures all the data needed to provide traveler safety and support.

Christine Zajda, Director, Procurement, Sourcing & Travel at Feld Entertainment is using SAP Concur partner, **RocketTrip**, to balance a positive travel experience for employees with the most cost-effective choices. RocketTrip shows travelers their budgets and their savings, which are tied to a rewards-program offering points for each spending decision. In the first year of the program, that's saved the company 36%. Zajda's team is rethinking its lodging options, as well. Members of the company's touring staff who are on the road nine to 12 months a year often get an Airbnb instead of staying at a five-star hotel. Zajda notes that this type of experience has not only improved travelers' quality of life, it saved the company over $100,000 in one year.

Tackling the Travel Impacts of a Work-from-Home World

The increasingly blurred lines between life at work and life at home have impacted every part of every business, including travel. So far, two key trends have emerged:

- The interest in "bleisure" travel has accelerated, as personal vacation time is tacked onto business trips.

- The challenge of managing travel between employees' homes and their corporate offices has grown exponentially.

In both cases, clear policy and collaboration with HR are critical.

Tackling the Travel Impacts of a Work-from-Home World

The **Michigan State** travel office team is modifying policies to make sure remote and mobile workers are comfortable and confident with managing expenses and travel. With mileage, for example, easy-to-understand policies outline where mileage tracking should start and what's eligible for reimbursement.

At **ADTRAV,** the travel team has built a tool to help agents and customers easily manage business and personal trips – and split the expenses. They advise clients to clearly define travel policies and operational processes concerning these types of trips, because combining business and leisure travel leads to increased employee satisfaction. In addition to adapting to "bleisure" travel such as this, the recent increase in remote workers is forcing companies to establish policies regarding reimbursements for trips to the office.

CHALLENGE #6:

Adapting to More and Smaller Meetings

With an increasingly distributed workforce, the need for smaller, more frequent team meetings has also increased. It's an effective way to foster teambuilding for folks who don't stroll into the same building every day or ever see each other at the coffee cart.

And because many companies have reduced meeting spaces within their own facilities, individual teams of 5, 10, or 20 have taken it upon themselves to get together.
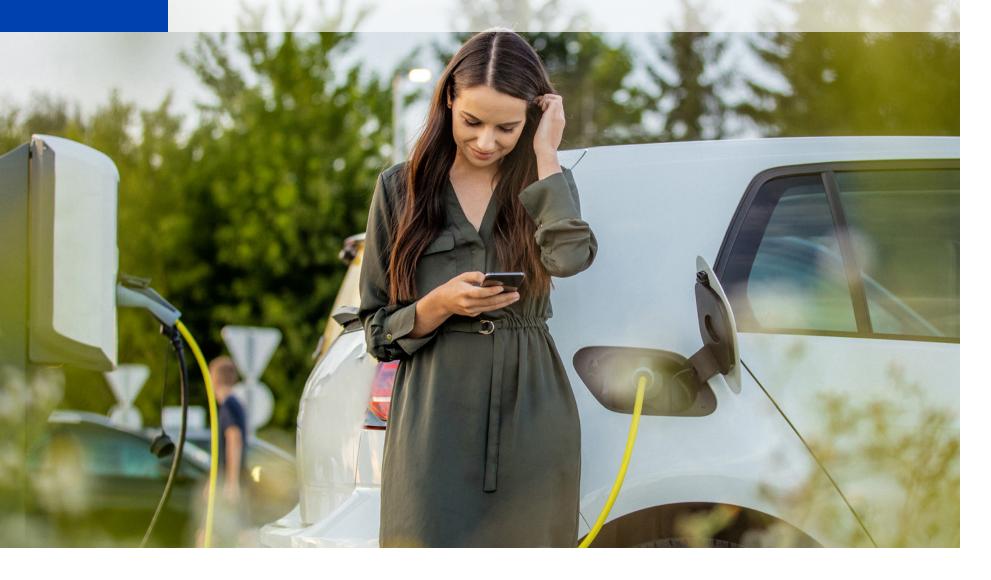
How are your peers handling this trend?

SAP Concur customers are seeking simple tech tools to help average users – not full-time event planners and managers – bring structure, safety, and savings to these types of gatherings. **Concur Event Management by Groupize**, for example, allows these teams to:

- Simplify registration and tracking for attendees.

- Enforce policies with rules and approval workflows.

- Use dashboards to easily track spending and support duty of care.

Actively Addressing Sustainability

Sustainability has shifted from a topic of casual conversation to a must-have priority for virtually all travel programs. The question, of course, is how. How do you build the strategies, policies, and tools that make a real impact on the environment by reducing your travel program's environmental footprint?

Your peers are starting by measuring.

Actively Addressing Sustainability

Dorothy Chan, SCM and Sustainability Change at Standard Chartered Bank, says good measurements are key to facilitating the right sustainability discussions. Metrics make sustainability real for leaders – they show teams how to focus their policies and how to tweak travel tools to make the most sustainable choice the most obvious choice.

Italo Belmattino, Manager, Finance Transformation for PwC Italy, agrees. The PwC team has collaborated with SAP Concur to deliver precise emissions-impact measurements from their business travel. As a result, users are more conscious about their travel choices and the team is able to accurately measure emissions trends/ progress and influence their supply chain.

Support and Strategy

As long as there's business travel, there will be travel challenges. There will also be thousands of your peers with countless tools, tips, and insights to help you meet those challenges head on.

You'll find more support, strategies, and technology **here**.

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