

# Expert insights. Compliance in corporate travel.



How well do your employees follow company guidelines for business travel? Are there areas in your travel program where improved compliance could save you more?

As demand for air travel and accommodation increases and market conditions continue to change, traveller compliance will become even more important for businesses keen to maintain control of their travel spend.

Compliance however, has a broader focus than just being about whether or not your employees are following policy guidelines. Compliance also relates to metric and culture, both of which can help to generate travel cost savings in different ways. If you can't measure how compliant your travellers are, or you're unsure how to enhance your corporate culture, improving your company's overall travel performance and ultimately your bottom line could be a challenge.

## What's the value of compliance?

Corporate Traveller research shows that by optimising your travel policy design and improving traveller compliance via a travel management company (TMC)

provided online booking tool, businesses can save more than 30 per cent on their travel spend. A lack of compliance among your travelling employees can result in significant 'missed savings' through unauthorised and/or non-compliant bookings for air, hotel and ground travel, which over the course of a year, or even a few months, can significantly erode potential savings.

## Assessing compliance

When it comes to improving traveller compliance businesses need to know what areas of their travel policy are capable of delivering maximum return for best practice traveller behaviour. While the drivers will be different for every company, there are a few common policy items that can be used to measure how compliance impacts travel spend including:

### Advance bookings

A Corporate Traveller study showed that businesses could save anywhere between 31 and 72 per cent on the cost of their tickets by booking 21 days or more in advance of their departure date. Although these savings are dependent on the time of travel and which airline

Properly educate your travellers to achieve higher levels of compliance.

you fly with, significant savings can be made by encouraging your travellers to book as far in advance as their business travel allows.

### Restricted airfares

Make sure your policy has clear recommendations or a mandate around restricted airfares. If your travellers know their plans aren't going to change, encourage the use of restricted airfares for both the inbound and outbound flights or if they have to make flight changes in the afternoon, they should be booking a restricted fare for the outbound leg and flexible ticket for the inbound leg. High levels of compliance and understanding of this policy item can save companies around 10 per cent of their air spend.

### Preferred suppliers

Properly educate your travellers on what is expected of them when it comes to booking through preferred suppliers and your business will have a greater chance of converting negotiated discounts and preferred supplier pricing into actual savings. Your supplier preferences need to be clearly articulated and reiterated on a regular basis to your employees.

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## Travel class/category

How well do your employees follow your policies for class of air travel for domestic, short-haul and long-haul travel? And what does your policy recommend if your preferred hotel or room category is unavailable?

Businesses need to have clear policies for travel class, category and preferred suppliers in the event that preferences are unavailable or there are issues with delayed approval processes.

## Booking channels

Mandate that all of your bookings go through the one TMC and you can actively improve compliance by increasing the monitoring, tracking, visibility and accountability that comes from the expertise of having one travel manager to oversee your activity.

## Improving compliance

There is a range of strategies that businesses can use to boost company-wide compliance. These range from policy consulting, traveller training and education, incentive based rewards for compliant behaviour, TMC provided online booking tools and data analysis designed to identify opportunities for missed savings (eg exception reporting).

Corporate Traveller's online booking tool has a robust best fare of day capability, which captures missed savings and traveller details when non-compliant fares are booked. Best practice booking behaviour and travel times can also deliver savings.

## Addressing non-compliance

If non-compliance is an ongoing issue, corporates can adopt any number of strategies from up-front traveller education, information sessions or for repeat offenders written warnings, the circulation of repeat offender lists and or individual accountability for repeated policy offences. If there is no redress for out-of-policy bookings, your policy has no impact and no authority. Corporate Traveller can help you establish a strategy for policy enforcement that is tailored to suit your corporate culture.

## The balancing act

To generate additional savings through improved levels of compliance, businesses should try to achieve a good balance between enforcement and traveller needs.

If there is an area where you are having serious compliance issues it may be due to more emotive circumstances eg one of your preferred hotels may not be conveniently located or does not meet traveller standards for safety, cleanliness and amenities. While aggressive compliance enforcement may help to achieve your financial objectives, it may limit your company's ability to attract and retain top performers that are used to a more flexible approach to travel policies. Corporate Traveller suggests working with your travel manager to determine how policy enforcement is best approached for your organisation.

## Compliance checklist:

- define your travel policy
- make your policy manageable and measurable
- communicate and educate
- promote compliance through booking processes
- leverage TMC intelligence.

## about corporate traveller.

Corporate Traveller is a leading travel management specialist for the SME market. We offer a unique combination of expert advice, local personal service and global negotiating strength to maximise your savings.

The Corporate Traveller team is the best in the business. Our travel experts are highly experienced and have exceptional product knowledge to deliver airfare and accommodation options that will have an immediate and positive impact on your bottom line. Our flexible business model is shaped to match the distinctive needs of SMEs, enabling us to better understand your travel requirements, offer tailored solutions and build long-term partnerships.