

The Challenging Future of Managed Travel

Presented by
Scott Gillespie

to the

Oregon Chapter

Global Business Travel Association

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Scott Gillespie

Nudging the travel industry forward

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Champion of justifiable travel and traveler friction concepts

Speaker at travel industry events in 25+ countries

Author, Gillespie's Guide to Travel + Procurement

Author, US Patent covering airline bid analysis

MBA, University of Chicago

Prior experience at

ARC, TRX, Travel Analytics and Kearney

Session Notes



Media may be in attendance.

Slides are a key part of the presentation.

Set your viewer accordingly.

Slides will be shared afterward.

Put questions into the Chat box.
The moderator will select questions as we go.

Three polling questions coming your way - please participate.

Where We're Headed Today



Managed Travel's Three Eras
Why Business Travel Has Peaked
Big Implications, Big Opportunity
Goals and Strategies
Goal-Based Travel Management
Three New Career Choices
Debate and Discuss



My Goal?

Leave you intrigued
by a new paradigm
for managing travel.

Managed Travel 1.0

Big Drivers

Transaction fees
Online booking
Strategic sourcing
and SMM⁽¹⁾
Price benchmarks

1995⁽²⁾ to 2007

Main Focus

Transactions

Key Question

“Are we paying
too much?”

- (1) Strategic Meetings Management
(2) Delta capped airline commissions

	Managed Travel 1.0	Managed Travel 2.0 ⁽¹⁾ = 1.0 +	
Big Drivers	Transaction fees Online booking Strategic sourcing and SMM ⁽¹⁾ Price benchmarks	Mobile apps Duty of Care Open Booking Traveler friction, Traveler wellbeing	2007 ⁽²⁾ to March 2020
Main Focus	Transactions	Travelers	
Key Question	“Are we paying too much?”	“Are our travelers satisfied enough?”	

(1) The original Managed Travel 2.0 framework was published in 2013 by S. Gillespie, G. Hollister and E. Konwiser

(2) Apple launched the iPhone and the UK passed its Corporate Manslaughter Act in 2007

	Managed Travel 1.0	Managed Travel 2.0 = 1.0 +	Managed Travel 3.0* = 2.0 +
Big Drivers	Transaction fees Online booking Strategic sourcing and SMM ⁽¹⁾ Price benchmarks	Mobile apps Duty of Care Open Booking Traveler friction, Traveler wellbeing	Covid-19 Virtual meetings Climate concerns Smaller budgets More scrutiny
Main Focus	Transactions	Travelers	Travel's impact
Key Question	"Are we paying too much?"	"Are our travelers satisfied enough?"	"Are we traveling enough?"

*Aka Era of Purposeful Travel; Justifiable Travel; Intentional Travel

“Are we
traveling
enough?”

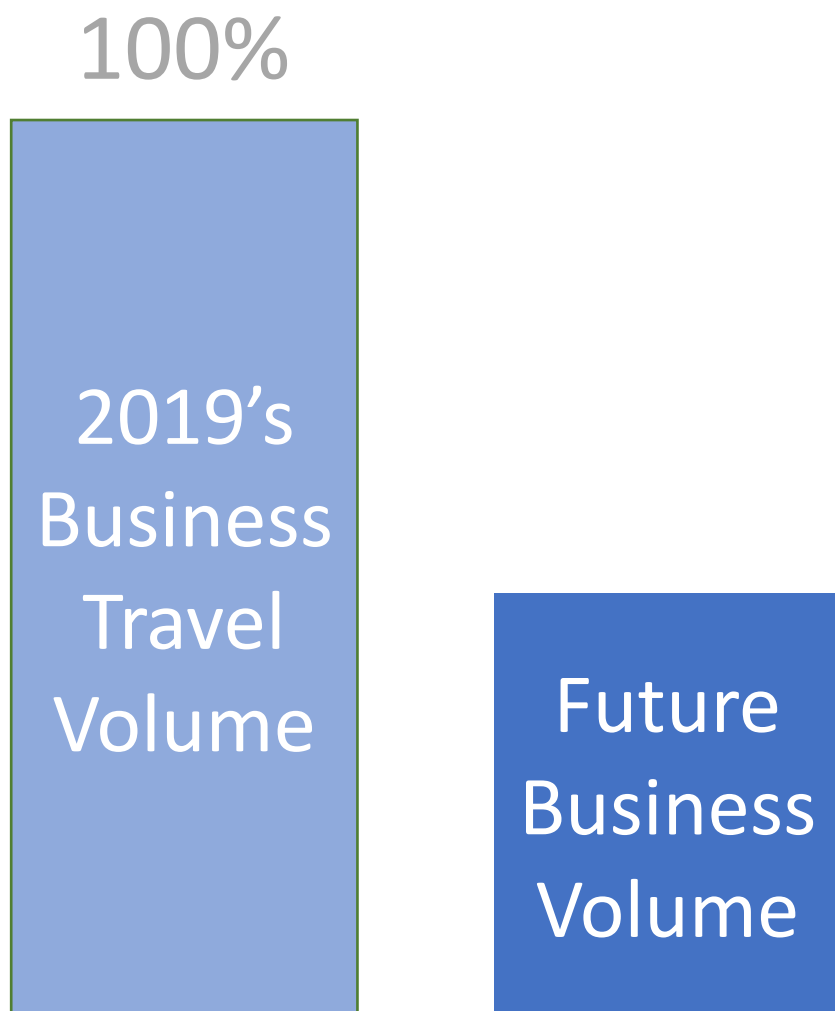
A small part of a
much bigger
question
for senior
management.

“Are we
meeting in person
enough?”

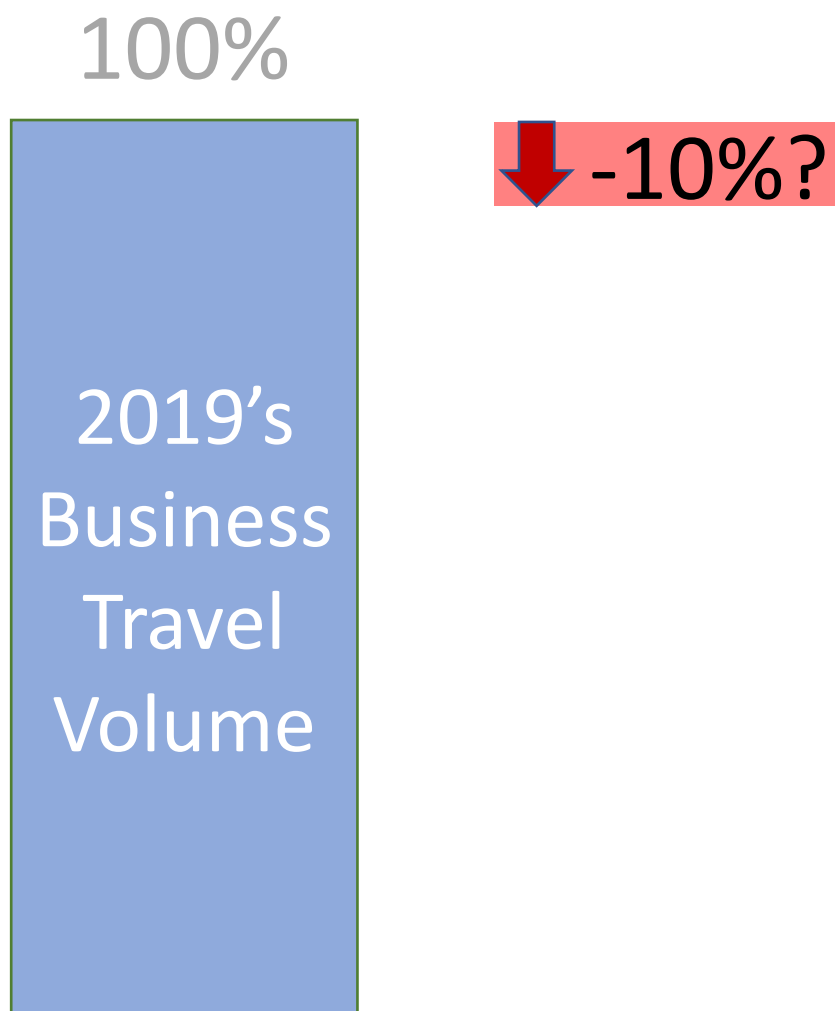
“Are we
traveling
enough?”

← **Big** implications for
recruiting and retention,
corporate office space,
collaboration technology,
WFH* policies - **and travel.**

*Work From Home / Anywhere



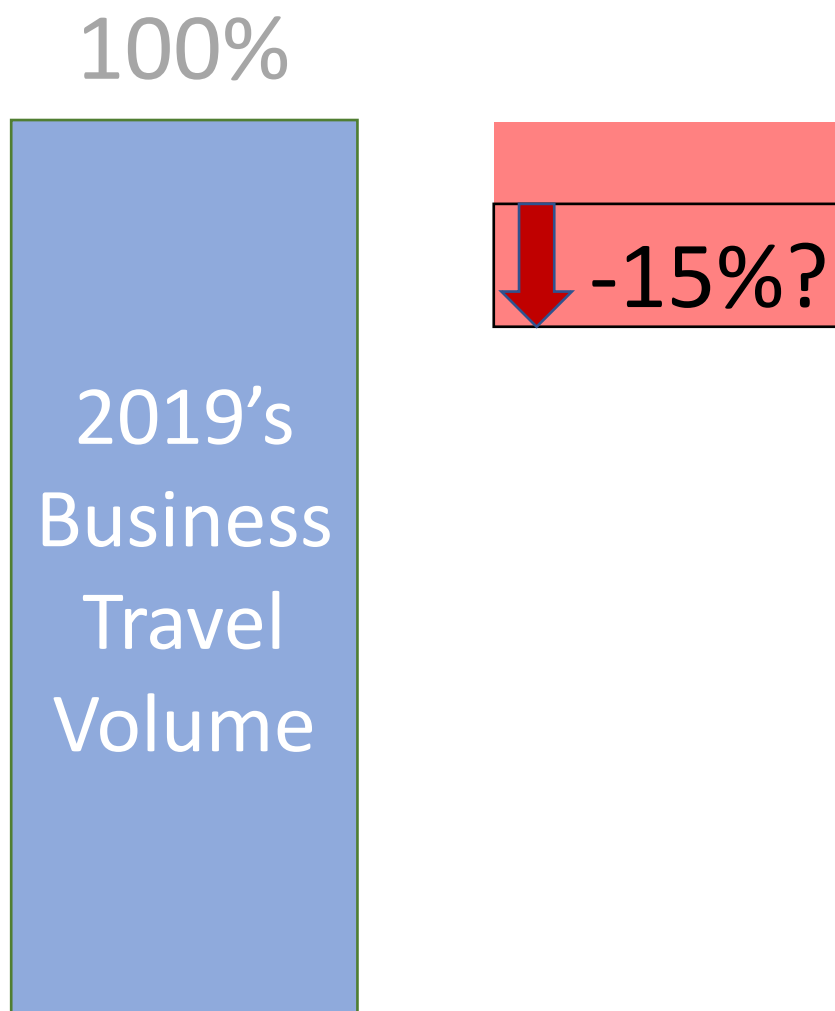
Business travel
has peaked.
Here's why.



Some **hosts** will decline to meet in person. Why?

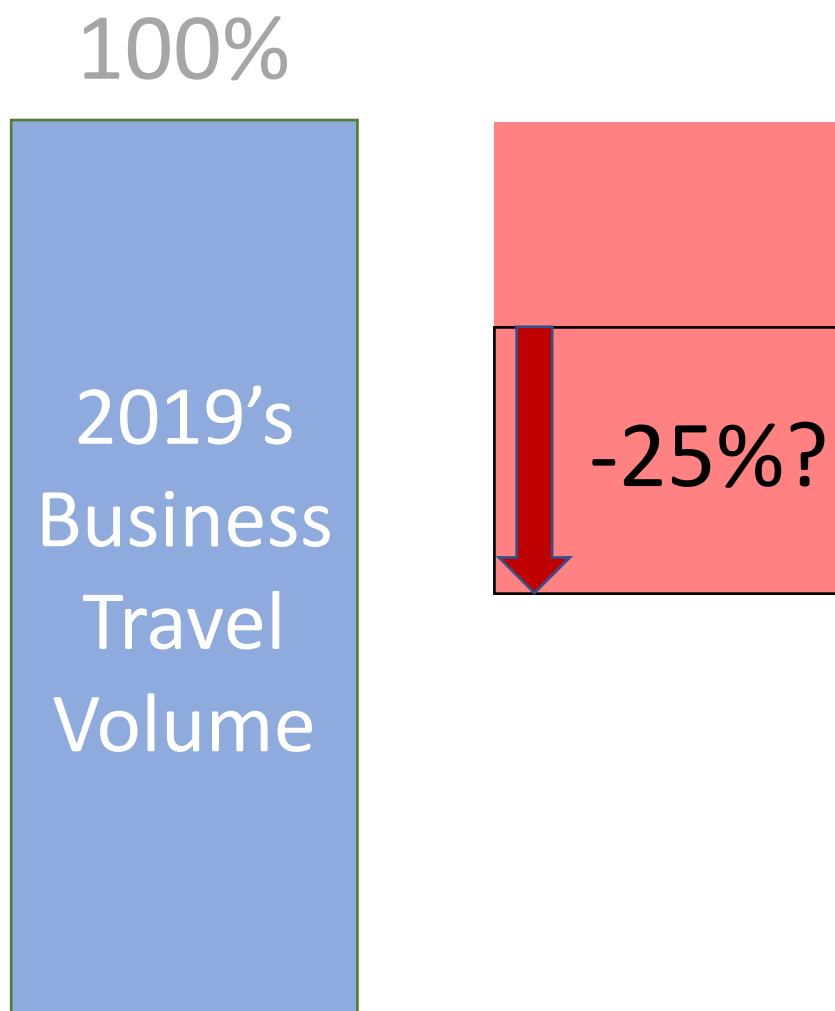
Convenience/WFH*, virtual experience, and climate concerns

*Work From Home / Work From Anywhere



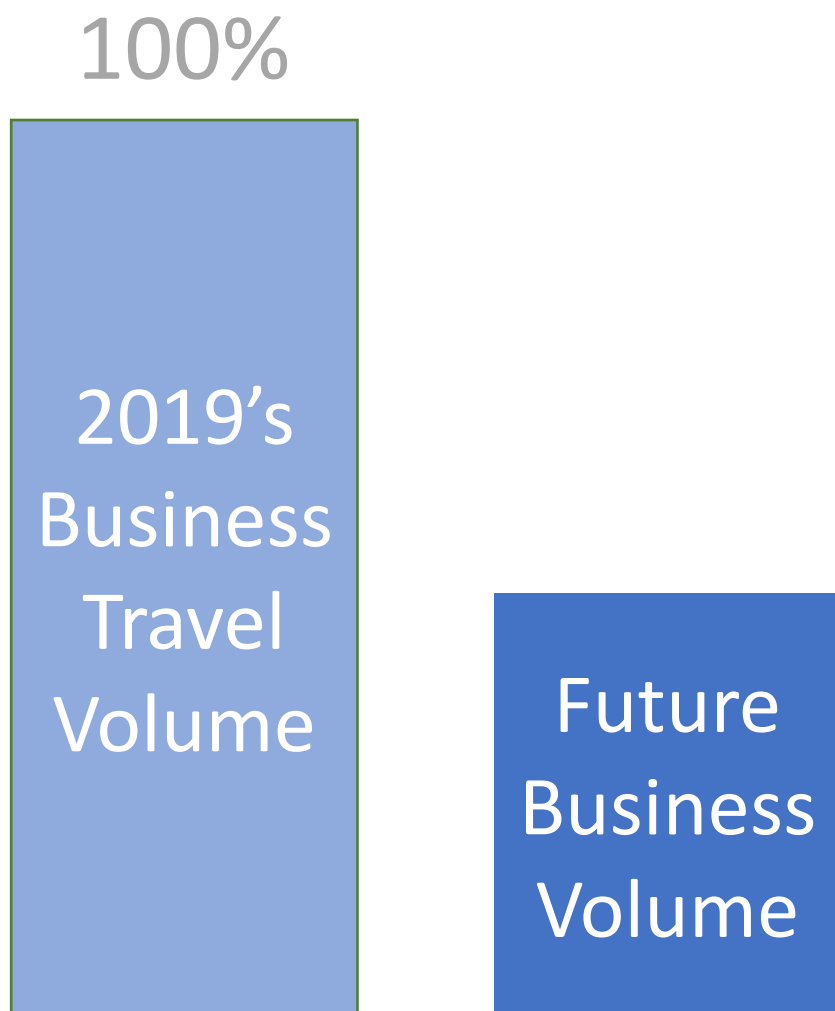
Some **travelers** will continue to prefer virtual meetings. Why?

Convenience/WFH,
virtual experience,
and climate concerns.



Many **pre-trip requests** will be denied. Why?

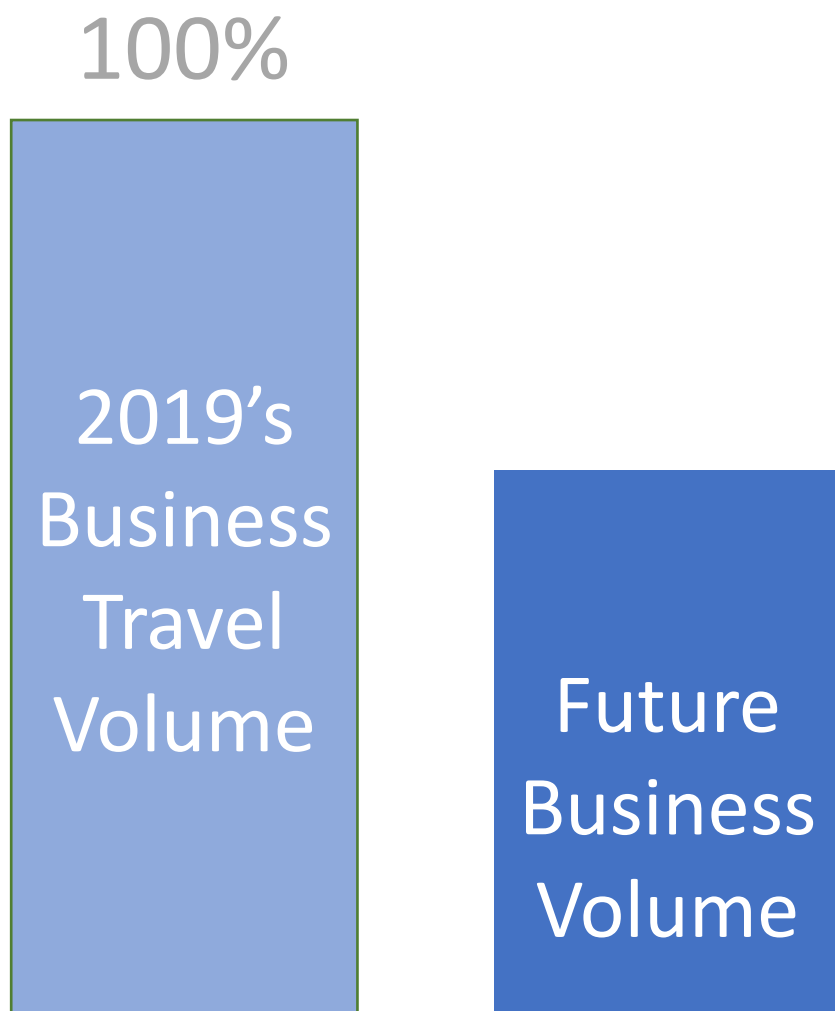
CFOs will insist virtual meetings are “good enough”, convenient, and cost/climate friendly.



Corporate
travel budgets
will be
much smaller.



Yes, new demand
for internal travel,
but will not offset
these reductions.



Corporate
travel budgets
will still be
much smaller.

Which one of these factors will have the **largest negative impact** on demand for business travel in 2022?

- o Concerns over carbon emissions
- o A 'virtual first' attitude even though the travel budget is there
- o Smaller travel budgets
- o Travelers not wanting to take as many trips
- o Hosts not wanting to meet as often with our travelers

Compared to our 2019 travel budget, **I expect our 2022 budget to be**

- o At least 10% larger than 2019
- o About the same as 2019
- o 10-20% smaller than 2019
- o 20-40% smaller than 2019
- o 40-60% smaller than 2019
- o At least 60% smaller



These smaller
budgets
**have big
implications**
for managing
travel.



Smaller travel budgets mean **much more contention** about **who** gets to travel, and **why**.

More time will be spent managing travel demand and **rejecting trip requests.**



Expect **fewer but more important trips** done by **fewer and more important travelers.**



Expect more
prima donna travelers.

Expect more demand
for **VIP travel agents.**

Expect more
direct bookings,
and more need to
capture that data.



Expect much more focus on **Duty of Care** and **traveler wellbeing**.

Expect much less focus on **price and savings**.

Expect the travel category to **lose some of its procurement importance**.



Smaller travel **budgets.**
Less focus on **savings.**
Less focus on travel's **how;**
much more on travel's **why.**

**It will be much harder
for travel managers
to add new value
using old methods.**



The biggest
problem ahead?

**Recognizing
the signs of
too little travel.**

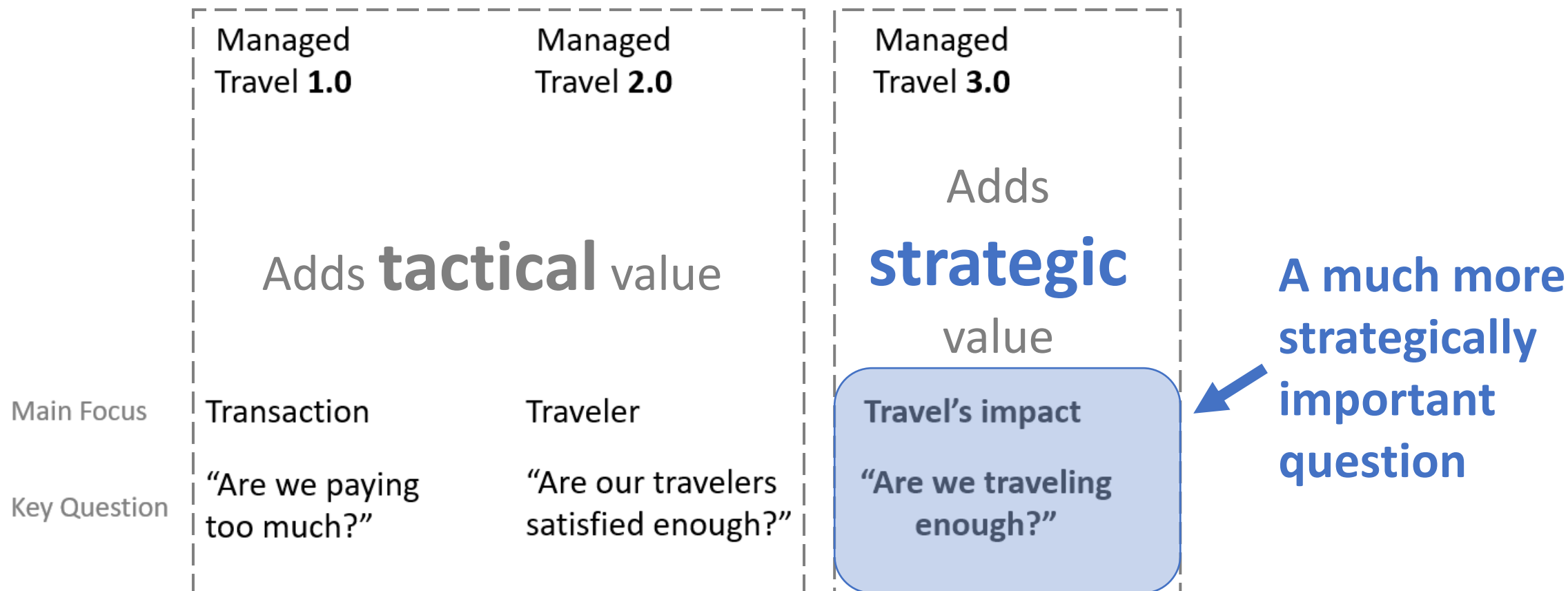
Why is this good news
for travel managers?

In addition to adding **tactical** value,



	Managed Travel 1.0	Managed Travel 2.0
	Adds tactical value	
Main Focus	Transaction	Traveler
Key Question	"Are we paying too much?"	"Are our travelers satisfied enough?"

Travel managers can now add **strategic** value



Goals and Strategies



What's the fleet's goal?



What's the fleet's goal?

Save Fuel

What's the fleet's goal?

Save Fuel



What's the fleet's goal?

Move Cattle



What's the fleet's goal?

Move Cattle



What's the fleet's goal?

Win Races



What's the fleet's goal?

Win Races



The goal dictates



the fleet.

The goal dictates



the fleet travel program.

Must design travel programs ^{tClara💡}



to achieve the goal.

Audience Live Poll

Which one of these goals will be most important to your senior management in 2022?

- o Low travel prices and/or travel cost savings
- o Traveler health, safety and wellbeing
- o Reducing travel-related greenhouse gas emissions
- o Traveling the right amount - not too much and not too little

New Forces at Work



“Virtual first” attitude.

More climate concerns.

Smaller travel budgets.

More budget contention.

Fewer, more important trips –
and travelers.

Greater questioning
of travel’s impact.

**Higher risk of not
traveling enough.**

**New forces
and new goals
are shaping
how travel
will be managed.**

So travel management
**needs a new strategy –
starting with new goals.**



Key Business Goals

Win Revenue

Earn Customer Trust

Improve Our Workforce

Control Costs and Risks

Strengthen Supply Chains

Upgrade Our Technology

Deliver Innovation

Shape Our Future



These are the goals
that matter
to most companies.

**These are the goals
that must shape travel
management's future.**

Key Business Goals

Win Revenue

Earn Customer Trust

Improve Our Workforce

Control Costs and Risks
Strengthen Supply Chains

Upgrade Our Technology

Deliver Innovation

Shape Our Future

← Today, most
travel management
goals fit here.

Key Business Goals

Win Revenue

Earn Customer Trust

Improve Our Workforce

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Deliver Innovation

Shape Our Future

The future of
managing travel?



**Directly impacting
each of these goals.**



Managed Travel 3.0

Goal-based Travel Management



Four Foundational Principles

Goal-based Travel Management
Principle No. 1

Use travel
budgets for
**justifiable trips
tied to key goals.**

Traveler takes a brief trip
justification assessment.
Must link the trip to its
key business goal.



Assessment says this trip is
Justified or **Not Justified**



Company sets appropriate
booking policies.

Why Are We Traveling? To:

Win Revenue

Earn Customer Trust

Improve Our Workforce

Control Costs and Risks

Strengthen Supply Chains

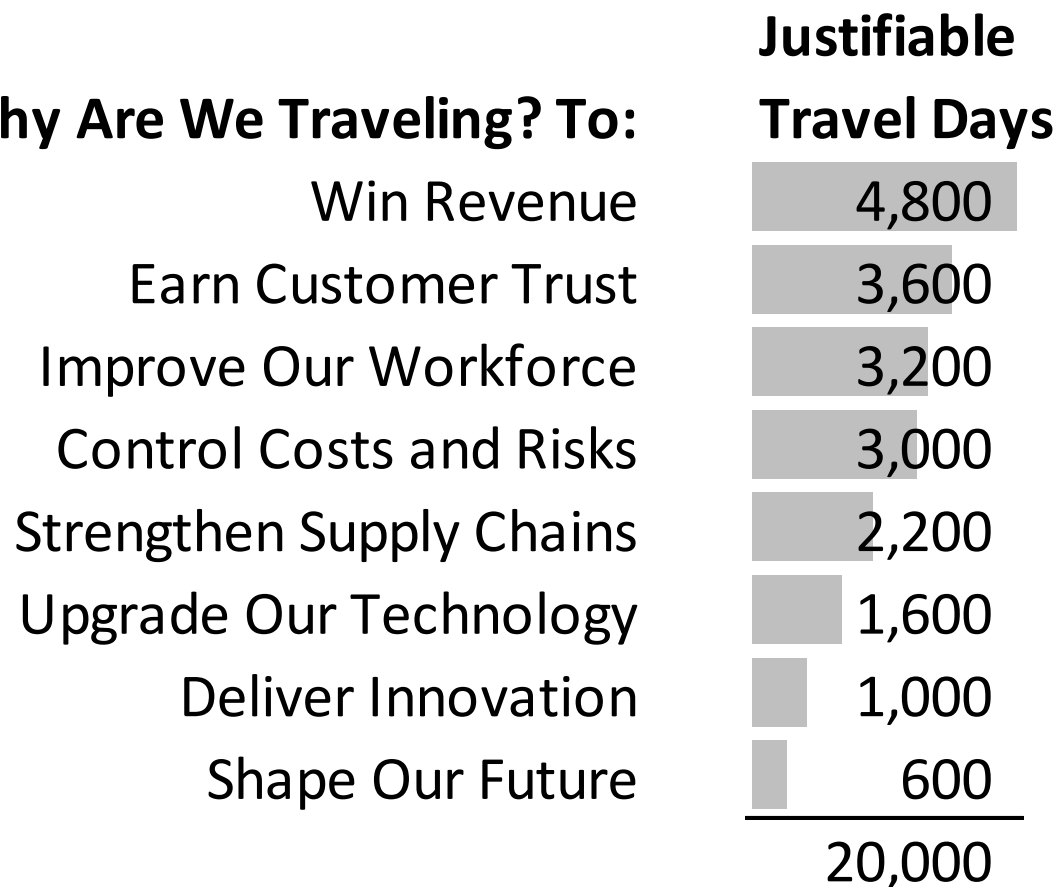
Upgrade Our Technology

Deliver Innovation

Shape Our Future

Now senior
management can see
how justified trips
are being used to
achieve key goals.

Why Are We Traveling? To:



Now senior management can see **how justified trips** are being used to **achieve key goals.**

Goal-based Travel Management Principle No. 2

Ensure travelers
are **safe, healthy,
willing and likely**
to achieve the
trip's goal.

- ☐ Duty of Care
- ☐ Traveler health and wellbeing
- ☐ Ready and willing to travel
- ☐ “Prepared to succeed”



Goal-based Travel Management Principle No. 3

Prefer travelers
and suppliers
who are
**committed to
sustainable
travel goals.**

- ☐ Make sustainability a key sourcing criteria
- ☐ Teach travelers how to make sustainable travel choices
- ☐ Make sustainability a trip justification criteria



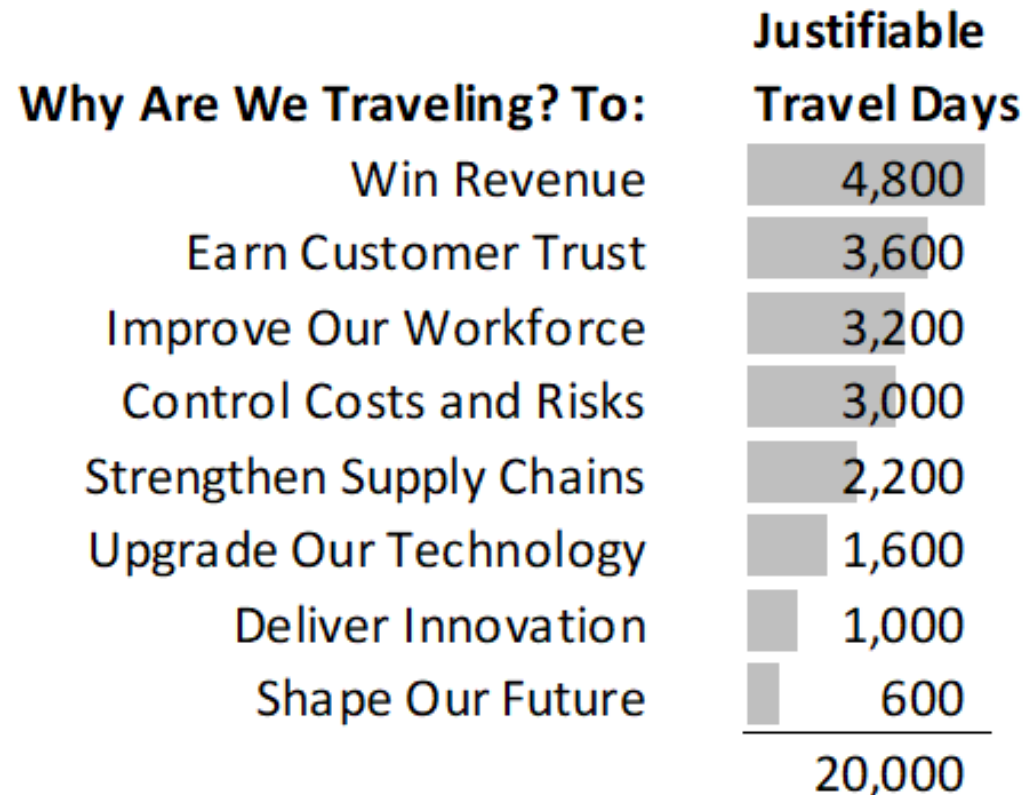
Goal-based Travel Management Principle No. 4

**Reallocate travel
as needed to
achieve key goals.**



- ☐ Build consensus for signs of not meeting in person enough
- ☐ Push for regular metrics
- ☐ **Lead the “Now what?” discussion**

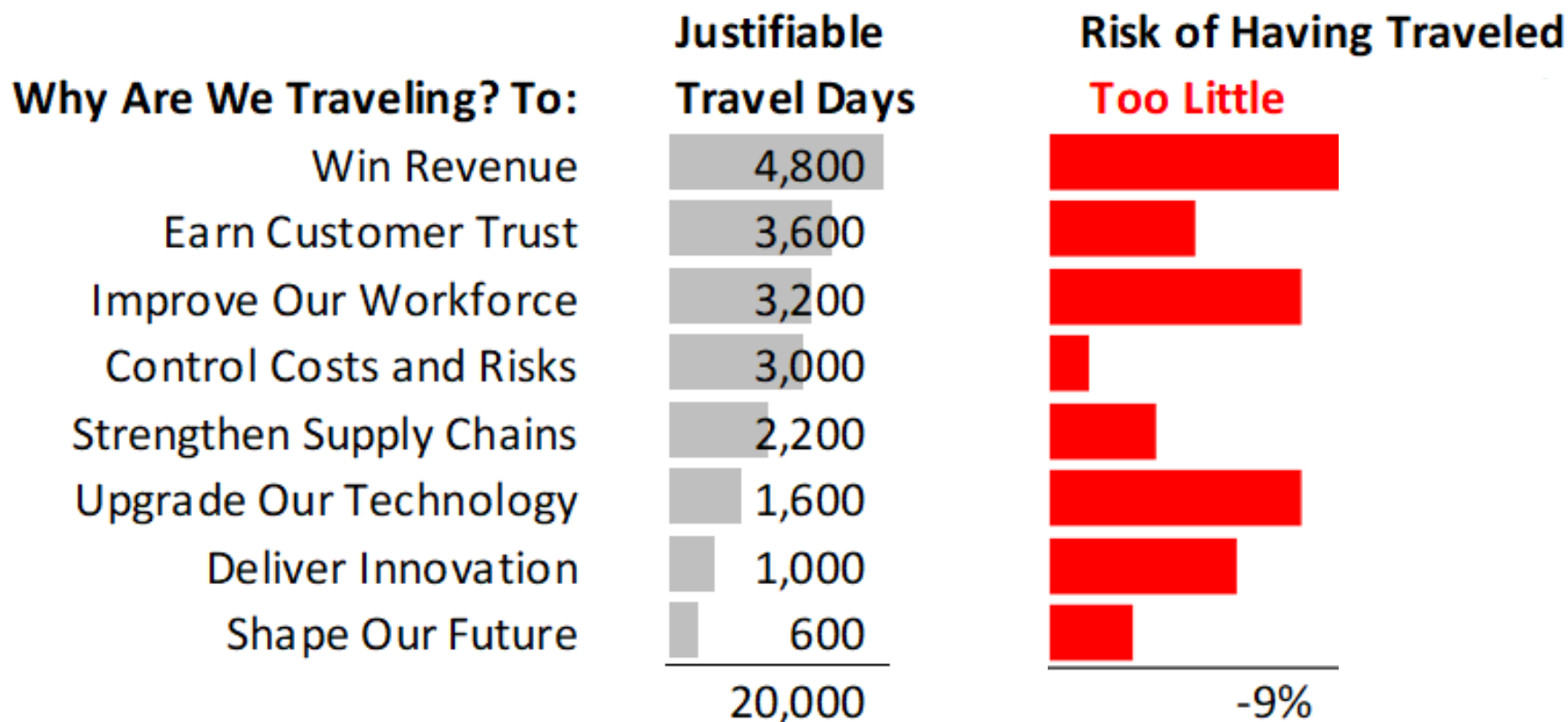
Reallocate travel as needed to achieve key goals.



“Should we be traveling more often to reach any of these goals?”

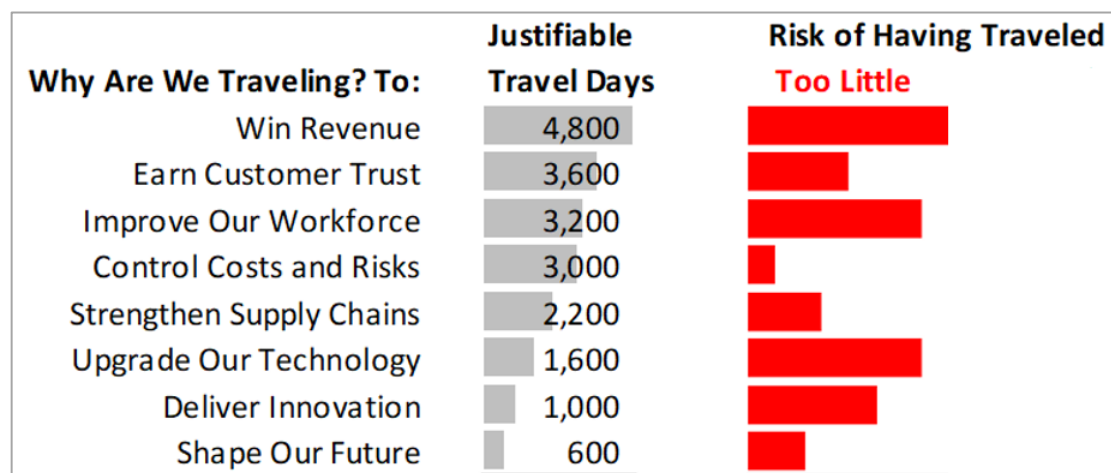
Reallocate travel as needed to achieve key goals.

❑ Make this kind of report your calling card



The Future of Business Travel Is

Goal-based Travel Management



Use travel budgets for **justifiable trips linked to key goals.**

Ensure travelers are **safe, healthy, willing and likely** to achieve the trip's goals.

Prefer travelers and suppliers **who are committed to sustainable travel goals.**

Reallocate travel as needed to achieve key goals.

New Career Choices



**The Travel
Strategist**

**The Traveler's
Champion**

**The Meetings
Maximizer**

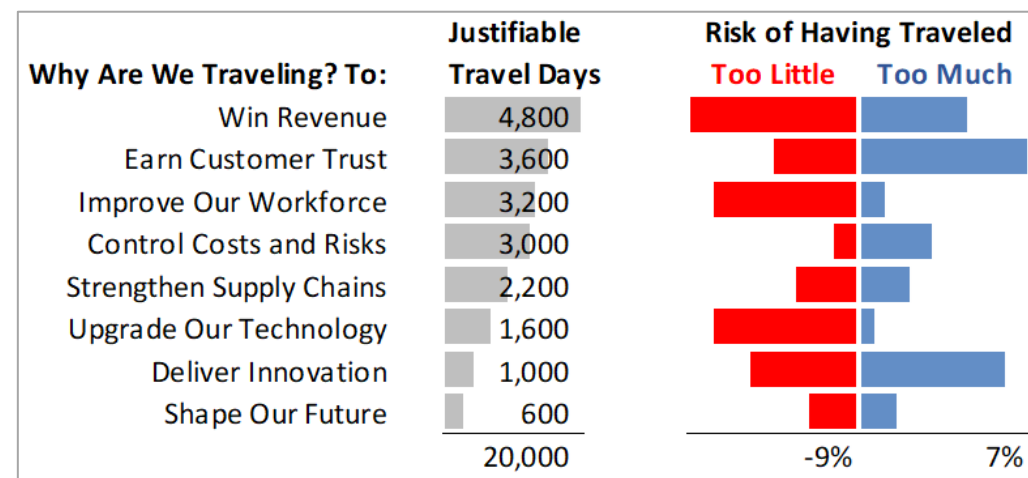


The Travel Strategist

“How can we
best use travel
to achieve
our key goals?”

“Are we
meeting in person
enough?”

“Are we
traveling
enough?”





The Traveler's Champion

“How can we best prepare **our travelers** to achieve **their goals?**”

- ☐ Duty of Care
- ☐ Traveler health and wellbeing
- ☐ Ready and willing to travel
- ☐ “Prepared to succeed”





The Meetings Maximizer

“How can **all**
of our meetings
be more effective?”

“How can all of our
meetings be more
effective?”

☐ **Apply the principles of meeting science**

Prof. Steven Rogelberg, UNC

Elise Keith, Founder of Lucid Meetings

Excellent books:

“Where The Action Is” by Elise Keith

“The Surprising Science of Meetings”
by Steven Rogelberg

We made it – thank you!



My Goal:

Leave you intrigued
by a new paradigm
for managing travel.

What do you think?