

# BCD Travel & Amadeus Help Huntsman Tame Travel Costs

## Amadeus Case Study

### In brief

#### The challenge

- > To change the travel booking habits of more than 1,600 corporate travellers and create greater awareness of cost drivers
- > To reduce the cost of corporate travel and travel management using a combination of online and offline booking

#### The solution

- > Selected and implemented following extensive discussion between Huntsman and BCD Travel to meet Huntsman's unique needs
- > Rolled out as the Huntsman Daedalus Project based on Amadeus e-Travel Management

#### The results

- > A complete online/offline integrated travel booking solution implemented and rolled out in less than six months
- > An average reduction in transaction costs of 20% in year one (50% when full implementation benefits are achieved)
- > Flexible and scalable, the solution generated high-level support within the company and achieved faster than expected Return on Investment (ROI)
- > Two years ago, bookings were made 5 to 7 days in advance of travel. Now the average advance booking time is 10 to 15 days, allowing Huntsman to access better fares and cut costs



Without the Amadeus online booking tool, driving the changes in travel booking behaviour that have brought cost savings to our company would have been much more difficult.

#### Corrado Simontacchi

Huntsman Manager of Corporate Purchasing for Goods & Services in Europe, Africa, Middle East and Asia Pacific

### About Huntsman

Huntsman is a global manufacturer and marketer of differentiated and commodity chemicals with 11,300 employees, 57 operations in 22 countries and 2005 revenues of \$13 billion. It also manufactures basic products for a variety of global industries including chemicals, plastics, automotive, aviation, footwear, paints and coatings, construction, technology, agriculture, health care, textiles, detergent, personal care, furniture, appliances and packaging.

A company like Huntsman doesn't get this big by staying in one place for very long. In fact, this vast and complex business requires a considerable amount of employee travel - some \$35 million in 2005 alone. According to Corrado Simontacchi, Huntsman Manager of Corporate Purchasing for Goods & Services in Europe, Africa, Middle East and Asia Pacific, travel is also one of the company's most visible spending areas and therefore was an early target for procurement review.

## Creating A Culture of Awareness Around Travel Habits

So in 2004, Mr. Simontacchi and his team took the strategic decision to undertake a major review of how Huntsman purchases travel. It was the first, high-profile phase of an initiative to use change management principles to drive a company-wide evolution of corporate procurement. The goal was to drive behavioural changes amongst travellers through an awareness of the factors that can impact travel costs.

Huntsman was aided in this difficult task by being able to rely on the services of BCD Travel, which has been Huntsman's travel management partner in the offline travel environment since 2002 - when it helped the company moved from a largely decentralised travel booking model to one that could make the most of Huntsman's scale of purchasing across multiple markets. As a result of this long-standing relationship, BCD Travel not only knew all about Huntsman's business travel requirements, but also had a deep understanding of the tools that might be employed to evolve the way in which Huntsman purchased travel.

"Huntsman wanted a one stop shop for travel procurement and that's why the company looked to BCD Travel," explained Alexander Albert, Senior Interactive Consultant for BCD Travel for Europe, the Middle East and Africa. "Huntsman wanted to outsource as much as possible and relied on our know-how, management and experience."

Out of its optimisation research with BCD Travel, Huntsman identified four key goals for the project. They were:

- > To streamline the travel booking process
- > To increase the visibility of the 'market fares inventory' as the travel market had become more complex than ever before and new fare dynamics were not well understood by typical business travellers
- > To provide easy and fast access to travel information (timetables, fares, etc.
- > To reduce travel and travel management costs

## A Project With Clear Goals

For a company as large as Huntsman, the best approach was to start by looking at travel process optimisation - looking at how the company currently booked travel and what an optimal scenario would look like given its diverse needs. For several years, BCD Travel has provided travel booking services to Huntsman through travel arrangers. The optimisation work looked at how to create awareness of travel cost drivers amongst Huntsman employees while empowering travel arrangers to use that awareness to make more cost-effective travel bookings online.

Alexander Albert explained: "We worked together to look at process optimisation, integration, the internal information technology infrastructure, whether a solution could be rolled out at a national and international level - and generally at how we could help them manage their travel".

The process started with a small optimisation assessment looking at online booking - the markets Huntsman wanted to cover, the existing booking behaviours, who was processing the bookings, what kind of information technology structure did the company want and the interactions between the company's Human Resources, Procurement and Finance departments. The assessment also covered whether Huntsman wanted a stand-alone booking tool, which could later be integrated with other systems, or just a stand-alone tool by itself.

In consultation with BCD Travel, the company then decided that they should 'scope' the challenge tightly by focusing its resources on a pilot project in one strategic market - rather than developing something that would have to roll out in Huntsman offices all over the world at once. Mr. Simontacchi agreed that the project would start in Europe, where the company spent more than \$15 million annually and made some 19,000 bookings for flights, hotels, rental cars and other travel services.



## Getting Buy-In

Huntsman's Mr. Simontacchi recognised early on that the online booking strategy project (which was eventually dubbed the "Huntsman Daedalus Project") would get better results - and improved 'buy-in' from employees and senior management by setting specific targets for Return on Investment (ROI).

These goals were:

- > To establish a faster and easier booking process
- > To create more opportunities for savings on travel costs (a goal for 2005 was set at 610,000 Euros)
- > To reduce current travel management costs (a goal for 2005 was set at 170,000 Euros)
- > To increase control of spend and policy compliance in the travel area

The company has met all these goals and exceeded its cost savings targets

## Choosing A Solution

With these goals in mind, BCD Travel then assembled a variety of alternatives for Mr. Simontacchi to evaluate - Cytric from i:FAO, Amadeus e-Travel Management and solutions from KDS and GetThere.

BCD Travel offers an extensive portfolio of cutting-edge travel booking engines, all of which have many pre-implemented, value-added features e.g. multilingual, multi-currency support, PNR management, user profile synchronisation, and comprehensive descriptive billing.

"By analysing an individual company's complex travel purchasing patterns and policies, balanced with their corporate culture, BCD Travel delivers country- and company-specific fully customisable multi-channel solutions that generate value for money and unique savings through process optimisation,"

said Mr. Albert. "Our task was to provide an online booking tool assessment framework for Huntsman so it could weigh up pros and cons and come out of that with a decision about the most suitable tool."

He said the final decision was also dependent on the experiences drawn from other customers using different online booking tools whose travel behaviour matched that of Huntsman.

Huntsman finally chose a solution based on Amadeus e-Travel Management as it would provide a smooth way of providing a flexible solution that could be used online or offline in conjunction with BCD Travel services.



**Alexander Albert**  
of BCD Travel

## Communication is Key

One of the keys to this success has been on-going and comprehensive communication with employees about the project. “We started in early 2004 to prepare communication (about the project) and get the company ready to go online,” said Mr. Simontacchi. “We stressed that employees didn’t have to use every function that is in the system - we left it open to get acceptance by users doing what they feel comfortable doing (and leaving the rest to BCD Travel travel staff). Now they are more aware of why they are booking this trip or that trip - and what are the ‘Dos’ and ‘Don’ts’ to achieve the best fare.”

Before the project got underway, bookings were all done offline via travel arrangers, who would call BCD Travel and check travel options for the employee’s requested timeframe – then feed that back to the employee for a ‘go/no-go’ decision. Mr. Simontacchi said that often this cycle of checking options and prices would happen two or three times before settling on a date, time and fare (a time-consuming process which delayed the booking and therefore often resulted in final fares booked being limited to more expensive categories).

So one goal of the project was to have these travel arrangers play a key role in educating travellers. In order to understand what travellers needed to learn, Huntsman and BCD Travel spent time surveying employees on the issue. The project team asked travellers what would drive a given travel booking decision - and 85 per cent of the time, the answer was cost.

When the team started to ‘drill down’ on the specifics of sample trips with employees, however, employees soon realised that it wasn’t just the displayed cost of the fare that was driving their decisions. For example, the lowest fare may have actually been one with a number of connections - or perhaps at a less convenient time. So, as a result of this consultation, employees began to see that travel costs represented a balance of various factors.

As a result of this consultative process, travellers who wanted a cheap ticket - but also wanted flexibility - now began to understand what is and is not possible within a travel budget. And now, as they work with travel arrangers on their plans, they have a far greater awareness of cost drivers.

## A Tight Scope

In order to make for the most effective possible transition to a new automated solution, Huntsman and BCD Travel scoped the project so that it would combine both online and offline booking elements – both of which would be aligned to the goals of the project.

**Online components would include:**

- > Point-to-point air travel
- > Most hotel bookings
- > Most car rental bookings

**Meanwhile, a number of travel services would continue to be provided offline – including:**

- > Non point-to-point air travel
- > Air travel to high-risk countries
- > Some car rentals
- > Some hotels
- > Ferry travel
- > Train and Eurotunnel shuttle traffic

## The Huntsman BCD Travel Solution

After extensive evaluation, Huntsman adopted a solution with the following components:

- > Selection support and product customisation from BCD Travel
- > Booking engine: Amadeus e-Travel Management
- > Designed for corporate travel needs
- > An Interface that is easy to handle and user-friendly
- > A set-up that includes policy, profile data, supplier contracts and info tools
- > Online bookings monitored by BCD Travel (enabling much better reporting on usage)
- > Bookings are processed for centralised fulfilment by BCD Travel
- > Technical support by BCD Travel Online Helpdesk

## Measuring the Results

It has often been said that in business, if you can't measure the success of a project, it isn't worth doing. This was very much a key underpinning factor of the BCD Travel/Huntsman project - and metrics were a key element of the implementation and evaluation process. Key results of that measurement include the following conclusions:

- > Before, travellers would make their bookings at the last minute when they knew the exact time of meetings and other salient details. Now they make them earlier and change them later if necessary.
- > The concept of last minute bookings is over at Huntsman— now travellers see that it should be 'first minute' for the best buys. Two years ago, bookings were made on average about 5 to 7 days in advance of travel. Now the average advance booking time is 10 to 15 days, which is a very good figure for achieving better fares.
- > There is now a tendency towards bookings with a lower fare basis and employees can see how this change in booking behaviour brings cost savings to the company.
- > Without an online booking tool, driving this kind of change in booking behaviour would have been much more difficult.

"Smart booking is important," concluded Mr. Simontacchi, as he reflected on how travel arrangers now work with Huntsman employees. "The BCD Travel online booking tool in theory gives the same price as an offline consultant. However, in reality, a consultant cannot give 200 different options to a traveller to choose from – whereas online this is possible. The choice is more limited in an offline environment. Now it's not practical usually to have 200 options either - so our travel arrangers are able to use the online booking tool with the travellers to get the balance right and achieve the best outcome."



**Francisco Alvarez**  
of BCD Travel

## Next Steps

Huntsman has learned a great deal from its implementation of this online booking solution: It has succeeded in creating a much greater awareness of travel costs and has fostered new, more cost-effective behaviour in how business travel is booked at the company. Mr. Simontacchi said his team is now working with BCD Travel to drive even greater adoption rates of the system. A first step is to fine tune some of the solution settings to better reflect Huntsman's working reality and to increase adoption of the solution particularly for hotel bookings. Rollout of the solution at one of Huntsman's remaining European sites with substantial travel spend is expected to boost adoption further. And following that will be the exploration of solution rollout potential beyond Europe in the mid-term to some of the many other markets around the world in which Huntsman operates.

For more information visit:

**[www.bcdtravel.com](http://www.bcdtravel.com)**

**[www.amadeus.com/corporations](http://www.amadeus.com/corporations)**

Amadeus Worldwide  
Madrid, Spain  
Tel: +34 915 820 100

Amadeus North America  
Boston, Massachusetts USA  
Tel: +1 781 622 5905  
Sales Inquiries: +1 800 343 5228

Amadeus Asia Pacific  
Bangkok, Thailand  
Tel: +66 2 677 8322

Amadeus Latin America  
São Paulo, Brazil  
Tel: +55 11 4502 1500