

BearingPoint boosts ROI with online travel management from American Express and Amadeus

Amadeus case study

In brief

The challenge

- > To gain greater cost transparency in the travel planning process
- > To change employee travel booking behavior

The solution

- > Access to all travel inventory, including rail and Internet fares, to allow efficient comparison shopping and booking
- > Consolidated reporting
- > Easy implementation, customization, administration and monitoring
- > A high level of security
- > Travel policy enforcement and control
- > The ability to shift to preferred vendors
- > 24/7 service and call center support

The results

- > Solution rolled out in 12 countries within one year
- > Average online adoption 59%
- > Average ticket price savings (domestic and international) 25%
- > Increased advance booking time and 'visual guilt' phenomenon



We recognized that business travel, as one of the top three spend areas for BearingPoint, represented a strategic investment for our company and we wanted to improve our return on investment (ROI).

Andreas Mutschler
EMEA Manager,
Meeting & Travel Services
BearingPoint



About BearingPoint

Imagine a global strategic consulting company with 17,500 employees in 60 countries—a company that prides itself on accessing the latest technology information through more than 50 alliances with leading software and hardware companies and one that knows the importance of building strong working relationships with clients.

Now imagine the huge logistical challenges of arranging efficient, economical, and timely business travel for almost 15,000 people within the organization who need to regularly visit clients, alliance partners and colleagues in locations around the world—and spend more than \$250 million annually on a global basis (\$90 million of that on air travel alone). For Andreas Mutschler, Europe/Middle East/Africa Manager for Meeting & Travel Services at strategic consulting giant BearingPoint, these challenges are a fact of his daily working life.



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Tackling the travel challenge

BearingPoint, which provides management and technology consulting services to Global 2000 companies and government organizations, decided to start working with key business travel partners to find new approaches to tackling this challenge. Mr. Mutschler headed up the company's efforts.

"We recognized that business travel, as one of the top three spend areas for BearingPoint, represented a strategic investment for our company and we wanted to improve our return on investment (ROI)," recalls Mr. Mutschler. "We also had a requirement to be able to offer consistent travel services across the company, while improving efficiency, reducing costs and

ensuring broad compliance with our overall corporate travel policies."

BearingPoint had a headstart: it had already been consolidating its travel for the past three years with American Express Business Travel program in 13 countries throughout EMEA.

American Express Business Travel provides industry-leading booking technology, travel management consulting expertise, strategic sourcing, supplier negotiation support and global customer service. The company operates one of the world's largest travel agency networks with over 2,200 travel service locations in more than 140 countries and territories worldwide.

According to Willi Doll, Relationship Manager for Global Business Partnerships at American Express International, Inc., American Express was keenly aware of BearingPoint's evolving business requirements and worked closely with Mr. Mutschler to develop new approaches to meeting them. "American Express Business Travel has a long history of being highly responsive to business needs," he explained. "The team at BearingPoint explained what they would need and we helped analyze the available alternatives and came up with recommendations on how to proceed."

Creating cost awareness

One of the key issues Mr. Mutschler faced in developing a new approach to travel management for BearingPoint was a desire for more detailed cost transparency in the travel planning process. It was a challenge that had grown in recent years as travel booking increased in complexity, with new fare structures and online booking models changing the business travel landscape.

As BearingPoint's longstanding travel management provider, American Express was in a good position to understand exactly how the incorporation of an online self-booking tool might provide BearingPoint employees with the means to make better, more economic booking decisions that still met the business needs of both the employees and the company, Mr. Doll said.

"The biggest challenge was to encourage change in employees' behavior," said Mr. Doll. "The employees needed to be able to understand how to make strategic travel

management decisions and how online booking benefits their company and their personal day-to-day working life."

Mr. Mutschler agreed. "We felt that if the traveler was the one making the booking, they would be more aware of the different options and the associated costs."



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Willi Doll
Relationship Manager,
Global Business Partnerships
American Express International, Inc.



The solution

To address these needs and fit within the BearingPoint culture of empowering employees, Mr. Doll suggested that BearingPoint look for an online booking solution that could provide extremely rich reporting. This would allow the company to continually review the impact of its changes to travel booking and make ‘course corrections’ along the way to improve adoption and monitor performance. Enhanced statistical information about travel booking would also give BearingPoint more ‘clout’ with suppliers.

According to Mr. Doll, other essential requirements of any solution being considered included:

- > access to all travel inventory (particularly Internet fares)
- > consolidated reporting
- > a high level of security
- > the ability to shift to preferred vendors
- > 24/7 service and back up call center
- > travel policy enforcement and control
- > rail content

Above all else, of course, the solution would have to save money. “Online booking can provide savings on service costs of up to 55 percent over traditional booking methods and savings on ticket prices of up to 20 percent on the average ticket price,” said Mr. Doll.

Measured against these criteria, Mr. Doll and his team drew up a shortlist of four solutions. Mr. Mutschler, together with BearingPoint management, ultimately went with Amadeus e-Travel Management. Not only did this solution meet the key criteria, but it could be implemented, customized and monitored more easily than any other: American Express Business Travel and Amadeus had already been working together for five years to offer tightly integrated, efficient and reliable travel management services to customers worldwide.

Conclusion

“After a lot of analysis, this really did look like the best solution for BearingPoint in the EMEA region,” said Mr. Mutschler.

The two companies could offer a solution that:

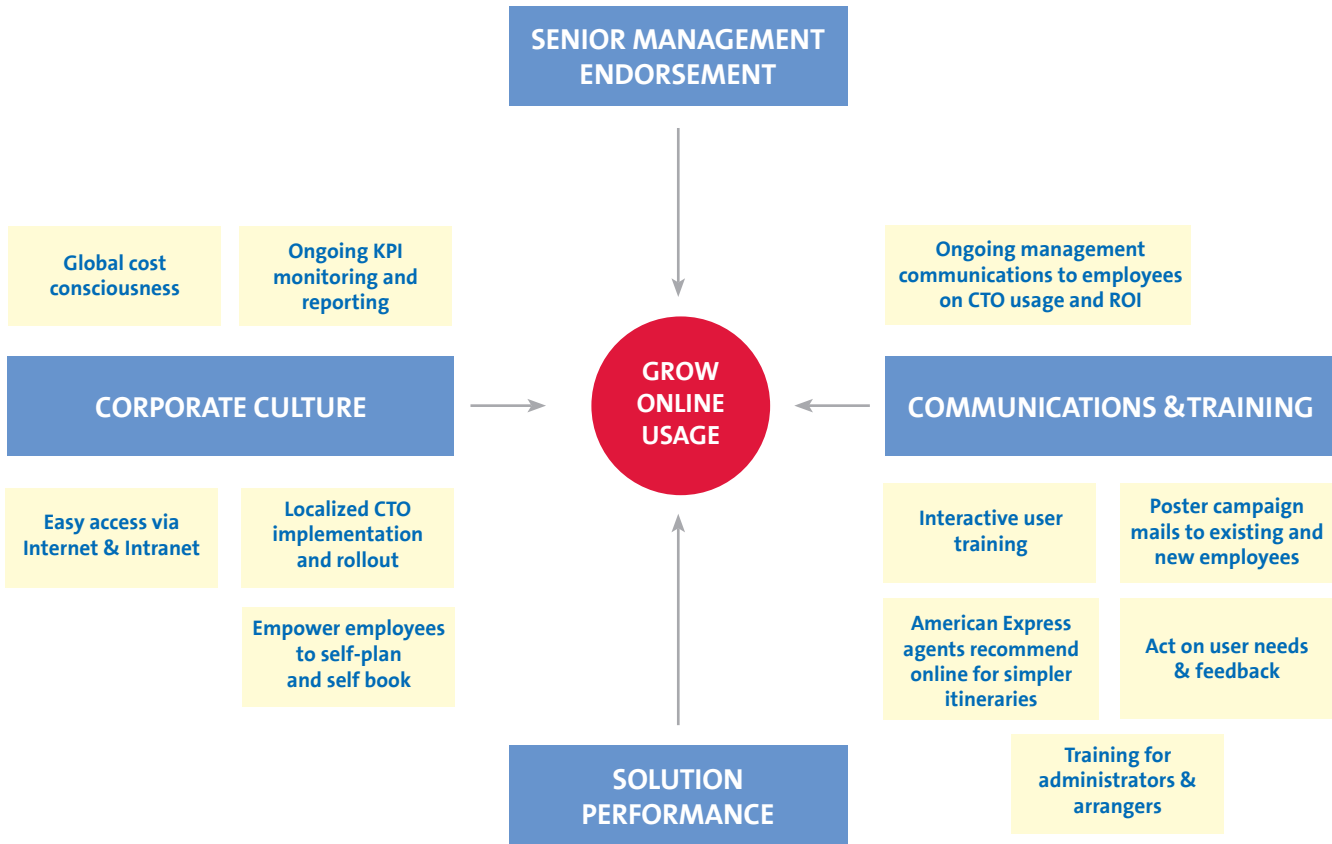
- > allowed for rail travel booking
- > was available 24/7
- > offered excellent call center support through American Express Business Travel
- > provided access to all key travel inventory at a glance for comparison shopping
- > was easy to administer.

“It helped that BearingPoint already had a good relationship with both American Express and Amadeus” he concluded.

Interactive training for BearingPoint Corporate Travel Online—a key element of the adoption program co-developed with American Express.



BearingPoint’s integrated approach to growing adoption of their online booking tool proved successful



Fast implementation and adoption

BearingPoint had an ambitious plan for implementing the new solution in 12 countries within one year—starting with Germany.

“We piloted in Germany for two or three months. I would advise others not to pilot for such a long time—I would say one month is fine. Within one year we implemented in 12 countries. We were quite busy,” Mr. Mutschler said.

He recalled that the company’s strong commitment to quality control and testing at all its sites helped build confidence in the solution as it was being rolled out—as did the extensive training program implemented jointly with American Express which included:

- > Interactive online training for users
- > Classroom training for travel arrangers
- > One-day training programmes for administrators
- > Virtual training sessions for the project team in each market.

Meanwhile, Mr. Doll suggested that one of the most important factors in the successful implementation was that BearingPoint senior management was strongly committed to the solution.

“Employees were asked to book point-to-point travel online,” he explained. “It was very good that BearingPoint’s senior management actively encouraged employees to book online.” He added that it was not only important that BearingPoint did things well in its implementation, but that it measured success at all stages of the process, as visible, measured and well-communicated success breeds further success.

The results

It always helps in any implementation to start with modest, yet important, goals. Mr. Mutschler recalls that he set a modest goal of having 20 percent of all booking transactions within the first six months of the implementation conducted using Amadeus e-Travel Management. “It was very conservative,” he concedes.

Just how conservative was that number? In some countries, such as Austria, monthly adoption rates had soared to as high as 92% of transactions during the first year the solution has been in use. Meanwhile adoption rates in Germany had reached 65%.

The weekly travel usage reports have been very important in helping to support travel manager and senior management decisions about business travel policies—and save money for BearingPoint.

“Our customers can save on transaction costs through highly automated processing—90% of our customers’ online transactions are processed without manual intervention,” said Mr. Doll. “To achieve this we worked closely with Amadeus e-Travel Management and also made significant investments in file-finishing software that can automatically correct errors and insert vital information that may be missing from reservation records booked by travelers online. The end result for our customers is an automated, streamlined reservation process that significantly reduces their transaction costs.”



Proving ROI with comprehensive figures

Senior management involvement and communication has been key to BearingPoint's success with online travel management. As Mr. Mutschler points out, "all projects need to be associated to savings and profitability to get management attention." This is why he has regular review meetings with senior company executives to examine progress on key indicators as reflected in the following reports provided by American Express on a monthly basis:

- > Adoption: global and market-specific figures
- > Advance booking statistics
- > Direct savings: transaction fees
- > Indirect savings: average ticket price savings—domestic/international
- > Industry benchmarking
- > Lost savings (opportunity cost of not having higher usage of the online corporate booking tool)

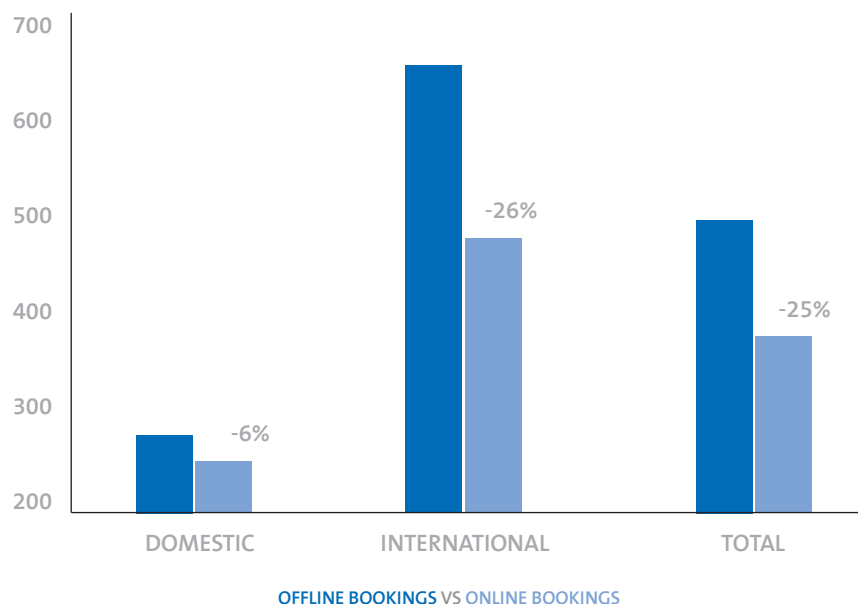
Mr. Mutschler said he has seen significant cost savings on all key performance indicators:

He said that savings have come in a number of other ways:

- > Qualitative benefits in time savings (and thus greater productivity) as all inventory is shown at a single glance including Web-based bookings
- > Impact on travel department and other internal departments (such as information technology and human resources) by putting in place streamlined and consolidated processes
- > Increased advance booking time: employees typically make their own bookings online more in advance of their trips, thereby often securing lower fares
- > 'Visual guilt:' The phenomenon that travelers are more likely to opt for more cost-effective travel options when empowered to make the bookings themselves, online, rather than via a live agent



Average air ticket price comparison



Conclusion

BearingPoint's Mr. Mutschler said his advice to other companies considering an online booking tool would be:

- > You need management support
- > Do not underestimate the resources needed for implementation
- > Research the requirements of each country in which you plan to implement the solution: they aren't all the same
- > Start the change management process at the time of implementation
- > Look to grow adoption by providing easy access to the tool on one global platform
- > Include information on using the tool when training new employees

BearingPoint: increasingly active in business travel

BearingPoint has been active for many years in business travel consulting for large companies with travel and information technology departments that need support. Additionally, a very valuable source of travel management has been the VDR Business Travel Report Germany, produced for the market yearly, in cooperation with BearingPoint.

BearingPoint provides consultancy to the travel sector in Germany and is itself ahead of market trends, already implementing new tools and practices internally. VDR is the business travel association of Germany with some 480 members, 66% of which are big companies, all with active travel management needs. One third of VDR members are suppliers.

Four years ago, VDR chose BearingPoint to deliver a first representative overview of the German travel market. "We have delivered the study every year since then with VDR," said Kirsi Hyvärinen, Senior Specialist in Travel & Tourism Management at BearingPoint. "BearingPoint has learned a lot about the market as have VDR members and all target groups of the survey. There is

room for improvement; this has been shown clearly. We track online booking trends every year and what companies are booking." The major trends identified included a move away from traditional local travel agents to online solutions.

The study also showed an increased focus on travel management and travel expenditure control which translates in many companies as increased responsibility for travel managers. "Travel management is more and more seen as an important part of procurement and as a means of taking control of business travel cost. It is a strategic support to a company's main business activities. Apart from optimized purchasing of travel services, their complex duties include above all, cost control and business process reengineering. Travel service quality and safety as well as an excellent and flexible service for travelers are just as important as the measurable economic benefit," she concluded. "This was not quite as widely the case some years ago as people didn't really know the figures associated with travel spend or the savings potential in the travel area".

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