WHAT GETS MEASURED GETS MANAGED

-Sample Travel Policy Insights

A number of factors have an impact on the price a company pays for travel. Four of the most important factors are:

- Travel consolidation
- Volume discounts with airlines, hotels and car rental companies
- Guiding traveler behavior
- Information management (travel data, expense data and benchmarking data)

The key to turning the theory of potential savings into reality on the bottom line is your success in managing and controlling the following areas:

- Ability to negotiate supplier discounts for travel volume & patterns (10% average savings on spend)
- Ability to manage & control traveler behavior (20% average savings on spend)
- Ability to cross reference booked travel & expense reports (5% average savings on spend)

ALL of these potential savings rely heavily on your ability to consolidate all travel through one source, proactively manage/guide behavior and address opportunities.

Does Your Current Travel Policy:

1. Mandate consolidation for air, car, and accommodations through a selected Travel Management Company?
2. Mandate usage of online travel booking tool with specific exceptions outlined?
3. Give direction on pre-trip approval process?
4. Define parameters for lowest acceptable fares, such as the maximum additional elapsed time to accept a connecting flight, choosing low cost carriers, or mandating usage of existing travel credits before another carrier or schedule can be accepted?
5. Give specifics on acceptable classes of service domestic/international/flight duration?
6. Give direction on purchasing advance seat assignments, preferred boarding, airline club passes, premium coach seat upgrades or other ancillary fees?
7. Give direction on specific preferred airlines?
8. Define advance purchase requirements?
9. Give direction on how much luggage can be checked?
10. Give specific guidelines on changing flight arrangements?
11. Give direction on specific preferred car rental company?
12. Give direction on acceptable car type/size?
13. Give direction on declining or purchasing rental car insurance?
14. Give direction on re-fueling the car?
15. Give direction on preferred hotel usage, maximum rate, and/or acceptable hotel type?
16. Give direction on meal & entertainment maximum’s, per Diem’s and tipping?
17. Address limiting number of employees and/or executives on the same flight?
18. Give direction on what can and cannot be expensed (i.e. Mini bar, movies, laundry, dry cleaning, business center, phone charges, internet, GPS, alcohol etc.)?
19. Give direction on acceptable and specific payment methods for travel purchases?

**General Policy Considerations**

Keep in mind that a position of high cost reduction in exchange for low convenience can sometimes lead to morale difficulties or a reduction in productivity. On the other hand, a high level of convenience and flexibility can translate into unnecessary and excessive travel costs. Some companies recognize that there are differences in the value of a traveler’s time depending on their level and responsibilities within the corporation. These companies may segment their travelers and allow varying levels of convenience and amenities to each.

A Travel Policy should be a dynamic document versus a static document and an annual review is best practice for having a Travel Policy. The policy should be modified when there are significant changes such as preferred supplier relationships, an increase in reimbursement levels, industry changes, or payment processing.

**Issued by Top Management**

Like any policy within a company the difference between success and failure is directly related to the degree of importance the company personnel perceive management places in the policy. To ensure that a travel policy is effective seek the highest level of management to write a cover letter endorsing the spirit of the policy.

**Detailed and Understandable Instructions**

All comprehensive travel policies should not only explain expense report procedures to the traveler, but also to the reviewer, usually the traveler’s immediate supervisor.

**Presentation & Implementation**

The presentation and implementation of a policy is crucial to the success of a travel management program. It must be usable, relevant and meaningful to a company’s travelers. Most importantly a travel policy should be reviewed and updated periodically to reflect both the changing nature of the travel industry and the company’s travel patterns.

**Developing the Policy**

Travel is often a very emotional issue in many companies. The sentiment that “my staff are hard workers and I let them do what they want because I want them to be comfortable if they have to be away from their families,” is not an isolated one. Such sentiments often solidify resistance to managing travel.

*Proprietary to Hurley Travel Experts, 2011/2012*
Words or phrases such as “you should,” “the company recommends,” “this could result in,” or “use your best judgment” should be replaced with “you must,” “the company mandates,” or “this will result in.” Depending on your corporate culture these words or phrases may sound harsh. However, when outlined with the reasons why the company needs to put more control around travel spend employees appreciate a policy that offers clarity, fairness and equity among employees, accountability, and bottom line savings for the company.

**Automating your Travel Policy at Point of Sale**
Having an online travel booking tool with an integrated travel policy is the ideal way to ensure travelers are aware of key policy issues and have guidelines readily at hand when they make a purchasing decision. The most successful travel policies include more than just policy guidelines. They are filled with tips and information that are helpful to the traveler. The two basic keys to a successful business travel program are standardization of policy for all types of travel and making sure these policies are followed. Not only does travel policy need to be endorsed by top executives but needs to be approached philosophically by these same executives, clarifying for employees that the goal of saving money is for the good of the company and the employees, perhaps even promoting a positive cultural shift.

The best travel managers act as facilitators of information rather than enforcers of policy. The best policies promote good behavior through clarity, on-going communication, and positive reinforcement.

*Distributing the world’s greatest travel policy has little effect if you don’t measure and monitor compliance, hold people accountable, and change and reward behavior.*

**Pamela Hurley-Moser**  
*President & CEO*

**Hurley Travel Experts**  
*207-874-7400*  
*phmoser@travelexperts.com*

-Updated November, 2011