HBAA

INSIDE THE MIND OF A CORPORATE

Key industry issues from the buyers' perspectives

a TIN report

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Introduction

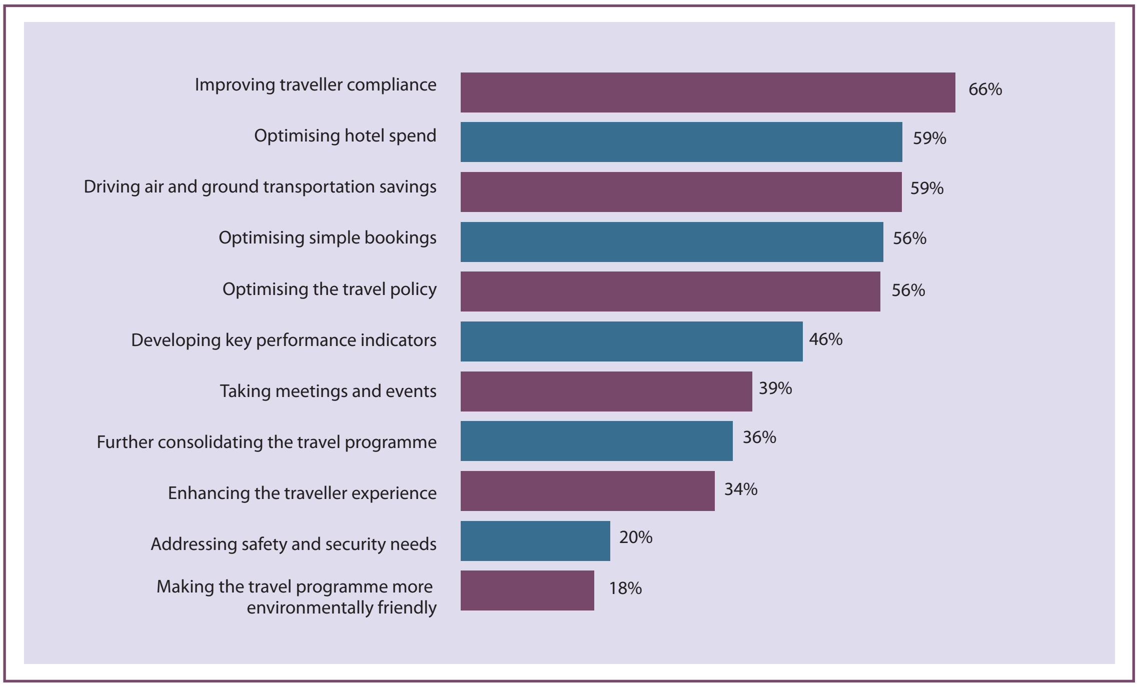
Although the global recession is in its fourth quarter, there are few signs of significant recovery. In July 2009, GDS reservations were down 8.43% globally compared to 2008 figures (more in Europe), and average daily rates by over 20% as corporate cost cutting continues.

The tactical delivery may change but every corporate is focusing on cost reduction, cost avoidance – or both. Most are benchmarking achieved rates, some are consolidating meetings and transient spend, whilst others strive to integrate internal meetings space management with external venue sourcing.

Other considerations appear on the radar of different companies to varying degrees. Traveller security. Communications & compliance. Small agency versus big agency. Specialist hotel booking agent against generalist TMC. Moreover, where does sustainability now sit on procurement's priority list?

Recent research by Carlson Wagonlit Travel suggests companies can save 21% of hotel spend by adopting best practice in traveller compliance, policy and programme, negotiations and performance tracking. However, does best practice work for everyone?

Travel Managers' priorities



Source: CWT (survey of 178 travel managers worldwide)

For agents and vendors trying to read between the lines of the latest 100-plus page RFP, the challenge is to understand what drives travel managers in different markets with annual travel budgets ranging from €100,000 to €100million.

This paper is intended to throw some light on buyers' views on six key topics; what factors are driving their procurement strategies, and what they require from current suppliers.

During August 2009, we interviewed buyers from organisations with different purchasing power and philosophies. Some use HBAs to book hotels, others TMCs and one SME who still books direct. Each offered frank assessments of how well HBAs and TMCs meet their needs.

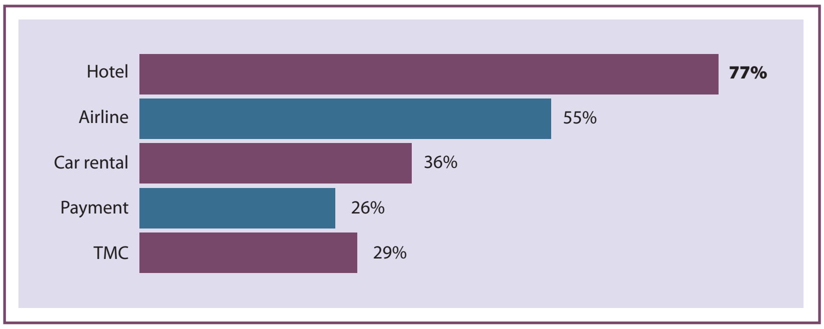
There are deliberately no comments or observations from hoteliers or agents, although some externally sourced (and verified) figures are included to provide context.

I hope the paper provides you with food for thought.

Mark Harris
Editor

Driving greater value

Categories of supplier changes as a result of cost reduction programmes



Source: AirPlus International/ProMedia

We all know that driving down costs heads the overall agenda, but what strategies are corporates adopting to achieve this goal? Is it all about rate or are organisations looking at overall journey cost rather than one component? And what role do buyers need their agencies to play in the process?

A survey by HRG during the first half of 2009 revealed that corporates were "continually reviewing and consolidating their programmes to secure lower hotel rates by delivering increased revenues to their preferred suppliers. Negotiated rates were now the worst-case scenario in terms of what they corporates expected to pay, and were instead just the benchmark for further savings."

Benchmarking

The Procurement Manager at a multinational energy company (company policy prevents her from commenting officially) explains. "Our TMC compares our achieved rates at our top 150 hotels against the rates achieved by their other clients of a similar size in the same locations. They then report to us on how our achieved rates compare, rank us against those other organisations and highlight instances where further negotiation is needed."

"The TMC also provides monthly reports on actual average daily rate and comparisons against our negotiated corporate rates. Recently, there are more and more instances of our achieved rates being lower than the negotiated rates, which raises the question of the importance of an RFP in the current climate."

Recruitment specialist Michael Page International has an annual hotel spend of around €250,000 – roughly a quarter of its total travel budget. Director of Procurement & Facilities Management James Rumsey benchmarks his achieved rates against those enjoyed by other clients of his TMC. He also benchmarks on a random basis throughout the year through a mystery shopper programme.

Former BT travel manager Martin Umbleja is now Managing Director – Europe at Experient Consulting LLC. He points out that data accuracy is a big issue. “So the best way is to gauge how many times the actual rate is under or over the negotiated corporate rate. Then break down the variances by percentages. It can often be a play off between increased rate and additional savings, so a scale would be ideal.”

Scotland-based distillers & drinks group Edrington use neither HBA nor a TMC to handle their €1m+ spend. Travel Planner George Blues buys direct. “Our negotiated rates have come down this year because there are so many hotels chasing our business. We don’t have to benchmark our rates because we have worked with many hotels over a long period, and already know what we should be paying.”

Added Value

With rate re-negotiation no longer restricted to the RFP season, corporates are looking at the constituent elements that make up the rate too, under the umbrella of ‘added value’. Buyers expect their HBAs and TMCs to negotiate food and beverage, WiFi and car parking discounts– and preferably to eradicate them altogether.

A few years back hotels were generating significant income from additional services, but savvy travel managers are now looking at the extras and trying to negotiate on those as well as hotel rates. Hotels should now be looking at F&B savings to stop guests going off-site for dinner – and even breakfast.

However, a like-for-like comparison is also important, as one buyer explains. “We ask for room-only rates and a separate discount on F&B rather than specific breakfast costs because, not having been included historically, this may have meant that the travellers took breakfast elsewhere instead.”

Our oil business corporate is weighting the value-add elements of hotels’ responses to her 2010 RFP. “WiFi, access to our offices are important to us, as is health & safety although we accept it will be difficult to put a value on that.

Last Room Availability (LRA)

Last room availability (LRA) is now considered a minimum requirement by corporates previously willing to pay a premium before the sky fell in.

LRA is the agreement between hotel and client whereby "all client negotiated rates associated with a room category are available at the negotiated rate up to and including the last room at a property to be sold in that room category." (Source: NBTA)

Corporates see hotels' past practice of dispensing with LRA deals and selling their last rooms at a premium instead as being just that – history.

Benchmarking LRA requires the agent to providing data showing the percentage of occasions when LRA has been available. Martin Umbleja believes that hotels should embrace 'added value' more readily, offering a total price that attracts the corporate. "Perhaps its time to re-introduce the dinner, bed & breakfast rate" he suggests.

Cost reduction vs. cost avoidance

"Procurement is always tasked on costs. Cost reduction is the saving achieved this year over last; cost avoidance is any reduction you can negotiate on cost increases the supplier wishes to levy."

Hannah Bodilly, Equiniti

The first line of cost reduction is unquestionably the corporate travel policy. However, billback is one area of agent-generated value that is increasingly popular amongst corporates as a means to drive savings through fewer expense claims. But where else can HBAs and TMCs add most value?

Recession does not seem to have changed the basic appeal of the HBA. For James Rumsey, apart from billback it is all about slicker process and after sales service, such as dealing with hotel complaints. For Peter Macey, Business Travel Manager at MDDUS, value comes in terms of buying power "in areas where we have irregular business and in helping to identify suitable venues for business."

HBAs can play a key role in cost avoidance across both transient and meetings activity, as our energy business procurement manager explains. "Avoiding cancellation charges is very important, either by re-selling meeting space or through negotiation, as is the ability to track those charges that have been offset. Securing costs that would otherwise have been charged as part of the rate is also compelling – such as complimentary WiFi charges."

"We cannot report savings from room up-grades because we would not have requested them or been prepared to pay for them. Car parking is a real saving of a cost we would have had to pay for.

An extra serving of tea & coffee in a meeting cannot be reported as saving, when not requested, but an additional syndicate room has a value if we need the space and would have incurred the cost."

Management of no-show charges is another area where agents can add value. It is usual for employees' credit card details to be pre-loaded into self booking tools against which charges are made without indicating whether the guest has stayed or not.

A third opportunity for HBAs to add value is to report on rejected savings. For example, when a traveller stays in a five star hotel when there is a cheaper alternative in a similar or better location, the client needs to know what could have saved.

Whilst at BT, Martin Umbleja was the first major corporate to appoint a specialist HBA. So how does be believe a 21st century HBA can add value? "Through reduced transaction fees, securing distressed occupancy rates and non-GDS rates. If the price goes down post-booking and pre-stay, the saving should be reflected in the rate paid. An open and honest approach is vital."

Agent remuneration

Our panel of corporates included clients of both HBAs and TMCs. So how do they remunerate their agents – fee or commission - and why?

George Blues at the Edrington Group goes direct although he has a Galileo terminal in his office. "Most of the hotels we use are quite local and we've enjoyed long-standing relationships with them. Many are also smaller, non-GDS properties that are not on TMC's or even HBA's radar."

A buyer from the professional services sector commented "the use of HBAs and VPAs (Venue Placement Agent) is an evolving practice. It is doubtful that we would be prepared to pay outright until we have a more robust and accurate way of measuring their success and value in real terms."

But despite the attraction of a 'free service' in troubled times, there is a clear trend towards the transparency offered by the fee model. Even amongst smaller companies with more modest volumes, our group of buyers questioned whether the commission model has a future. They point to the trend in the US towards hotels paying less commission on both transient and meetings as a precedent the UK will follow, as the airline sector did earlier in the decade.

There is also a suggestion that whilst some corporates still do not understand agents' business models because there are too many people in charge of travel procurement without the required knowledge, some agencies underestimate the expertise of the corporate.

Cutting out the middle man

A recent law case has highlighted the issue of whether there any circumstances in which an intermediary is not entitled to commission? At the time, Peter Ducker, executive director of the HBAA, said: “Obviously in business transacted between HBAA members and Partner venues the Code of Conduct – widely regarded as being the balanced, fair and comprehensive rules to protect all parties - is automatically in play.

“The HBAA’s advice to all members is that when they find themselves dealing with a venue that is not an association partner, they insist that the terms of the HBAA code apply. If the venue will not agree to that they should question where the sticking points are, and advise their clients accordingly of any compromise in their protection."

Corporates mainly stand firm behind the HBAA’s position. One procurement manager adds “agents need to drill into their front line teams that they need to ensure the booking is always made through them. They cannot rely on the client to always place the business through the agent and not to go direct. The onus is on the agent, especially for a repeat event.”

Consolidating spend

“We want to reduce the number of hotels in our programme. In one city, we used 35 hotels for transient & meetings when our requirement could have been fulfilled by just three. We need to manage demand more effectively to create the competitiveness that will drive rates down.”

Procurement Manager, energy sector

Despite operational responsibility for meetings and conferences remaining largely fragmented in the UK, more and more companies are consolidating meetings spend, processes and control.

A joint Business Travel Show/Institute of Travel and Meetings Forum in early 2009 highlighted the fact that whilst procurement does not have direct control or major conferences or events, it is well aware of the lost cost-saving opportunities as a result of not having a joined-up approach – termed convergence.

Over 60% of meetings taking place in hotels, and buyers are also aware that separating meetings and transient budgets dilutes their available leverage on rates, terms & conditions and added value.

Strategic Meetings Management Programmes

In 2008, it was estimated that just 36% of companies globally were engaged in consolidating their transient & meetings spend. So it comes as no surprise to learn that the scale of adoption by corporates differs wildly.

Many organisations are only just putting SMMPs – Strategic Meetings Management Programmes – in place alongside their T&E policies. Buyers agree that, without this vital first step, convergence is impossible to achieve, not least because of the difficulties buyers experience in quantifying their organisation's entire meeting spend internally or externally.

Even hotels receiving both transient and meetings business can rarely provide a full picture of their clients total spend because bed night and conference bookings are processed using different systems. As one buyer puts it - "hotels need to offer full visibility of meetings and transient spend. But will they start charging for the data provided?"

Some corporations spending over €100m on travel are only in the earliest phases of convergence. "We introduced a strategic meetings management programme this year although our 2010 hotel RFP will cover both transient and meetings globally" one buyer told us. "Every hotel solicited has the option to provide transient and meeting rates, although it is not compulsory to do so and there is no guarantee they will be included on either or both the transient and meeting programmes."

The extent to which procurement is taking control of meetings spend varies too. Some advise individual business units on how best to purchasing venues, for which they have created preferred supplier programmes to drive efficiencies in cost and process. These often incorporate a calendar displaying the most financially advantageous options during the year from which planners can select accordingly.

However purchasing responsibility for meetings remains fragmented, in some cases because despite a bigger appetite to save money and spend wisely, so many stakeholders have enjoyed the historical freedom to so as they please.

A buyer explains. "To be able to lead the horse to water we need the support of the individual business units so we've asked them what additional requirements they will have in 2010 over and above 2009, such as a new office. You can't always rely on historical data so procurement has to add value too."

Lin Burgess is Travel Category Manager at Xchanging, and is working to consolidate transient and meetings. "There is still leakage on the meetings side with bookers going direct to venues. However we are working very closely with our bookers and with the actual hotels to help each other in attracting more business."

Those organisations that have embarked on consolidation programmes have different objectives in doing so. The inherent difficulties corporates face in tracking meetings spend makes it hard to quantify the results from consolidating transient and meetings activity. Some organisations' objectives extend simply to making substantial savings by holding meetings in hotels on our transient programme, especially smaller meetings.

"Historically, people argued against holding meetings near to the office, but we're changing that now to reduce total meetings costs by reducing the cost of travelling to and from those meetings" explains one buyer.

Meeting Alternatives

"I hope that meeting agencies will be smart enough to integrate the organisation, and booking of a multi-site tele presence meeting into their service portfolio."

Torsten Kriedt
Vice President, Innovation & Intelligence at Advito

Despite the strides being made by vendors in either installing video conferencing technology or partnering with providers, accurately measuring the savings generated by not travelling or holding a meeting is another problem facing buyers.

Marriott International and Starwood Hotels & Resorts Worldwide are the latest to announce plans to install Cisco's Telepresence technology. Other hotel operators are holding back, citing the reluctance of corporates to pay the requisite usage charges for VC. Others have had to make little investment because technology providers have recognised the value of retail space for their products.

From the buyers' perspective, whilst teleconferencing (the ubiquitous 'conference call') is commonplace, video conferencing is less so, partly due to poor use experiences with earlier systems. As Peter Macey of MDDUS says, "Getting people to adopt alternatives to face-to-face is going to be a long process because meeting planners need to be re-educated. "

Lin Burgess sees the economy as "the gateway to corporates paying more attention to this means of communication to save on overall travel costs" and that this will continue post recession. "Webex is certainly an excellent tool that has been used successfully for training and presentations" she says, whilst both Xchanging and E-ON UK have both invested in desktop/laptop video conferencing."

There is no denying that video conferencing is having an effect though, especially on transatlantic travel. Instead of sending three or four executives to the US for a meeting, one or two are now going, thereby reducing overall meeting costs. Whether the overall number of meetings being held is reducing is another matter, with at least one of the organisations on our panel replacing transatlantic activity with more national and local meetings.

Lack of understanding

There is a belief amongst some buyers that the trend towards meeting alternatives is something of a short-term measure to cut travel costs; however, all agree there needs to be more industry-wide understanding of alternative media, and greater standardisation of the technology.

TMCs lack of track record in managing meetings & conference activity is a concern for many corporates, whilst some travel buyers feel they have insufficient knowledge of the MICE market to make informed decisions on such key meetings issue issues as the ROI on meetings or the adoption of meeting alternatives.

Whatever role the agent plays however, it look certain that responsibility for the procurement of meetings, conferences and events will fall within the remit of the travel procurement function sooner rather than later.

Internal meetings space

The recession and vastly improved standards of many companies' facilities have awoken UKplc to the under-utilisation of internal meetings space. But do buyers see this as a short-term measure, and if not are they seeking to integrate the processes and controls for external and internal meetings?

"The next logical step will be for internal meeting space to be offered to other companies."

Most organisations have progressed beyond the paper diary onto web-based systems to book internal space. However, as E-ON UK's Judith Gledhill observes there are inherent flaws. "People don't turn up, don't bother to cancel but the systems are not up-dated."

Of the organisations represented on our panel, most mandate the use of internal space over external unless business heads decree otherwise. At Xchanging, the internal/external decision is managed on a site-by-site basis. "This has always been the case and is not recession driven. However we are looking at one of our HBA's tools which can manage internal and external meeting space" Lin Burgess explains.

At Michael Page International, the process for booking meeting rooms has been built into both CRM and e-mail tools internally. "This means that when a sales person is booking a meeting they can easily search for a meeting room in any of our offices across the country. We are amending the external booking process to include a check for internal space first" explains James Rumsey.

Surprisingly, relatively few agents are playing an active role in consolidating internal and external meetings space, either at strategic or fulfillment level. Relatively few organisations appear to have policies in place for the use of internal and external meetings space, although all acknowledge that doing so will be an unavoidable step in binging overall meetings expenditure under control.

Some agents have recognised an opportunity, as Martin Umbleja points out. "The more technologically-advanced players are taking on the internal meetings space responsibilities to secure the business and to manage external venues more effectively. Agents are also realizing that internal meetings space also generated incremental transient requirements. If it is in the culture of the company to do this, the agent has an additional income opportunity. "

Agents can help overcome the technology problems too, as Judith Gledhill confirms. "We are working with our HBA to put a robust system in place. One that e-mails reminders to confirm or cancel meeting space; one that can swap rooms around to manage space better."

ROI from greater internal space utilization is so far proving hard to measure, but buyers believe that in time they will be able to do so through travel as well as external venue hire savings, as well as time.

Post-recession, buyers believe that internal meetings space usage will not be affected for two reasons. Firstly, not all organisations have suitable facilities in-house and secondly because they believe meetings management to be an extension of their T&E programmes. As MDDUS' Peter Macey put it, "Meetings are based upon the requirements of our members and their needs and the use of internal or external meeting spaces are decided at the time of the initial contact. That will not change."

Communications & compliance

Reasons for booking outside the preferred hotel programme

Importance	Travel Managers' view	Travellers' view
+	Traveller's personal preference	No preferred hotel at the location
	Cheaper hotels outside the programme	Did not meet traveller's needs
	Traveller's lack of awareness	No rooms available
	Did not meet traveller's needs	Did not chose the hotel
	Compliance not a high management priority	Preferred hotel directory serves as a guide only
	Lack of reporting tools to track non-compliance	Cheaper hotels outside the programme
	TMC not strictly enforcing the policy	Rooms available only above authorised category
–	Preferred hotel data incorrectly loaded into GDS	Other

Source: CWT

"The venue placement agent plays a big part on driving compliance. For example, when a bedroom enquiry comes in, we expect the agency to propose at least two preferred properties. On our SBT we only show preferred properties, so the booker has to call the VPA if they want a non-preferred hotel or venue."

Buyer

Better communication with bookers and travellers is clearly a major factor in driving compliance with transient and meeting programmes. But what works best, and what role can the agent play?

Our buyers' internal communication plans for 2010 reflect a mixture of the traditional – self-booking tools, e-newsletters and traveller workshops – and innovative, such as toilet door promotions and text messaging. As usual though, one size does not fit all.

James Rumsey of Michael Page: "Internal office publicity does not work because people do not stop and read. They do read e-mails and the intranet. Selling the services to employees rather than dictating compliance works better."

Martin Umbleja diagnoses the same problem, but a different cause. "The problem with an e-mail culture is being ignored. "

Boardroom Buy-In

Buyers are agreed on the importance of senior managers setting an example when it comes to achieving policy compliance because "there are no excuses when driving things through."

Edrington Group's George Blues: "it's more than buy-in; the most important thing is that senior managers follow the same policy as everyone else in the company."

The energy sector Procurement Manager agrees. "Within procurement we tag ourselves to key stakeholders to make sure we have their commitment. In our organisation, the lowest logical fare applies to everyone from MD downwards. This means standard rather than deluxe hotels should be adopted by all."

Research by CWT suggests that compliance with preferred hotel programmes can be as low as 26% in some organisations. So how is compliance measured and what steps are taken against those who book outside policy? Again, organisation culture plays a part in setting the scale of flexibility allowed. George Blues: "we have set guidelines on maximum spend in the UK, whilst internationally we just try to be sensible. Anyone who spends above the limit is identified - wherever possible pre trip."

Judith Gledhill of E-ON UK cross-references MI from her HBA and corporate card providers with expense MI to create a picture of who has booked in policy and out of policy. Judith uses billback as a compliance tool too, available only for UK bookings via the HBA. Consequently, her only real area of non-compliance is overseas where Billback is not available.

Name & Shame

Remedial action takes the form of rejected expense claims, direct dialogue between travel buyer and traveller, and naming and shaming offenders. Although procurement is wary of how it is perceived internally.

Judith Gledhill: "I'm not there to police or punish; simply to provide the information to our business heads. But we are now considering making repeated non-compliance a disciplinary matter because we need to know where our people are."

The importance of traveller security in compliance is a theme taken up by Martin Umbleja. He believes that compliance can be defined differently between organisations. "There should be a tick box for the five most important elements of a travel policy, and the buyer should be able to quantify compliance against each criteria. It's not always cost driven."

So what role in the compliance process should the agent play? Although most of the buyers on our panel felt that agents should take a front-line role, Lin Burgess of Xchanging looks to her HBA to "steer travellers and bookers to policy compliance and provide me with MI to demonstrate compliance, non-compliance and missed savings etc. The agency actively contributes to training through surgeries to promote online booking."

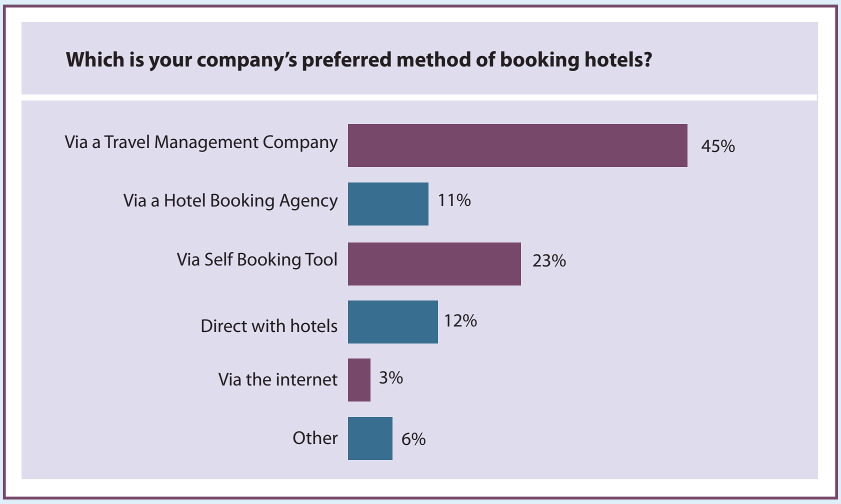
Martin Umbleja believes that it is hard for the agent to play a leading policing role "because they don't want to be perceived as gatekeepers."

Specialist vs. Generalist

Market Share

In 2008, Business Travel World magazine, estimated that the HBA community accounted for around £800m in transient expenditure, and £1.1billion when combined with meetings.

The Institute of Travel & Meetings estimates the total expenditure of UKPLC on corporate accommodation to be £6 billion, which suggests that the hotel booking agents' channel has a market share of 34.7%



Source: ITM

In a recession, more and more companies are managing their hotel programmes through an intermediary. Who is better placed to meet the corporates' key priorities of lower costs and greater value - specialist or generalist; big or small?

The specialist HBA does not exist in the US, where around 70% of hotels are group owned, and therefore represented on the GDS all TMCs use. In Europe, 70% of hotels are independently owned, and not on GDS.

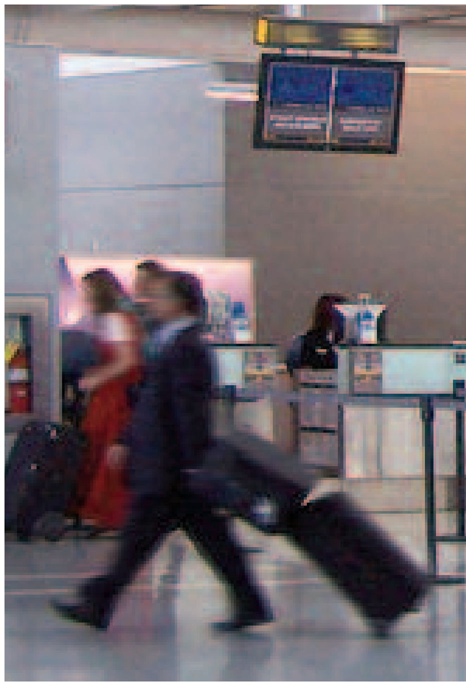
Access to non-GDS hotels has been a traditional USP of the hotel booking agent, along with billback and bespoke hotel and venue databases. However, the major TMC's have begun to erode the gap between them and some of the less technologically advanced HBAs.

Meetings are another example of where the TMC generalist lacks the systems and knowledge to deliver. With convergence of transient and meetings spend now firmly on the corporate agenda this is another area where the specialist remains ahead of the game.

The decision whether to choose HBA or TMC, big or small is usually determined by what buyers deem 'the best fit'.

According to ITM, 48% of all corporate accommodation bookings made by FTSE top 100 companies are made by TMCs. However organisations like National Grid, Zurich, BBC, Boots, Orange, Marks and Spencer, Tesco, Scottish and Newcastle, Britannia Building Society have all appointed an HBA to handle their hotel programmes.

E-ON UK chose an HBA because 67% of their travel spend goes into UK hotels. As Judith Gledhill says, "we have 77,000 transactions on Billback, which demands specialist delivery. TMC's have never specialised in hotels, which is why we have a TMC in place for air and an HBA for hotels."



Size matters

Size plays a big part. As Hannah Bodilly explains, organisations like Equiniti do not have huge hotel requirement, "so for us it's about selecting the supplier that best suits our hotel & travel needs."

"As the balance of power between buyer and supplier is key to the relationship, the buyer needs to understand its strength relative to its suppliers; if the buyer is small and not strategically important to a supplier, it must identify ways in which to become a 'customer of choice' in order to obtain the desired level of service. Sometimes I find it is easier to work with a supplier that is smaller than my organisation so I have greater leverage and can be sure I am on their radar."

James Rumsey concurs. "We use a TMC because our spend is too small to split, and our staff want a one stop shop service." Our energy sector buyer believes size matters a great deal. "We need a global solution so a TMC is a better fit but a global solution can require local fulfillment."

Martin Umbleja says HBAs need to stay ahead of the game, but TMCs will not catch them up. "The market advantages HBAs can leverage over TMCs are more sophisticated technology offerings, maintaining cost differences and by; helping to consolidate spend."

Encouragingly, there is a clear feeling amongst buyers that smaller HBAs can capture big corporates' business by developing sound technology to meet clients' needs. No one believes that good service on its own is enough, but offering the lowest rates to eradicate non-compliance remains the weapon to transcend all others.

E-ON UK's Judith Gledhill: "As long as the staff and processes are in place, size does not matter. It is more about the 'feel' and what suits the organisation. In other words, having similar cultures"

Room for Improvements

There are frustrations amongst buyers towards HBAs and TMCs however. Equiniti's Hannah Bodilly, for example, finds it difficult to build relationships with vendors when there is an intermediary in place. "I like to be able to talk directly to the end-supplier, and having an agent in place makes things more complicated."

James Rumsey believes that TMCs biggest failing is their inability to innovate the technology and overcome their reliance on GDS. "The large TMCs are more frustrating as they do want to be a supplier rather than a partner, and to charge for everything they can. Travel is a flexible commodity and sometimes a willingness to deliver is more important than the fees they can make."

Lack of transparency is another concern for Rumsey. "Although TMCs argue they can book any hotel, quite often it will come down to whether a hotel has paid the TMC to become preferred. However TMCs never discloses who has paid them to become "preferred".

The issue of transparency is picked up by Lin Burgess. "Our deals have to take preference over any they have with suppliers."

However every buyer is adamant of the need for HBAs to be more up-front and transparent about what they earn, regardless of whether the income stream is commission or fee based.

Sustainability in a Recession

Jonathan Green (JMP Consultants) has advised public & private sector clients on sustainability strategies, procurement and employee engagement. In his previous role at the Department for Environment, Food and Rural Affairs, Jonathan briefed Ministers and Senior Civil Servants on government's travel and sustainability policies.

"Cutting carbon cuts costs."

Buyer

"Political, business and society's engagement in sustainability and climate change has undergone a rapid transformation in a remarkably short time. There is growing appreciation that global economic stability and environmental issues, such as climate change, are not mutually exclusive. However, many businesses have, in essence, thrown green paint at the sustainability wall hoping that an artwork of unknown brilliance will emerge. Signing up to green initiatives; setting targets, monitoring performance and disclosing results; or implementing environmental management systems, have not yet lead to short, medium or long term commercial returns.

A Changing Landscape

Regulators, business leaders, investors and customers are pushing for action on sustainability and climate change. Legislation is being introduced; the UK is the first country in the world to commit to legally binding emissions reduction targets. The carbon market is now an established and growing financial marketplace – illustrated by the EU Emissions Trading Scheme (EUETS).

The Carbon Reduction Commitment (CRC) comes into force in 2010 . In the UK, some hotel groups will face carbon regulation for the first time and should be prepared for further regulation and scrutiny over the next 15 – 20 years. In the UK, the sector emits approximately 3.5 million tonnes of CO2) annually, and sends 3.5 millions of waste to landfill.

The Buyer Perspective

So far, travel manager have primarily focused on sustainability issues and carbon emissions related to business travel; air, rail and car hire. Hotel and meetings have remained largely on the periphery.

The carbon emissions associated with a plane, train or vehicle are relatively simple to calculate. A hotel stay is significantly more complex. However, as travel managers and procurement have increased the scope of their carbon footprints and sustainability initiatives, the hotel and meeting sector is the next logical target. Some corporate buyers are already engaged in this agenda.

Buyers are not – and will not – choose suppliers solely on their green or sustainability credentials. Products, service, price and quality will remain the priority issues. Buyers are also – in general – not excluding companies on the basis of their CSR, sustainability and carbon credentials – yet. “

Traveller Security

Traveller safety and security is never far from the minds of every travel buyer. However most acknowledge that corporate Duty of Care is often taken for granted - unless the employee is visiting a dodgy part of town or a high risk country. How can agents ensure that familiarity does not bread complacency?

Mark Hide is MD of Planet Wise, which specialises in advising organisations on how best to protecting their staff, data and company reputations.

The obvious attractions of a hotel are its level of comfort and accessible location. However corporate travel buyers are concerned this may lure the guest into a false sense of security. Some organisations are giving their travellers printed and online advice, and training them to select hotel above others within the preferred hotel programme.

Essential Training

- The lobby area is a classic place for opportunity theft as the transient nature of the location makes it easy to get in and out
- In many hotels, the room key is required in lifts to access the correct floor – again great if the hotel has these in place but often overlooked in less specified establishments
- Room keys are almost entirely electronic in this country but abroad may remain a turnkey. The loss, damage or duplication of these keys is far too common and can mean that room security is compromised
- Rooms should be secure, have decent locks and spy-holes to see who is visiting
- Even the left-luggage area can pose a security issue as all too often guests and staff alike can access it
- Even the WIFI connection in the hotel lobby or rooms should be actively secure – meaning it's promoted as secure rather than guests having to assume
- A good room service menu for travellers who do not feel comfortable eating by themselves in the hotel restaurant

Corporates are also recognizing that fire safety is an important consideration, yet few have yet found way to incorporate the relevant information on preferred hotels on their intranets, or through their HBAs.

Traveller safety outside the hotel is also beginning to be included in corporate hotel programmes. Buyers and agents are realizing that a central location may be good for access, but may mean an increased risk of petty crime.

Getting around with ease can decrease the likelihood of incidents as the guest will look confident and knowledgeable making them a much more challenging target.

Staff knowledge and advice coupled with well-marked maps and the provision of approved taxis or bus routes will help travellers to avoid difficulties. In high-risk areas where the threat of terrorism is high agents should be giving specific advice to travellers to increase their vigilance and awareness.

In time it will become best practice to include in a preferred travel programme staff training, increased awareness and a clear marketing message promoting security and traveller safety in a pragmatic and positive light.

By actively demonstrating duty of care corporates will demonstrate they understand travellers' (perceived or actual) concerns and are addressing them through thorough planning and implementation of security procedures.

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NBTA (National Business Travel Association)

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About the Author

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About the HBAA

The key objectives of the HBAA are:

- Promoting best practice for those involved in the procurement and provision of accommodation, meetings, conferences and events
- Providing a framework for recognised personal professional development within the industry
- Encouraging and nurturing innovation that will advance the industry
- Ensuring that the HBAA is the voice of the industry, promoting the interests of its membership
- Continuing to develop opportunities to provide formal and informal business networking for members
- Ensuring that the HBAA is recognised as the primary source of expertise for the corporate MICE and travel professionals and other individuals seeking to understand meetings, conferences, events and accommodation.
  www.hbaa.org.uk

About Travel Intelligence Network (TIN)

Travel Intelligence Network is a specialist marketing communications company for suppliers, intermediaries and media owners in the business travel and meeting industries. TIN publishes the annual Meetings Industry and Serviced Apartments industry reports, white papers, client magazines and yearbooks, and organizes forums, seminars and social events. TIN is also the official sponsorship agency for Business Travel Market and the Hotel Booking Agents Association. In 2008, TIN created the industry's first interactive jargon-buster, www.traveljargon.org. For more information, go to www.the-tin.com