

Vision 2020: Travel Management Role To Refocus On The Traveler

November 22, 2013 - 01:20 PM ET

By **Michael B. Baker**

Travel managers [by 2020](#) might have an extra syllable to add to their title.

During the past several years, procurement has taken an increasing role—some now consider it to have full control—in travel management. A laser focus on extracting cost savings from travel, however, has a limited shelf life as organizations optimize spending and implement more efficient processes. So travel managers, particularly those overseeing mature programs, in the coming years likely will evolve to traveler managers, focused more on employee comfort and safety than their company's bottom line. As such, they may no longer fall under procurement, shifting (or perhaps shifting back) to human resources, security and perhaps a host of other masters.

When travel managers look back from 2020, they may see "the procurement years" as a phase that followed corporate travel department restructuring. "The travel department used to be a profit department, because of all the commissions they got," DHL regional category manager of travel services Michelle Hunt said. "Now, it's a cost department, and if you're lucky, you break even because of your rebates and incentives."

With that shift, the sourcing side became more pronounced: managing contracts, managing traveler behavior and reporting savings. The latter has been increasingly difficult, according to Maria Chevalier, former travel manager at Hewlett-Packard and Johnson & Johnson.

"You've got enormous pressure in procurement to drive incremental savings, and it's a shell game, but you do it because you have to prove your worth to the procurement gods," she said. "In the old days, [with hotels] you'd benchmark against that flat rate, but now it doesn't exist, so you look at year-over-year, and you factor in inflation or deflation and see how you did in comparison to that."

As many travel managers become procurement officers, they are rewarded on their ability to save a company money, said consultant and tripBam founder Steve Reynolds, and one could "argue whether travel managers really exist [by 2020], as you already are seeing a pretty dramatic drop."

But don't write the career's obituary just yet.

Despite the challenges presented by open booking, negotiated programs always will exist, and someone will need to manage those contracts, said DHL's Hunt. Those

individuals will need to "know the ins and outs, especially when it comes to groups and meetings," and demonstrate the value of those contracts.

For procurement, housing that becomes a less attractive proposition as programs mature, Chevalier said.

"Once you have best-in-class buying behavior and best-in-class contracts, where else do you go?" she asked. "I don't think there's any other big disruption out there that will yield enough to keep it under the procurement house. Procurement as a whole has an aggregate of what [amount of savings] they need to get to, and travel is going to pull them down."

Similarly, Jörg Martin, owner of CTC Corporate Travel Consulting, predicted that travel managers would steer procurement teams rather than be responsible for procurement themselves. Much of that work would go to travel management companies and other consultants, he said.

At the same time, several industry leaders said managing travelers and the traveler experience will become more emphasized within the travel management role. As such, it increasingly could become a function of human resources rather than procurement.

While it might seem like a softer role, it would be one of no less value to a company's success, particularly as demographics shift, said Hans-Ingo Biehl, executive director of German travel management association VDR. In Germany, for example, demographic trends indicate companies might soon not have enough younger workers, he said.

"There will be a shortage of talent, so we need to offer better working conditions, of which one part is travel," Biehl said. "At the same time, older workers are working to a later age, and we need to look after them when they travel."

Much of this ties into what travel managers already do. A key part always will be educating travelers on behavior and policies that keep them safe and comfortable during travel, Chevalier said. Such tactics as gamification will need to become a bigger part of the travel manager's arsenal as they seek to carry that out, she predicted.

"A part of the workforce will care, and it drives the behavior you need," Chevalier said. "For those that don't, you have to find a way to get through to all of them. Sitting them in a classroom and teaching them about travel isn't going to happen."

Travel managers also will have to stay on top of consumer products for travel booking and execution. Regardless of the degree to which open booking become a factor in managed travel, travel managers will need to make sure booking and other policies are not seen by travelers as hindrances.

"If I work for a company and I travel for a living, that can't be a hardship for me. It's got to be good," said senior vice president of Starwood Hotels & Resorts Worldwide's sales organization Christie Hicks. "[Hoteliers] have to do that through product, and corporate travel managers have to make that happen through options of the how-to."

Safety and security usually will trump all. DHL's Hunt said her ideal would be a travel department that reported directly to security, a structure that is fairly rare today.

"You're still going to have to liaise with legal, HR and procurement people, because of the function you perform, but [security] is where you're going to get your support, influence and compliance, if that's important to the company," she said. "That's where it belongs, because that's the driving force and the biggest opposition, when you talk about open booking."

It's also possible that travel management could become a hub role, with collaboration spread across several departments.

"Travel management will become more about teamwork, involving such departments as corporate security and IT, who can add their expert knowledge," Martin said. "That will be much more sensible for dealing with issues like data security."

Orbitz vice president of strategy and account management Mark Walton concurred, saying travel managers should serve as a "center point of functionality" among the various related silos, including expense management.

Monitoring and advancing sustainability efforts also could be one of those functions as companies increasingly report on the environmental impact of their travel programs, VDR's Biehl said.

Even though the travel industry is cyclical—essentially coinciding with macroeconomic cycles—Starwood's Hicks added that tougher economic times would not necessarily drive travel back to procurement. "Once people get traveler comfort as a big piece of what matters to their companies, they're not going to go back to this rudimentary 'do it my way at the lowest price,'" she said.

On balance, it's not a bad outlook for a role that some have been calling obsolete in the face of open booking opportunities and the pull of business-to-consumer products and services. These changes, however, will make it more crucial that travel managers become masters of data: not just their own company's travel data, but also industry knowledge of practices, trends and technology, Chevalier said.

"You have to make yourself valuable, make sure you're seen as a trusted advisor, the consultant to the business," she said. "Really be the expert in your profession, and always be learning."

<http://www.businesstravelnews.com/Travel-Management/Vision-2020--Travel-Management-Role-To-Refocus-On-The-Traveller/?a=btn>