



# DRIVING AGILITY

# IN MANAGED TRAVEL PROGRAMS

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**T**he [Agile Business Consortium](#) defines business agility as “agility in an organization’s culture, leadership, strategy, and governance that adds value to all stakeholders who operate in uncertain, complex, and ambiguous environments.”

A [manifesto](#) developed by 17 software developers in early 2001 to redefine standard practices—to focus less on excessive planning and documentation and more on individuals, interactions and customer satisfaction—has expanded beyond software development to functions across business enterprises, according to the [15<sup>th</sup> State of Agile Report](#).

As finance, human resources and marketing embrace agile practices and processes, forward-thinking travel managers are considering whether the agile mindset can be applied to travel management.

This would see travel managers pivot travel programs to better meet or anticipate traveler, company, supplier, government and industry changes. Processes and practices would also likely need to change often to adapt and keep up with customer expectations.

What must travel decision-makers consider and build into their programs, policies, procurement practices, supplier partnerships and leadership expectations as they navigate? This white paper will highlight the topics and steps travel managers can take to drive an agile mindset.



### REASONS TO BE AGILE

In its [HR Trends 2022](#) report, HR advisory firm McLean and Company says that having the ability to change is highly desirable. Companies that can adjust their thinking and behavior to face and enable change while helping others deal with the effects of change are 2.2 times more likely to be high performing.

### HOW ONE AGILE BUSINESS IS MANAGING TRAVEL

#### Cisco Systems is often lauded as an agile business.

Carlos Almendros, Cisco's global travel & card category manager, says, "To me agile is the ability to make changes quickly and not expect perfection first time round. In travel our team needed to be agile to make quick changes for the program."

He believes agility is in the DNA of some of the most successful companies.

"Technology evolves so quickly, and consumerization is what people have come to expect. Look at Amazon, Google and Meta. Changes occur daily without the customer noticing but they benefit from the improved experience," he says.

For Cisco this meant suspending travel and switching off the company's online booking tool in response to the challenge of Covid. But being agile meant being able to restart travel smoothly and quickly as well.

Almendros says, "As travel returned, being agile meant the ability to move the approval workflow to different levels in days and not months."

"Cisco has moved to an 'Inclusive Hybrid World' enabling the workforce to be more agile and make the right choices to go into the office or not. Travel needs to evolve and be easier to follow, fewer pages of travel policy and for it to be clear on what is expected of travelers," says Almendros.

Being agile is all about being responsive to change, often on short notice. In the latest State of Agile Report, "the two most urgent reasons for adopting Agile are the speed and flexibility required by working environments that continue to be both unpredictable and volatile." The pace of change is accelerating at unprecedented levels.

As evidence, consider the changes prompted by digital transformations, work-from-home and Covid. Microsoft CEO Satya Nadella told [Forbes magazine](#), "We've seen two years' worth of digital transformation in two months as more than 200 million participants joined Microsoft Teams meetings in a single day."

Travel managers with an agile mindset who anticipate and embrace change and volatility will be the ones who survive and thrive.

### HOW THE AGILE TRAVEL MANAGER IS REACTING TO CHANGE

#### 1. Traveler choice and flexibility

All involved in business travel have had a crash course in agility in recent years as they navigated the unprecedented shutdown of travel and phased resumption with new rules and practices. Travel policies and booking processes were often stricter than ever before. As travel has gradually resumed, travelers—particularly younger, newer entrants to the workforce—are expecting more choices from mode of travel to service levels, and suppliers to sustainability.

A [2021 survey](#) of 3,850 travelers for SAP Concur found that 95% of Gen Z travelers expect more benefits from their employers, including the ability to choose direct flights over connecting ones, to stay in higher-tier hotels and to fly in business and first class.

The survey also found that every travel manager of the 700 surveyed expected to implement new guidelines and policies in the next 12 months, with 40% of them expecting to allow travelers increased flexibility on how to travel.

In its [Sustainable Travel Study 2022](#) of more than 11,000 consumers, Expedia Group Media Solutions found that "90% of consumers look for sustainable options when traveling."



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And 65% of consumers would like to opt for environmentally friendly transportation or lodging on their next trip.

The agile travel manager will need to balance the expectations of seasoned road warriors alongside those of newer entrants to the workforce. Even for seasoned travelers, business travel is much different today with higher demand, low inventory, staffing shortages and delays. Consider a regular survey of travelers and/or a focus group that includes both newer travelers and road warriors to ensure that current approaches align with expectations.

### 2. WFH or WFA?

The return to business travel, for many, is linked to a return to the office. [About 41% of GBTA members](#) surveyed in February noted a correlation between the two.

While offices across the United States have reopened, various surveys and forecasts indicate that remote work remains a reality for many and may just become permanent. [The Conference Board in May](#) reported that just 4% of organizations it surveyed are requiring all workers to return to onsite work fulltime, and 90% are allowing hybrid work.

It seems clear that while companies will encourage their employees back to the office at least some of the time, the idea of a five-day week of 9-to-5 may have changed forever.

Remote work expert and Harvard Business School [Professor Prithwiraj Choudhury stated](#) in a recent Bloomberg article, "We will probably in 10 years stop calling this 'remote work.' We'll just call it work, and work is something you do, not where you go or where you live. My prediction is the process will unfold in every industry and every country. There will be a few leading companies that will adopt this and attract talent, and there will be laggards digging their heads in the sand and losing talent."

The agile travel manager needs to be flexible when it comes to the starting point of a business trip. They also may need to update all profiles and datasets on travel origin, destination points and top city pairs to ensure that supplier negotiations and contracts are current.

Business travel may no longer be anchored on a single office, or even geographic region. It may now encompass a couple days of commuting into the office, journeys that

were previously outside of travel management policies or budgets. Many travel budgets and policies now include periodic team meetings, whether monthly, quarterly or other frequency. Such gatherings are critical to teambuilding and the new corporate culture, experts say.

### 3. Agility in the climate crisis

Agile companies have seen the Great Reset set off by the pandemic as an opportunity to help them think more carefully about their impact on the environment.

About [one-third of the world's 2,000 largest organizations](#) have publicly committed to net zero. Around three-quarters of developed European corporations have publicly announced targets to reduce greenhouse gas emissions, with around half having set a net zero or carbon neutral target, according to [ratings agency Fitch](#). Research has revealed, however, that less than a third include Scope 3 emissions—which includes business travel—within their pledges.

The impact of business travel on company emissions is increasingly coming to the forefront. Whether driven by companies, suppliers, employees or pending government regulations, travel managers globally have said that sustainability has come into sharp focus. Nine of 10 respondents in a [GBTA study](#) said sustainability is a priority for their companies.

By yearend, the [Securities and Exchange Commission](#) expects to issue a final rule on a proposal introduced in March that would require corporations to include certain climate-related information in their registration statements and periodic reports including Scope 3 emissions data from fiscal year 2024.

Against this backdrop, a number of corporate travel managers have indicated their intention to cut corporate travel, often in response to sustainability concerns driven by legislation but also in response to customer perceptions. Among those that have done so are software firm Adobe, pharma giant Pfizer and food giant Mars.

Agile travel managers should be working with internal sustainability experts to [aggressively seek ways](#) to measure, benchmark and reduce carbon emissions of the travel and meetings vital to revenue growth. Among



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tactics that agile travel managers are reviewing to green travel programs: carbon offsets, sustainable aviation fuel purchases, electric vehicles and traveler education on smarter booking decisions.

### 4. Recruitment and retention

The pandemic and return-to-office policies have prompted many to reconsider work-life balances and priorities as part of the “Great Resignation.” Employee benefits and corporate policies—including travel—are often under greater scrutiny by job candidates than ever before.

A report by HR advisory firm [McLean and Company](#) reveals that HR professionals are having to spend 25% more of their time on acquiring talent. The survey also shows that corporations that insist on employees working from an office are having bigger problems in recruitment with an 18% increase in candidate ghosting, 13% decrease in application for jobs and a 10% increase in rejected offers when compared with sectors that are capable of remote working.

“With the change in the way we work, travel is an important part of the recruitment package,” says Egencia’s Manuel Brachet, vice president of multinational and global. “With distributed work forces, teams will have to travel to meet face-to-face and build the company culture that was previously created in daily office life. “While employees are generally appreciative of the flexibility to work remotely, there is a real hunger for valuable face-time and recruits will expect companies to provide that through travel.”

With the competition for talent so fierce, many companies will start to focus their recruitment efforts on high performers in critical roles. A generous travel policy for key employees has often been used in certain industries, such as finance, to attract key staff. This may now have to be adopted by other sectors, such as tech, where the talent war is driving up salary packages to dizzying levels.

The agile travel manager should be liaising closely with the human resource function to explore just how much travel policy can be used to attract the right candidates.

### 5. Other Changes

Diversity, equity and inclusion have become a corporate mantra in recent years, and while travel managers have been at the forefront, alongside HR executives, there is a

need to remain nimble. In the US, some states are pursuing legislation that might reverse the gains won in recent years. Global travel managers also must remain vigilant to regulations in Europe—primarily visas, immigration, passports and documentation—pertaining to business travel. Of particular note are regulations on business trips to European countries by British citizens due to Brexit.

In terms of business travel, the slow unwinding of Covid restrictions means that business travel will remain complicated and fluid for some time to come. Across the US, decisions about Covid restrictions are increasingly moving to city- or county-level decisions, meaning that travelers must remain alert to local policies. With the World Health Organization in July declaring that monkeypox is now a global health emergency, the travel industry is monitoring recommendations on that as well.

Remaining informed of every change, particularly when tasked with global travel management, can be a challenge. Agile travel managers should work with government affairs teams, if available, or an external risk management provider to keep abreast of the major changes that will affect business travel. TMC partners will also be monitoring for such changes and can be a vital partner. Organizations without internal resources can set up alerts, for example using Google News, to monitor for legislative changes affecting travel to particular countries.

### IMPLICATIONS OF GOING AGILE

If more companies adopt agile techniques in travel, will this put an end to the annual merry-go-round of supplier request for proposals?

“I’d like that future and would definitely advocate it,” says tClara’s Scott Gillespie, founder and CEO. “I think it will take a long time to persist.”

Not everyone is convinced.

“Our experience has been the opposite,” says Egencia’s Brachet. “The pandemic has removed any doubt of the value an agile and proven TMC can provide in addition to the importance of travel for a business, and companies are extending their agreements with Egencia.” The same holds true for supplier requests for proposals. Teams are stretched thin, and RFPs can be time consuming. Rather



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than frequent sourcing, programs should be designed to optimize value. Amex GBT's Global Business Consulting recommends flexibility in today's environment, with prices rising fast and availability uncertain.

And what will an agile travel policy look like?

"The travel policies of the future could easily never reference cost or include a policy requirement that you travel in a particular class or stay in a particular tier of hotel. Many of the decisions would be left up to the travelers and the metric becomes something like trip success rate," says Gillespie.

"With the interest that travel suppliers have in using AI and machine learning to create more personalized trips, you can imagine companies creating more personalized travel policies. It will not only be about the traveler but also about the trip." For example, a business trip that may result in significant revenue may justify business- or first-class travel and five-star hotels, Gillespie said. While training for that same employee—especially when it can be done virtually—may not be afforded the same class of travel.

### CONCLUSION

In the past two decades, agility has become much more important [across the enterprise](#) in business strategy and operational execution. Agile companies that react fast to constant change and focus on the customer have been proven to perform better. It is now time to adopt the same mindset for travel management.

Paul Tilstone, managing partner at the Festive Road consultancy, says, "The key to creating an agile and

robust program is aligning the travel management strategy to overall company objectives as your true north star, understanding the big industry trends which will shape the landscape, establishing what's critical to strategy success, and either taking more control of those components, or maximizing cultural, commercial and capability alignment with suppliers so you can adapt as required to any changing situation."

Added Gillespie, "Travel managers have been extremely responsive to the forces that have been brought to bear." They have been nimble, "but I don't see many, if any, travel managers that have truly adopted that agile mindset of seeing what works and continually iterating. But there is a real opportunity for travel managers to take advantage of this."

Looking at the common characteristics of agile companies, what can travel managers do?

- **When changes, either internal or external, happen, think about how the travel program can be reworked to take advantage or to lessen the impact.**
- **Think of the what the customer would want whether that is the traveler, the CEO, the finance director, the external suppliers and partners**
- **Empower your travel team, your bookers and travelers**
- **Have an appetite to embrace innovation and innovative technology**

The future is agile. To drive agility in managed travel programs, managers must embrace the key tenets of the agility manifesto to quickly adapt to changes, customer needs and external forces and focus on individuals, interactions and customer satisfaction. ●

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