

Transforming Travel Management in a Post-Covid World

Presented by Scott Gillespie

Scott Gillespie



Founder of tClara, an industry advisory services firm

Expert in travel procurement and data analytics

Thought leader for traveler friction and Managed Travel 2.0

Author of Gillespie's Guide to Travel Innovation and a U.S. patent

Past:

VP, Innovation & Analytics at ARC

VP Strategic Initiatives at TRX (now Concur)

Founder of Travel Analytics

Principal at A.T. Kearney

MBA, University of Chicago

A Weak Forecast for Business Travel's Recovery

Suppliers are pessimistic

Especially for air travel; lodging has better prospects

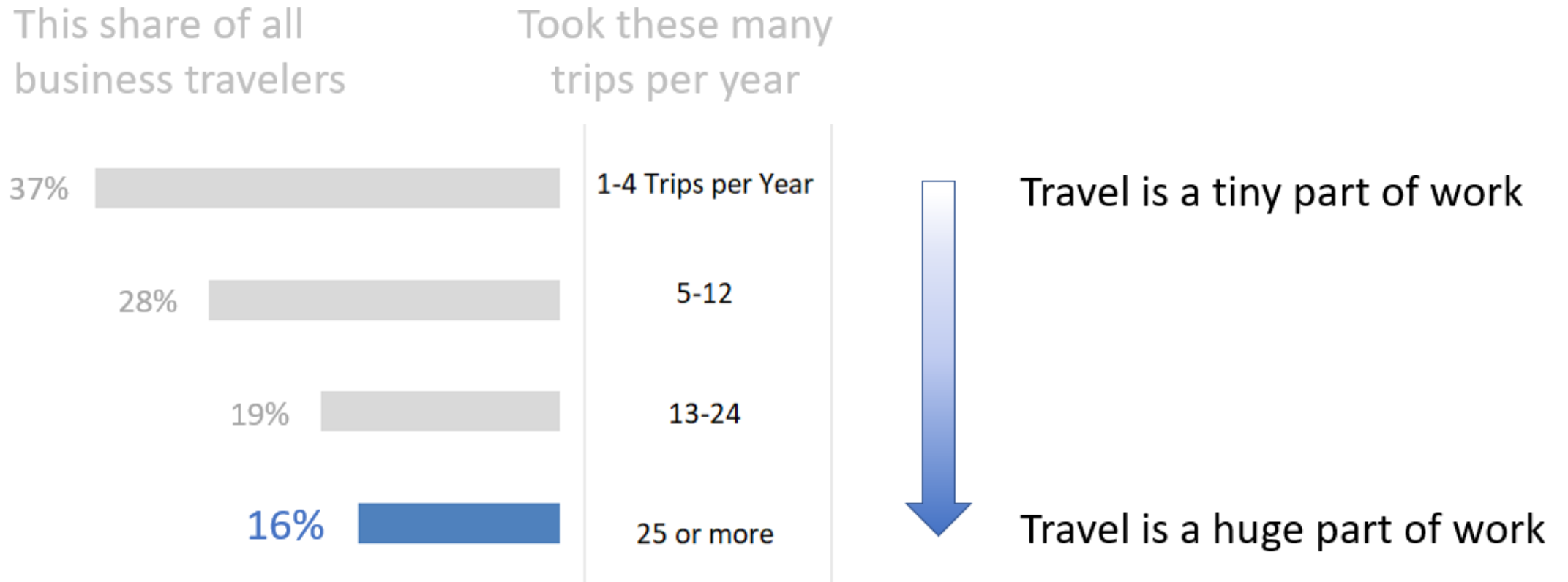
ARC's data suggests that "essential" business travel is about 10-12% of 2019's level

From a forthcoming research report by tClara:

- Near-50% reduction in 2021 corporate travel budgets vs 2019 budgets
- Very high resistance to holding important meetings in person in 2021

What happens after Covid anxiety passes, and “normal” returns?

A big risk? The infrequent traveler stops traveling



Source: tClara analysis of 110,000 tickets processed by ARC in 2015

The biggest threat to business travel?

The very attractive ROI
of virtual meetings

“Look, Ma – no cost!”

Travel ROI is a Mirage

Over what time frame?

With what metric for success?

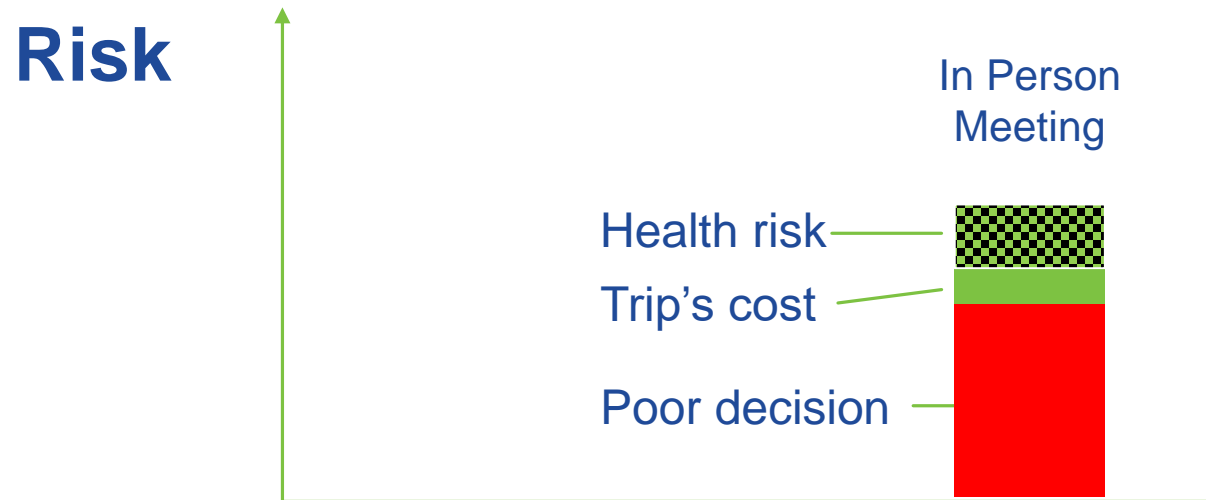
How to exclude other contributing factors?

Instead, think about risk and reward

Travel budget owners need to know

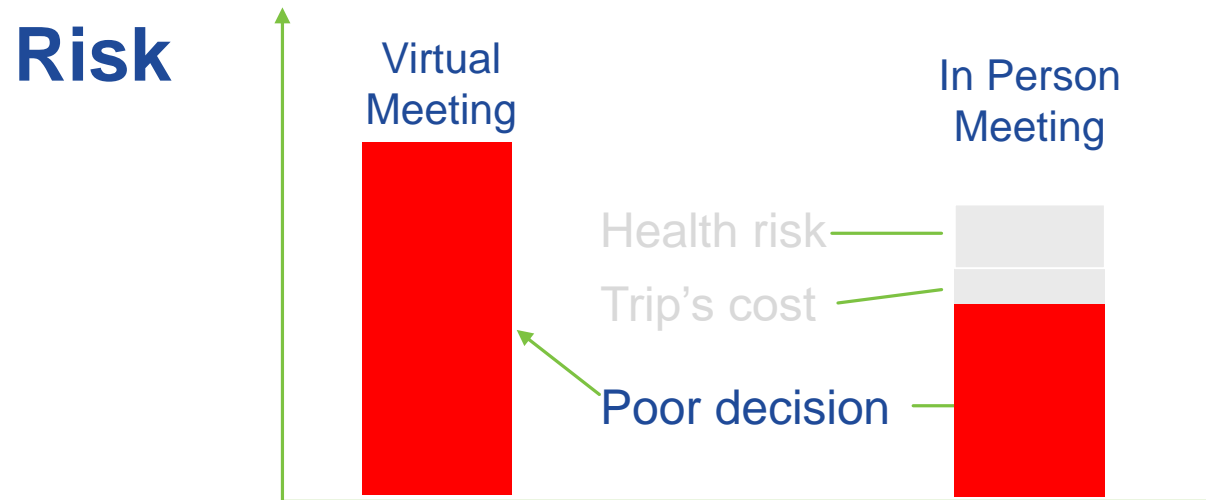
- ✓ Do we have a good handle on this **trip's goals, costs and risks?**
- ✓ Do our travelers and their hosts **welcome this trip?**
- ✓ Will we be **more successful meeting in person** rather than meeting virtually?

Imagine you need to have a really important meeting



Virtual meetings limit inter-personal dynamics

↳ Virtual meetings can be riskier than in person meetings



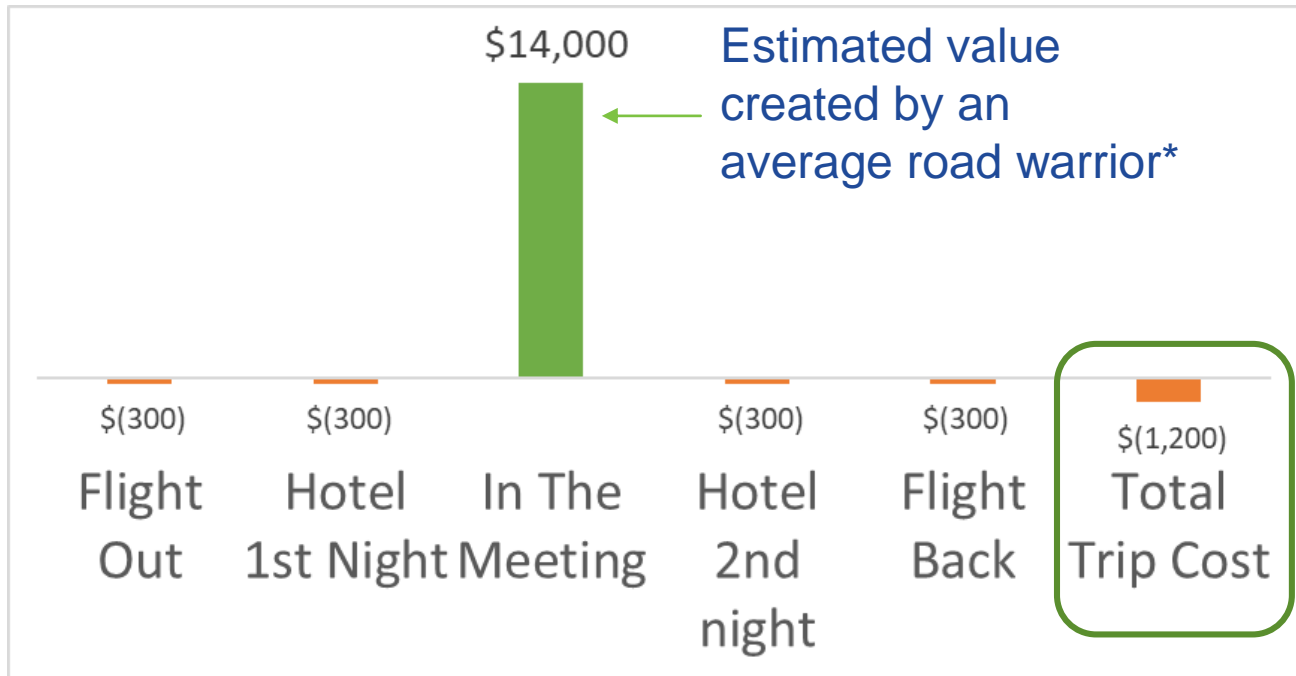
What is the extra reward for doing this meeting in person?

Must think about the potential rewards, even if the risks are higher. How much more



Trust?
Credibility?
Relationship equity?
Creativity?
Motivation?
Alignment?
Leadership?

Where is value added on a trip?



The value is created
in the meeting,
 not while traveling

* tClara's estimate based on an average annual salary of \$175,000 and 50 trips a year, one meeting each trip, working in an industry with an average value-add multiplier of 4x annual salary.

Big Implications for Corporate Travel Managers and TMCs

Travel budgets will shrink significantly



So will the value added by travel managers and TMCs

Most meetings will be done virtually



In-meeting technology becomes the new corporate booking tool

More focus on meeting effectiveness



Meeting science will prove very valuable

New Roles for CTMs and TMCs

Must find new ways to add value

Focus on where the value is created – in the meetings

- Become connoisseurs of meeting tools
- And scholars of meeting science

Meeting Science Resources

Prof. Steven Rogelberg, University of North Carolina

Prof. Joseph Allen, University of Utah

Elise Keith at Lucid Meetings

“The Surprising Science of Meetings” by Steven Rogelberg

“Where The Action Is” by Elise Keith

Center for Meeting Effectiveness, led by Joe Allen

Business Travel's **Paradigm Shift**

From	To
Reducing supplier prices	> Rewarding supplier quality
Ticking the Duty of Care box	> Enshrining traveler well-being
Minimizing travel budgets	> Maximizing traveler success
Enforcing cost-focused travel policies	> Emphasizing traveler productivity
Desiring control and compliance	> Delivering flexibility and support
Measuring savings and discounts	> Predicting traveler health, safety and success