



Hotel Programme Delivers Compliance and Savings

Case Study



Current Program

Hotel Spend

\$13.6M

Compliance

80%

Room Nights Booked

61K

What was achieved

With 359 hotels in 28 countries booking 61,000 hotel rooms worth \$13.6m, our client's current program had compliance of 80% and coverage of 93%. Working together savings of 4.5% were found in our new program with a rise in the number of hotels to 402 and compliance increasing to 89%. Room nights booked would go up to 68,500 worth \$16.4m.

Recommendations by FCM Consulting

Working with FCM Consulting, five specific proposals for change were suggested based on the client's objectives of consolidating properties, containing costs, designing a diverse program to increase compliance and satisfaction and placing a focus on locations to minimise transport costs.

- A realigned hotel program to meet the changing needs of the business through enhanced traveller experience, improved duty of care, compliance, improved choice and rate reductions.
- A new interactive online hotel directory including geo-mapping of office locations, preferred hotels and a direct link to Google Maps to help with transport options, directions and nearby conveniences.
- A frequent travellers and bookers survey for insight into their preferences and new location requirements to assist with the design of the new hotel program.
- Outsourcing hotel RFP and program management to take in resource time savings, expert industry knowledge, an efficient e-sourcing platform and global benchmarking.
- An audit of global rates to ensure all negotiated rooms were loaded correctly with inclusions and their conditions audited so no money was left on the table.

New Program Results

Hotel Spend

\$16.4M

Compliance

89%

Room Nights Booked

68.5K

Savings

4.5%

How the results were delivered

As well as introducing 64 new hotels while also removing 20+ due to rate increases and traveller feedback, program compliance went up by +9%. There was also a +20% improvement in the consolidation of bookings through the TMC.

By negotiating competitive rates lower than the ARR forecast there was an increase of 5-11% in the top 5 cities while the introduction of eight chain agreements saw savings of 10-15% off BAR.

As well as negotiating complimentary and discounted ancillary services, there were also negotiated, waived or reduced merchant fees across suppliers and the strategic selection of 4-4.5 star accommodation with lower room rates and amenity cost to replace traditional 5 star hotels while still maintaining comfort for travellers.

