

# Case Study

## LUKOIL

Digging into the detail  
with **LUKOIL**



**2014**

Partnership  
started



**565**

UAE travellers



**\$2.5m**

Annual travel  
spend

## Rigging LUKOIL for success

Large-scale oil and gas production is LUKOIL Middle East Limited's speciality. Established in 2010 as a company operator of West-Qurna-2 field in Iraq, LUKOIL is at the forefront of innovative technology and equipment with considerations for the environment, natural resources, economy and social infrastructure.

Four years later, FCM was introduced to manage travel bookings and services for its 565 employees frequently travelling to and from Iraq and to support engineers and technicians from around the world. LUKOIL's travel volume each year, including air, hotel, car, visa, meet & assist and meeting room bookings, equals approximately US\$2.5m.

## Two key pillars to transformation

An implant team and travel consolidation. A dedicated travel desk team of FCM employees were embedded into LUKOIL to manage travel, including over weekends and on public holidays. Consolidation through monthly reports, data analysis and quarterly reviews meant greater visibility. By putting these two measures in place, LUKOIL could see the full picture of their travel spend and then put strategy behind travel that would transform the programme. For example, a major focus for LUKOIL was managing accommodation in Iraq, with safety front of mind. With FCM, they had the data, insight and team to support this area of concern.



## Collaborative alterations

- Dedicated consultants in place and are updated frequently on new projects/developments.
- VVIP check list created for those travelling to Iraq.
- Together, LUKOIL and FCM contacted safehouse properties in Iraq and negotiated rates and services to ensure travellers get top-of-the-line safety and benefits.
- Our operations manager and LUKOIL's account manager at FCM attended monthly meetings to discuss upcoming projects and forward strategy.
- Introduced a more robust reporting process with monthly meetings and data analysis plus quarterly reviews, savings opportunities and service feedback loop.
- Monthly manifest reports for duty of care.
- Added an additional customer satisfaction survey to monitor service levels.
- Creative ticketing and knowledge by the combined efforts of the team.
- Negotiated discounted air and hotel rates introduced.

## Results?

### Consistent, proactive service

With a dedicated team in place with expert knowledge, LUKOIL could provide their travellers a new and improved service that was, and still is, dependable and consistent. So good in fact that we've retained the account during several re-bids since 2014 and our travel services were also implemented with our colleagues in FCM Russia.

As expected, that detailed reporting and their own account manager delivered a more strategic, proactive approach to travel. Combined with their implant team, LUKOIL benefits from exclusive rates and perks from our travel partners, including waivers for cancellation and penalty fees from airlines and hotels.

Overall, FCM savings for LUKOIL Group is equivalent to **71% return on investment on the transaction fees paid to FCM**. In addition, FCM played a vital role in tri-party discussions along with LUKOIL and their key airline suppliers to negotiate corporate deals and achieve on average, **savings of 9% on their airline fares**.

“I wanted to take a moment to thank FCM team for their work. Enjoying support and assistance of a dedicated account manager and travel consultant ensures that all of our corporate travel requirements are managed in a smooth and efficient way. We sincerely appreciate their professionalism in providing travel support and we look forward to their continued support in the future”

ROMAN KHOLOSTYAKOV, ADMINISTRATIVE MANAGER  
LUKOIL OVERSEAS IRAQ EXPLORATION B.V.