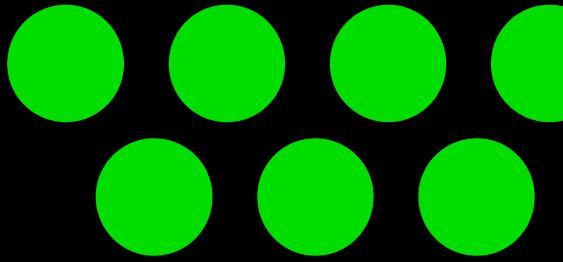


STEP-BY-STEP GUIDE

to structuring an effective travel RFP





The arduous RFP process is a bit like being forced to eat your greens as a child. You don't want to do it, but keep getting told it's good for you.

Well, that's not necessarily the case. RFPs are only 'good' for you and your business if you do them properly. The inconvenience and time taken to put together a lengthy RFP is completely wasted if it's not tackled properly.

That's where the old adage of "what you put in is what you get out" rings true. The better your RFP is structured, the better the proposals you'll receive and the more likely you'll make the right decision on which partner to appoint.

But initiating an RFP process should only ever be done if you're serious about appointing a new provider. Not, if you're simply trying to negotiate with your current Travel Management Company (TMC) for a lower transaction fee. In the world of Travel Management, there's more to the RFP process than securing the lowest transaction fee. A good TMC will illustrate this by delivering value.

When and why should you embark on an RFP process?

Corporate travel is complicated. It's not a commodity – a low value, high-volume product that is one-dimensional. You're probably not going to go to the trouble of issuing an RFP to buy 100 pencils, but when the wellbeing of your staff on the road comes into play, you're going to need a travel partner who understands the importance of balancing traveller friction with getting the best possible return on investment for your travel spend.



What are the signs you need to embark on an RFP process?

When your finance process or the needs of your business and staff have changed; that's a good time to start down the lengthy RFP road. Ask yourself if you've listened to the feedback from your frequent travellers? To what extent are your current practices impacting on their traveller friction?

Another critical area of consideration is how long you have been using the same technology platform. In essence, your Travel Management is completely reliant on having the right technology and expertise in place to streamline the process and deliver insights.

Linked to this, is your content strategy. How are you sourcing that low-cost carrier and Sharing Economy content? Have you managed to integrate your next generation traveller's demand for Uber or Airbnb, for example, in that content? And most importantly, how are you analyzing your travel data with your TMC to enhance your travel programme?

Assess your current travel technology by asking yourself these questions:

1

Is your travel technology customised to your company's needs and travel policies?

Any business traveller using an online booking tool (OBT) should only be able to access approved travel products. If your policy only permits, for example, your travellers to stay at certain hotels, they should only see those hotels on the tool and book their stay accordingly.

2

Does it streamline approval processes?

Your travel system should provide an electronic approval application that talks directly to your mobile apps, meaning travellers can apply for approval at the click of a button. Line managers would be notified immediately and approve the application within seconds, initiating an automated real-time booking process.

3

Can the system track trends?

Imagine what you could do with valuable data feedback that includes, for example, identifying frequent travellers who spend too much time travelling and consequently may be facing burnout or be considering resigning? Your technology should notify you when an employee travels often enough to justify business-class travel, or if they are over-travelling.

4

Are risk management processes automated?

In an uncertain world, risk-management solutions should give you direct access to crisis control centres across the world. Technology should integrate risk management, booking and reporting systems so that travellers' locations can be tracked and advice given in real-time. This would also manage concentration risk by highlighting instances where too many employees are travelling on the same flight.

5

Does your technology help you control travel costs?

An integrated suite of travel technology tools should give the procurement or travel manager visibility of travel costs, organisation-wide, and to manage preferred supplier agreements. The right combination of technology and provider should also enable you to benchmark your travel programme against that of our competitors.

6

Can it assist with expense management?

Mobile-integrated travel technology enables travellers to upload pictures of their receipts through an app on their phones, simplifying expense recording and reporting.

7

Do you receive data analytics?

Heat mapping functionality allows different aspects of the travel programme to be reviewed, areas of strong or under-performance highlighted and divisional delivery to be benchmarked. Your system should provide you with dashboards and KPI scorecards, as well as on-demand reporting, to give you detailed analysis on your travel activity and spend

8

Does the technology provide a platform that keeps travellers connected?

A good business travel experience is about being connected. Technology should allow travellers to access and manage their travel reservations via their mobile devices, enabling them to make changes when necessary and to receive relevant notifications such as flight delays.

9

Does it allow sharing-economy travel?

Today's (and tomorrow's) traveller will demand that your programme includes sharing economy suppliers (e.g. Airbnb and Uber) so your technology will need to integrate these products into a manageable channel. Shared-economy should be handled in the same way as other travel transactions, with travellers able to claim back or track costs by uploading receipts through a smart integrated mobile app.

10

Can it help to ensure your safety?

If you have travellers in a country where a safety risk arises suddenly, your technology should be able to notify them immediately. With the right TMC partner, every traveller should have access to crisis-control centres worldwide that can assist travellers whenever they need it.



After addressing the above and identifying the gaps, you can now start structuring your RFP around these needs.

So, how do you create a great RFP?

Unless you have a tried-and-tested method in place, there are a number of techniques you should use to elicit the best RFP responses:

1. What's a non-negotiable vs nice-to-have

Be clear in your mind, and in communication with potential partners, what requirements are non-negotiable vs nice-to-have so that your prospective TMC can prioritise their solutions accordingly.

2. Anticipate changes

Business evolves, and while it's good to have a structure in place, that structure needs to take into account that changes are going to occur over the duration of the agreement with your partner. Try to account for that in your RFP. What is your current reality and what is expected in the future? How will the service provision need to evolve to meet these changing needs?

3. Inclusions and exclusions

Scope creep is difficult to control, and even more so when you haven't established up-front what is included and excluded. Ensure that the responses to your RFP have detailed exactly what this looks like so that the partnership is mutually beneficial and sustainable. Are there any additional costs that are likely to arise throughout the relationship that have not been accounted for in the proposal?

4. Use a template

While it's important to evaluate each proposal on its own merits, it's easier if you have a robust template or structure which your prospective partners can populate. This ensures you have a common format to compare the respective proposals, is particularly useful when you look at pricing and helps you to save time and avoid repetition.

5. The Presentation Stage

Here's an interesting alternative to RFP presentations being trialled overseas: Start with the presentation and send a brief technical specification to your chosen TMC candidates based on your meeting. An upfront meeting allows both parties to get better clarity on what is required and will ensure that the proposal is better aligned with your needs. The Presentation Stage is an opportunity to inject a little colour in an otherwise technical process. Ask yourself: If you've organised back-to-back hour-long presentations with short-listed TMC partners, how will you remember whose proposal was the best fit? Rather, allocate enough time for each presentation with some space between these so that it can sink in and they don't become a blur.





6. Big picture

You will be under pressure to keep your travel costs as low as possible. Understand though that fast and cheap isn't necessarily that in the long-term. When you assess a prospective TMC's proposal, consider that the fees charged are but one component of your costs and that their ability to help you reduce costs is by far more important. The transaction fees of a TMC may be higher than others, but they may deliver more savings by achieving lower fares and rates from suppliers for example.

7. An end-to-end solution

Travel management has evolved beyond booking and your RFP should reflect your requirements that extend into such areas as payment management, travel programme support, data provision and analysis and supplier negotiation. Effective travel management combines all these activities to help you achieve your business and employee goals. If all you need is a travel booker, consider an Online Booking Tool. It's also important for you to discern from your prospective TMC, what type of staff will be allocated to the account. What level of experience do they need to have to manage your challenging travel requirements?

8. What documentation do you require

Stipulate the requirements from your TMC within the Executive Summary of your RFP, as well as the documentation and information you require, e.g. Tax Clearance Certificate, memberships to associations and testimonials from current clients. Also, stipulate breakdown of how points are allocated so that the prospective TMC partner knows what to focus on in their proposal. It may also not be necessary to ask for your candidates' financials at this stage. Rather, request this in the shortlisted phase of your RFP.

9. Technology

When detailing your technology requirements, consider the key objectives you are trying to achieve by introducing a travel technology solution. Consider what you want to achieve from an Online Booking Tool and what you would want to achieve deploying a Business Intelligence Tool that can consolidate Management Information.

10. Mutual respect

Respect the time and effort that your prospective TMC partners are going to put into the RFP process. For a sustainable and mutually beneficial partnership to exist between your two organisations, start the process as you mean to continue. That means communicating with them when they have made the short-list and explaining clearly how the next stage of the process will ensue and what you expect. Bidders that are no longer in consideration should also be notified at this time and thanked for their efforts. From a data security perspective, ensure that you have a process in place to destroy the documentation received from the TMC bidders who have been unsuccessful.



Distributing the RFP



Global vs local?

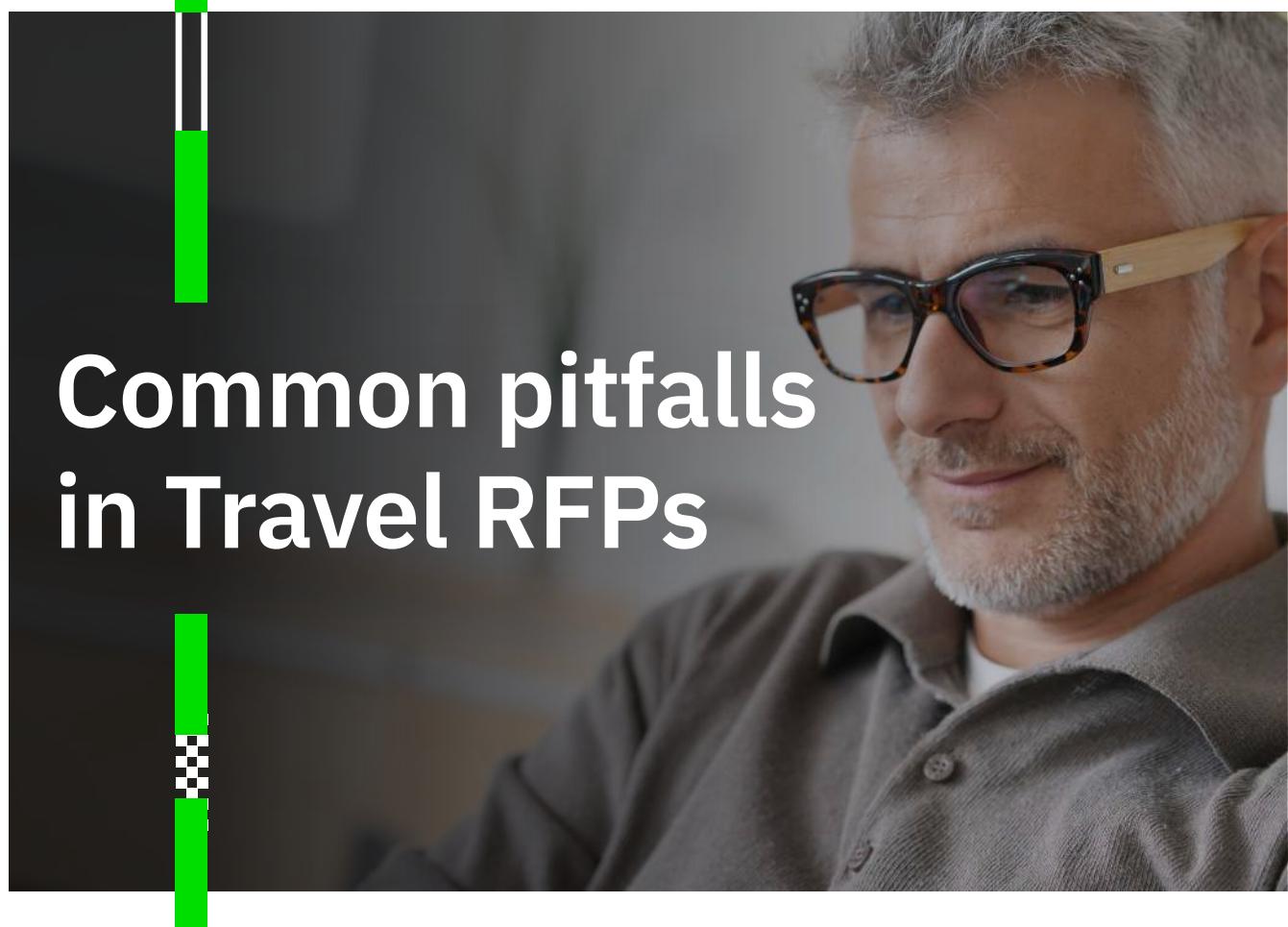
Next comes the decision of whether to use the services of a local or global TMC as your distribution methods and approach will differ accordingly. This decision should reflect your own business. If your organisation has offices around the world, or even if only on a few continents, you may want to extend your RFP to global TMC's.

However, be wary as not all TMCs have in-country teams like FCM. Many TMCs work with local partners or franchises in select markets. Independent TMCs have joined consortia or networks that work on similar lines to airline alliances and which have either single or shared ownership. Most global TMCs own their offices in key locations but smaller TMCs will invariably be consortium members. This is fine so long as service levels are consistent and, most importantly, data is consolidated.

These networks claim to offer global control supported by local content and knowledge, but in reality they use different technology and reporting systems, rendering consistent service levels virtually impossible. Scratch beneath the surface of some global offerings and you'll often find conflicting processes, cultures and contractual arrangements, all impacting upon customer service.

The value of local content and expertise isn't in question. That's why FCM's 96 in-country teams are all fully-trained. Providing a global travel programme doesn't mean a 'one size fits all' approach either. Having teams on the ground who understand their local markets, but who have the common technology platform and processes to use that knowledge consistently is the hallmark of a truly global TMC.

It is also important that amongst the considerations would be membership of a professional travel industry association which checks the legitimacy of the TMC, such as ABTA, GBTA and ASATA.



Common pitfalls in Travel RFPs

- **Unreasonable timeframes:**
You may have taken months to prepare your RFP, but don't give your TMC vendors two weeks to respond. Rushing the process will detract from the quality of the proposal you receive.
- **Using a one-size-fits-all template:**
Corporate travel is not the same as purchasing a low-value, high-volume commodity product so don't use a commodity acquisition RFP template to find the right TMC partner.
- **Making your list of candidates too long:**
The more TMCs you ask to bid, the more difficult it's going to be for you to discern who the right partner is. Do your homework upfront and create a short list who you can approach instead of sending a tender request to everyone.
- **Using too many open-ended questions:**
It's going to be very difficult for you to compare apples with apples if you can't pin down exactly what you need and then receive a simple yes/no from your TMC partner on whether it can be delivered.
- **Lack of communication:**
The quality of the RFP and the prospective partnership is enhanced when the communication channels are open between the corporate and the TMC. An upfront meeting with short-listed TMCs to clarify the scope of the RFP will assist in improving the quality of the proposal.
- **Focus on price over quality:**
Short-term gains delivered through lower transaction fees do not necessarily translate into savings in the long term. Your TMC needs to add value in terms of delivering savings, but also by showing value in other areas, e.g. interpreting data to proactively inform your travel policy, supplier negotiations, delivery of technological tools, helping fulfil your duty of care responsibilities, and helping reduce traveller friction, among others.

What are the steps you need to take to start your RFP process?

STEP 1:

Determine who should be involved

Identify who the stakeholders are who will help to plan and write this RFP. Remember, the better the RFP defines your specific requirements, the better the proposals you will receive from prospective partners, so while it's inconvenient, time-consuming and inconvenient to spend a great deal of resources up front to create the RFP, it will pay off in the long run.

Your RFP should be developed by anyone who has a vested interest in your travel management, even HR and senior management. Also consider who will evaluate the proposals and how they will go about doing this. We would recommend a smaller panel of three to four stakeholders: Procurement Manager, Manager Human Resources, Finance Manager and the IT Manager, if system integration is required.

STEP 2:

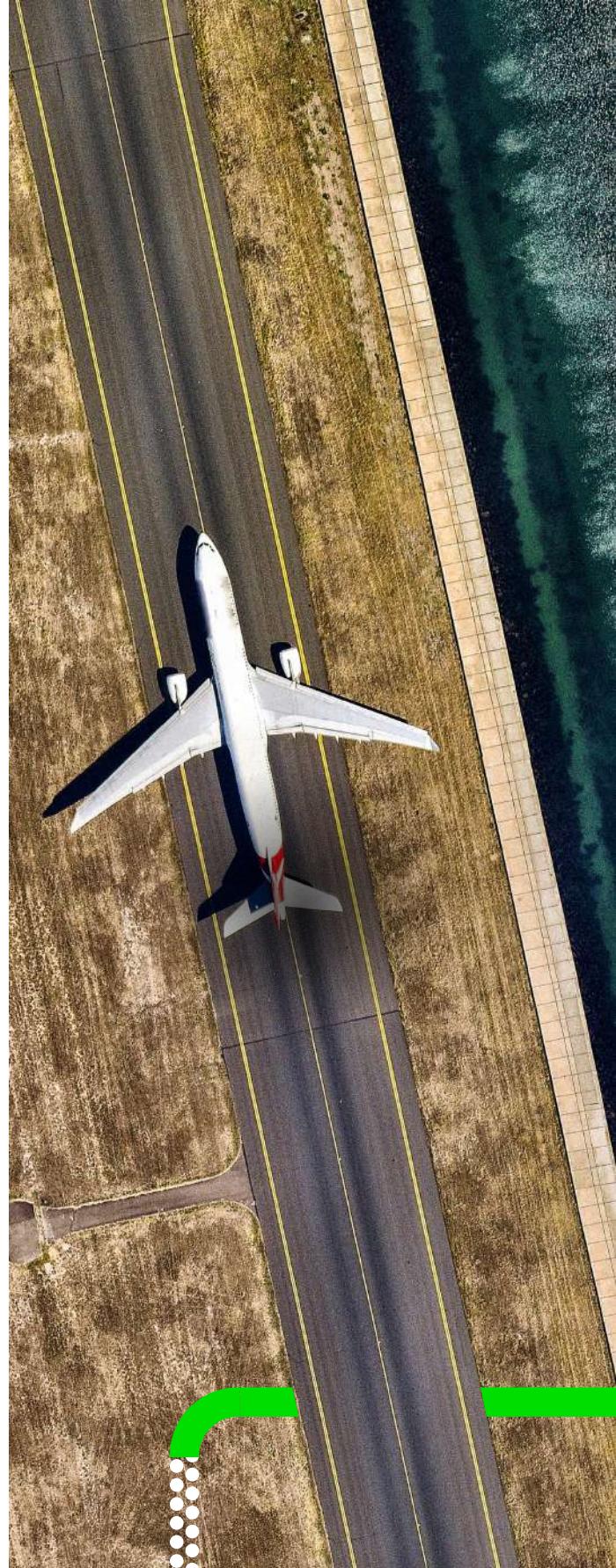
Get the right format

A lengthy RFP isn't necessarily the mark of a successful RFP. Short and simple is best, defining the key requirements of your business. Focus on question quality, not quantity. The key to a really good RFP is to ask questions which prompt creative answers. Or, put another way, focus on questions that each TMC will answer differently, not the ones they will answer the same.

STEP 3:

Stick to a structured approach

RFPs done properly, take time. Not only to put them together, but for the entire process to run, which includes giving prospective TMC partners enough time to put together a robust proposal that specifically addresses your travel management requirements. The better structured your RFP process, the better the proposal you'll receive from bidders, and the easier it will be to make the right decision to appoint the right TMC partner to help make your future travel management efforts a success.



Conclusion

Going out to tender needn't be a complex process. By taking the time to identify your own requirements as an organisation and assessed your travel and the technology gaps, you can easily choose a TMC that is the best fit for you, your travellers and your organisation.

About FCM

FCM is a single global brand providing a comprehensive range of corporate travel and expense management solutions. We have a presence in more than 95 countries and are regarded as one of the top five travel management companies in the world. FCM is responsible for the travel programmes of some of the world's most successful corporate brands.

It has always been personalised service that sets FCM apart from the rest and we blend this with innovative technology and unrivalled access to content to drive the optimum performance of your travel programme.

Contact us today to find out how FCM can elevate the performance of your corporate travel programme.

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