

Why is Travel Management So Difficult Today?

Practical Tips to Easing Travel Program Stress



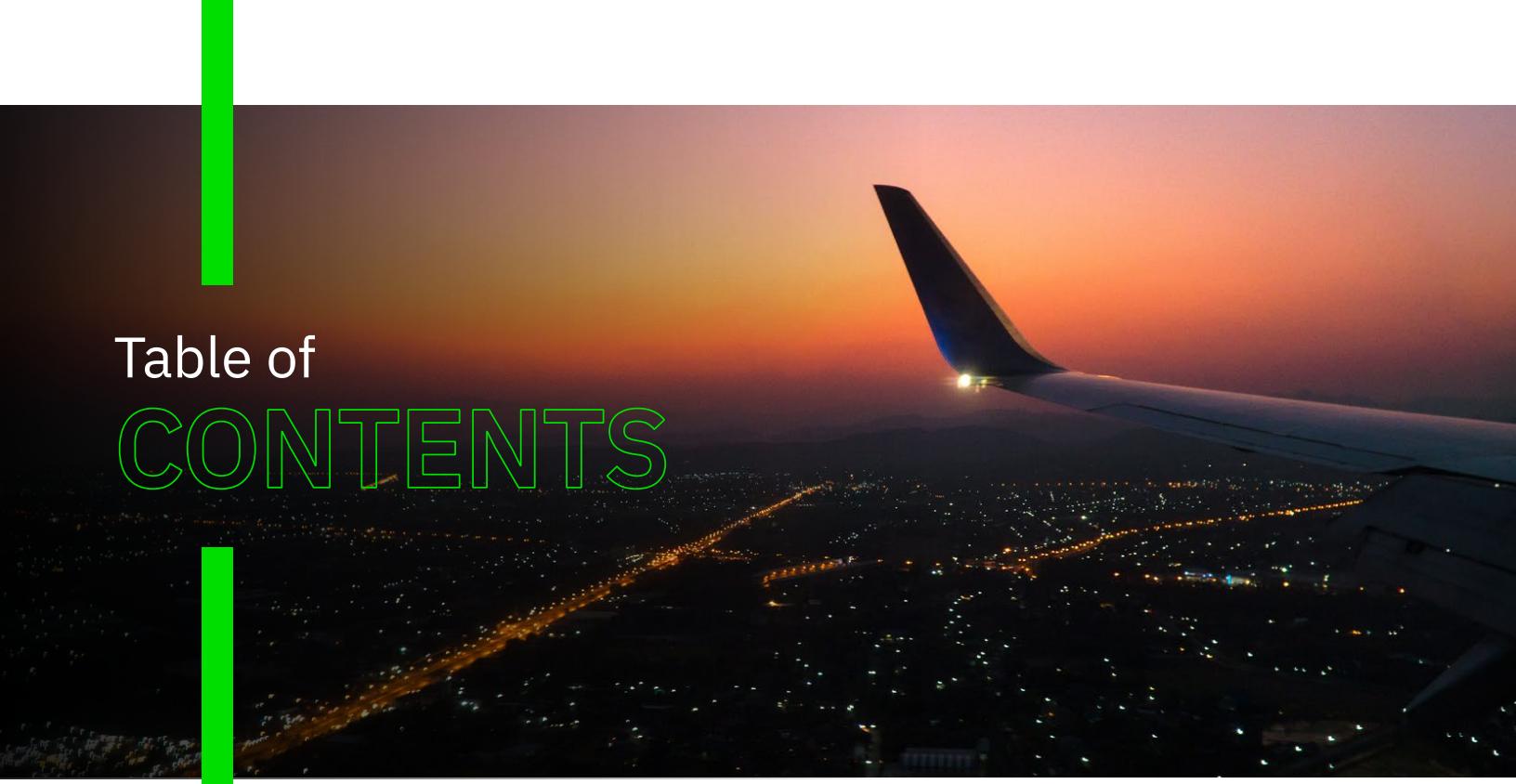


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Introduction

Let's state the obvious: managing corporate travel is rarely easy, especially if you navigated COVID-19 for the past three years. And a recent survey of travel buyers found that since 2019, travel management is getting harder—and we can't place all the blame on the pandemic. A confluence of factors, including staffing shortages, rising prices, service issues, and new travel protocols are testing travel managers' time, patience, and confidence in their abilities to succeed. Caught in the middle between employee demands and corporate policies, travel managers are confronting a constant stream of challenges, searching for solutions and calling for more industry innovation – including from their TMC. FCM, powered by BTN Group Research data analysis,

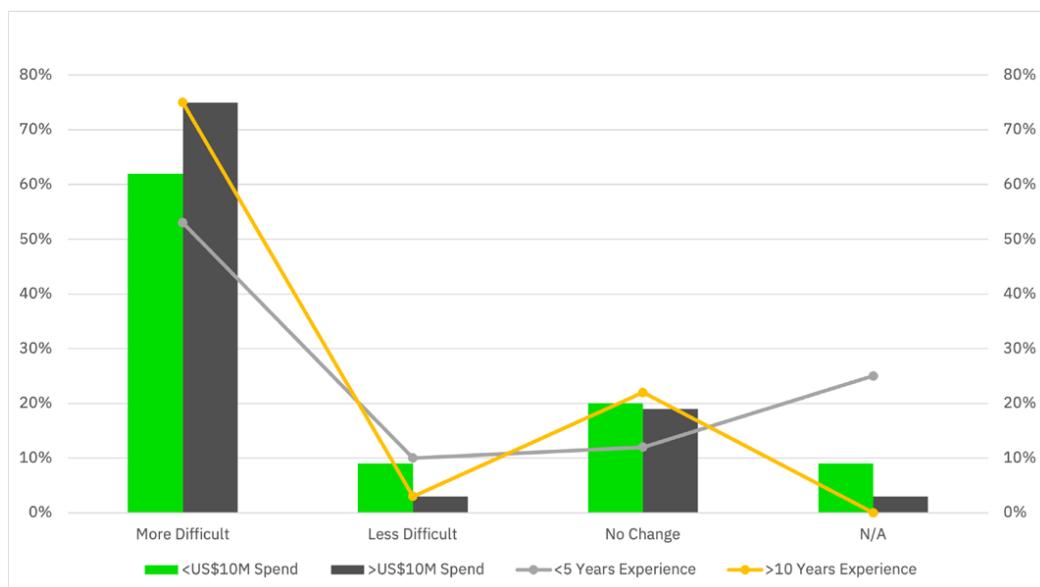
fielded a global survey of travel managers in Winter 2023 to uncover travel managers' most pressing concerns and identify both short- and long-term solutions. The purpose of the study was to discover:

- Is travel management more challenging than a few years ago?
- What are the top pain points for enterprise corporate travel managers?
- What are the sources of stress?
- How can the industry at large solve these problems?
- What solutions can travel managers (and their corporations) embrace to simplify issues and reduce pain?

The bigger the budget, the harder the job...

According to the FCM/BTN Group survey of travel managers, frustrations run the gamut from internal strategy to supplier relations, lack of innovation to shortage of skills, non-compliance to inaccurate data, and much more. For larger companies (travel spend US\$10M+), where there are simply more people and budgets to manage, frustrations run even higher. And the job doesn't get any easier over time, as the survey results also reflected. The most experienced respondents (those with 10+ years' experience) are more likely to view travel management as more difficult today than those newer to the industry or role. Only 6% of total respondents said their jobs were getting easier. Are these results bleak, or just the natural signs of an industry that needs to adapt and evolve over time?

How do you view the overall travel management process now vs. 2019?



Identified Key Issues

Lack of staff	Inexperienced travelers	Heavier workload	Higher prices	Poor service	Tighter budgets
Shortage of skills	More scrutiny	Technology deficit	Lack of data	Insufficient tools	Non-compliance

Travel managers point to multiple internal and external issues that are making their jobs much harder. Nearly nine in 10 blame supply chain issues and their impact on pricing, availability, and service delivery for making their jobs more difficult. With so much turnover following COVID-19 these last few years, training new people—if they can even find them—has become laborious, reverberating throughout the organization, and stressing the workload for those who remain. More than half of travel managers cited “fewer people to do the work,” and “lack of experienced staff,” as reasons for their difficulties. Internally, travel managers also complained about the lack of support from management and travelers.

Demand for instant results to multiple, extremely complex issues has never been greater. It's a columnization of all the discussed topics in the survey seemingly occurring simultaneously. ‐

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What makes travel management more difficult today?



But travel managers just can't shake their worries about rising prices. Seven in 10 are spending more time on issues around the cost of travel and inflation. Efforts have been intensified to mitigate the strain, but unfortunately, many feel they are not getting value for their money: seven in 10 said concern about service issues has increased in intensity, even as prices keep rising.

What has increased intensity vs. 2019?



Considering the important role travel managers play in corporate strategy, it's alarming to find so many are frustrated with their current situation and the industry hurdles they must overcome. Without their support, corporations would lack the expertise to make informed decisions around travel spend, preferred suppliers, approvals, safety, and more. It's clear: something needs to change to make travel management easier and simpler to manage. It seems to be a prime time for a reset.

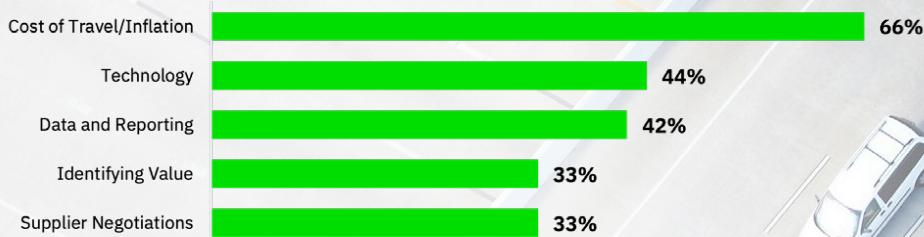
Key Differences

Travel Spend	Experience	Regional
The higher the budget, the more difficult it is to manage overall	More experienced travel managers work for larger companies and are more likely to admit travel management is difficult	Companies with programs operating in Asia Pacific (APAC), Europe and South America are most concerned about cost
Larger companies are more concerned about sustainability	More experienced managers are more likely to find tech substandard than those newer to the job	Companies with programs operating in APAC are most concerned about sustainability
Smaller companies are more concerned about safety and risk than larger companies	More experienced managers are more concerned about NDC and GDS content, but feel they have enough tools and staff to solve these issues	Staffing issues are most prevalent with companies operating in North America
Larger companies are more concerned about rising prices, labor shortages and GDS/NDC	Less experienced managers are more concerned about data and reporting.	North America is least concerned about GDS content, but it's a bigger issue abroad
Larger companies, where travel is more complex, are more concerned about supporting international travelers	Most experienced managers are more likely to have 75 - 100% of their time spent on travel management vs. other duties	International travel support is more of a pain point in APAC and Middle East/Africa



Top Pain Points

To address travel manager issues head on, FCM and BTN Group asked travel managers to rank three of their most pressing pain points among a provided list of eight options. For each pain point chosen, travel managers suggested which resources or changes were needed to solve it. The following responses came out on top, as they were among each respondent's top three choices.



Pain Point #1:

Cost/Inflation



Rising prices stress out managers who need to keep asking finance for more money while renegotiating - over and over - with suppliers.

Half of those who chose this pain point are looking at ways to curtail travel to offset price increases

- More than one-third already increased their budgets as much as their finance departments can tolerate.
- Nearly half said enhanced, real-time reporting of all costs would ease the pain.
- Nearly four in 10 said suppliers should improve their communication around price increases.

How do we find the most cost-effective solutions while also prioritizing health and safety? 

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What impact does cost/inflation have on your program?

We're looking at ways to curtail travel to offset price increases

 51%

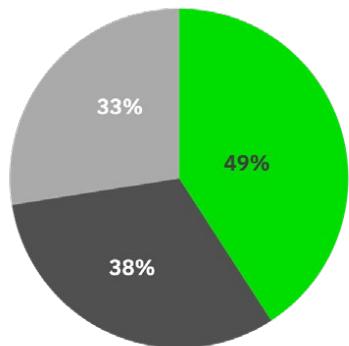
We increased budgets as much as finance can tolerate

 36%

All we do is negotiate and renegotiate with suppliers to lower costs

 25%

What would ease the pain?



- Enhanced, real-time reporting of all costs
- Better supplier communications of increases
- Open collaboration with finance and procurement to understand the travel investment

Pain Point #2:

Technology

(balancing core platforms and third-party apps)

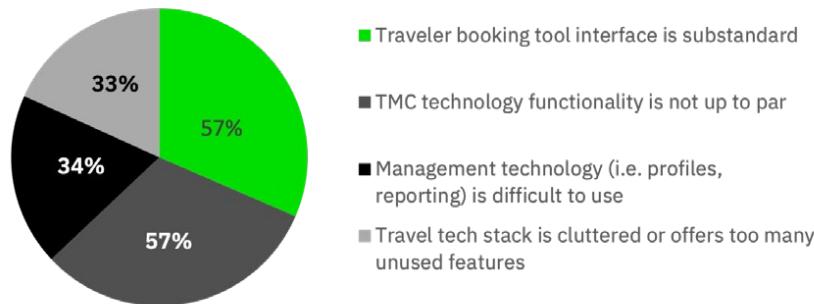


Better technology would solve a myriad of problems, and some managers blame legacy systems and TMCs for this pain point. Personalization gets closer to reality: Use of AI to predict travel patterns, preferences and service improvements is only expected to increase as the technology becomes more widely integrated into travel management systems.

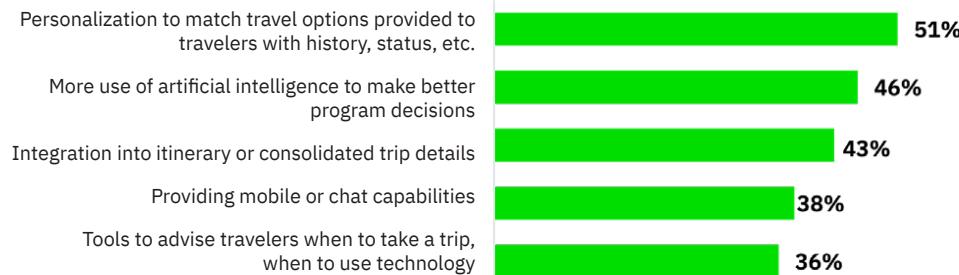
- Among those who chose this pain point, nearly six in 10 found their traveler booking tool interface substandard and their TMC functionality NOT up to par.

- One-third said management technology (i.e., profiles, reporting) is difficult to use and that their travel tech stack is cluttered or offers too many unused features.
- Half said personalization (e.g., matching travel options provided to traveler history, status, etc.) would ease their pain.
- More than four in 10 said increased use of artificial intelligence (AI) to make better program decisions would solve their issue.

Why were technology chosen as a pain point?



What would ease the pain?



Pain Point #3:

Data and Reporting

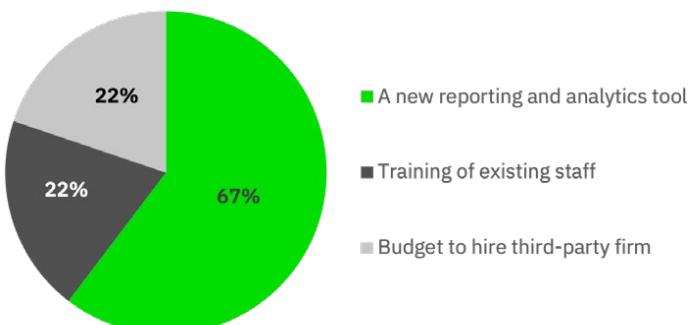
Without reliable data and the proper tools for analysis, travel managers are nearly paralyzed in their ability to negotiate and prove ROI. The larger the company, the larger the dataset, and the more of a pain point this becomes.

- More than half who chose this pain point have inefficient technology to collect and analyze data and four in 10 have an insufficient data structure.
- More than one-third admit their data is inaccurate and needs cleaning, but they lack the resources to do so.
- One thing that would solve their pain a new reporting and analytics tool (67%).
- One-fifth said that training new staff or having the budget to hire outside experts would also help.

Why were data and reporting chosen as a pain point?



What would ease the pain?



We all know things have to/need to change, but the real question is how we identify, organize, and then implement those changes.

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Pain Point #4:

Identifying the Value of Business Travel



Travel managers, still ramping up from COVID-19, are now faced with higher scrutiny of spend as prices rise, adding yet another obstacle to the trip approval process.

- More than six in 10 who chose this pain point said rising costs have led to increased scrutiny and justification of the travel program; this is especially true among higher spend companies.
- Nearly four in 10 said they need to justify ROI should management attempt to freeze all travel.
- The same percentage said changes in cost and supply have tightened company policy, adding a further hurdle to the trip approval process.

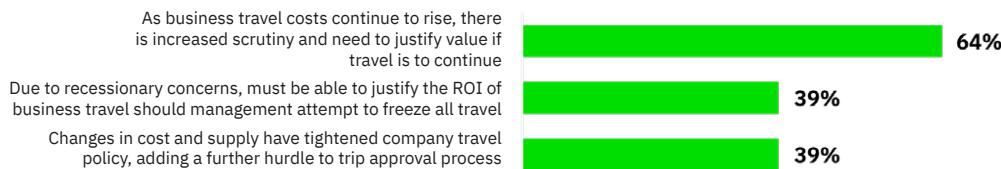
- Half said better data would help ease the pain of proving ROI.
- More than four in 10 also believe better approvals flow, increased sales support, and better methods to calculate ROI would help them prove travel's value.

What about managing business travel is challenging?

“Identifying value of a managed travel program to justify resources.”
 “Defining value and savings.”
 “Optimizing for when travel is necessary.”

TRAVEL MANAGER(S)

Why was identifying the value of our business travel to the organization chosen as a pain point?



What would ease the pain?



Pain Point #5:

Supplier Negotiations

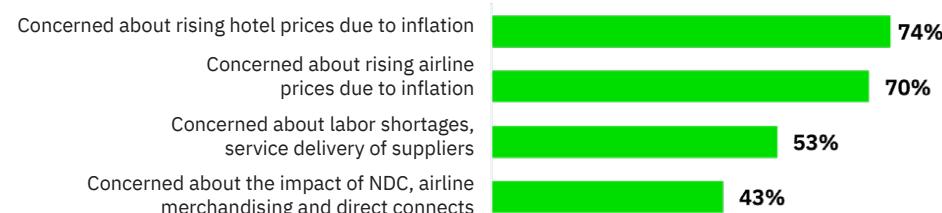
Rising prices and access to content are major concerns. As airlines (e.g., American) push New Distribution Capability (NDC), managers worry about the impact on costs and fear their TMCs are not ready for NDC, leaving them left out in the cold.

- Seven in 10 are concerned about rising air and hotel prices.
- Half are concerned about labor shortages and service delivery.
- Respondents are fragmented regarding what would ease the pain of suppliers, with some suggesting hiring more internal specialists or staff while others want to outsource the function to consultants or other third-parties.

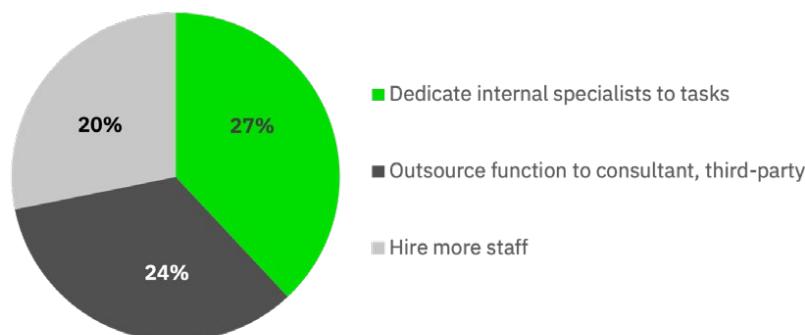
“Our 2023 focus is making sure our global program has access to as much content as possible through our TMC partners - NDC, LCC, etc. ”

TRAVEL MANAGER

Why were supplier negotiations chosen as a pain point?

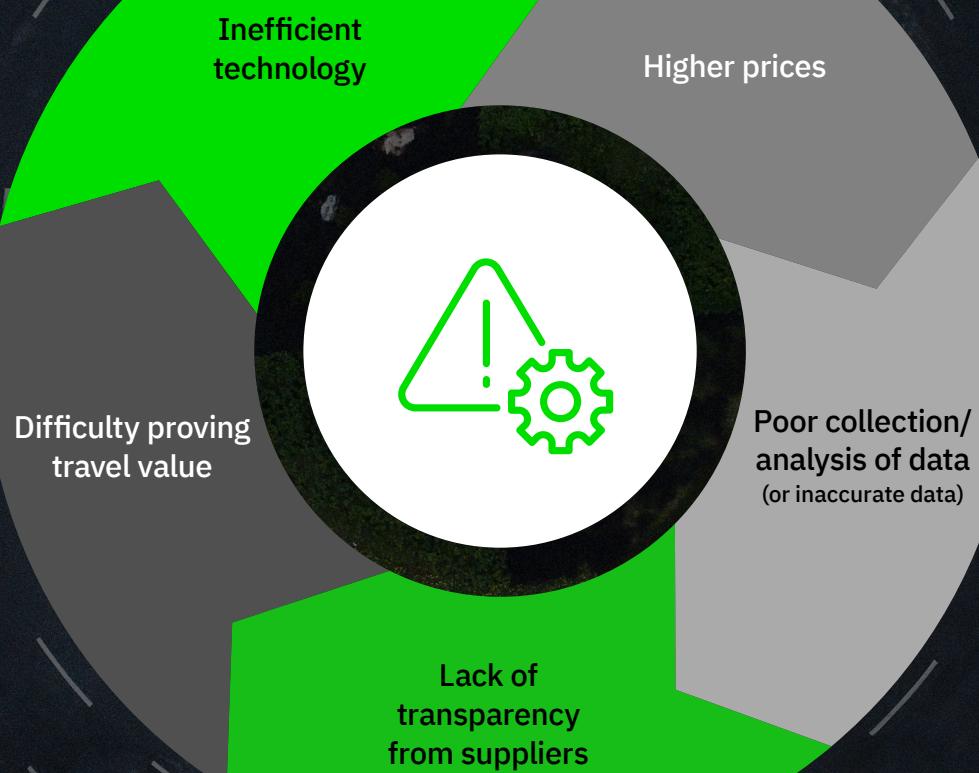


What would ease the pain?



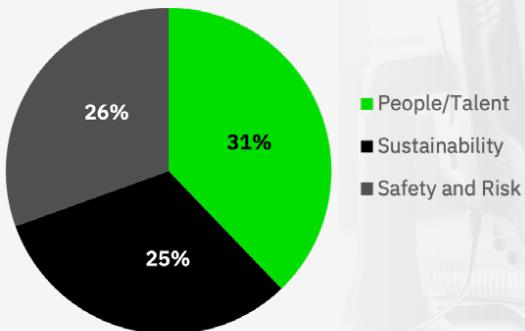
A Vicious Cycle

Taking note of the top five pain points, it's interesting to see how they all correlate, with each one impacting the other. To solve one issue, several others must follow. The following diagram illustrates this point:



More Pain for Travel Managers

Travel managers' worries go beyond the top five pain points. The following choices still confound many travel managers.



People and Talent

More than half of ALL respondents said travel management is more difficult today because there are fewer people to do the work. So, while only three in 10 chose this among their top three, the labor shortage remains a critical issue, not just internally but externally as well.

- Among those who chose this pain point, more than seven in 10 said service delivery is prompting too many complaints from travelers; Travelers in general have more complex needs.
- Six in 10 said TMCs have cut back on service due to their own labor shortages.
- Six in 10 said there needs to be more transparency into suppliers' labor issues.
- Half said solving the issue requires better pay/benefits/flexibility/career path opportunities and job recognition.

Sustainability

Though it wasn't a top pain point, half of all respondents said they are spending more time on the initiative in their company.

- More than half who chose sustainability as a pain point complained of lack of industry standards to measure impact on the environment.
- Half also have difficulty influencing travelers to make sustainable choices.
- More education and supplier support are needed, not to mention better data reporting on progress.



Safety and Risk

A top issue during COVID-19, safety and risk remains a serious concern, especially for international travel.

- Four in 10 who chose safety and risk as a pain point said they still struggle with managing international rules and requirements; international travelers also require more real-time support.
- Four in 10 said better integration of safety and risk technology would ease the pain.
- Respondents are also looking for a defined action plan for emergency situations supported by their TMC.



Remote and Hybrid Work

We also asked about the impact that remote and hybrid work is having on travel management and received surprisingly mixed responses. For 38% of survey respondents, remote and hybrid work is having no significant impact on travel management. For the rest, 23% said it's impacting key origin and destination points as 11% don't know where travelers are physically based and 9% need to negotiate with

new suppliers. About 16% said remote and hybrid work is resulting in less travel, while 12% said such work is resulting in more travel. In other responses, travel managers lamented having to find new suppliers in new key cities or negotiate new contracts based on revised volumes. Others noted the new challenges of remote training on policy and practices.

A Brighter, More Predictable Future

Despite the challenges, travel managers are generally optimistic about the future. Supply chain issues are slowly easing, travel restrictions are almost entirely lifted, air capacity is basically back up to 2019 levels, and travel businesses are hiring talent and implementing technology to better respond to service disruptions. But rising prices and service failures aren't going away any time soon. Nearly three quarters (74%) of travel managers said service levels will have a moderate or major effect on their programs in 2023; for larger companies, 86% think so. And for companies with newer employees who are less experienced at travel, the need to respond is even greater.

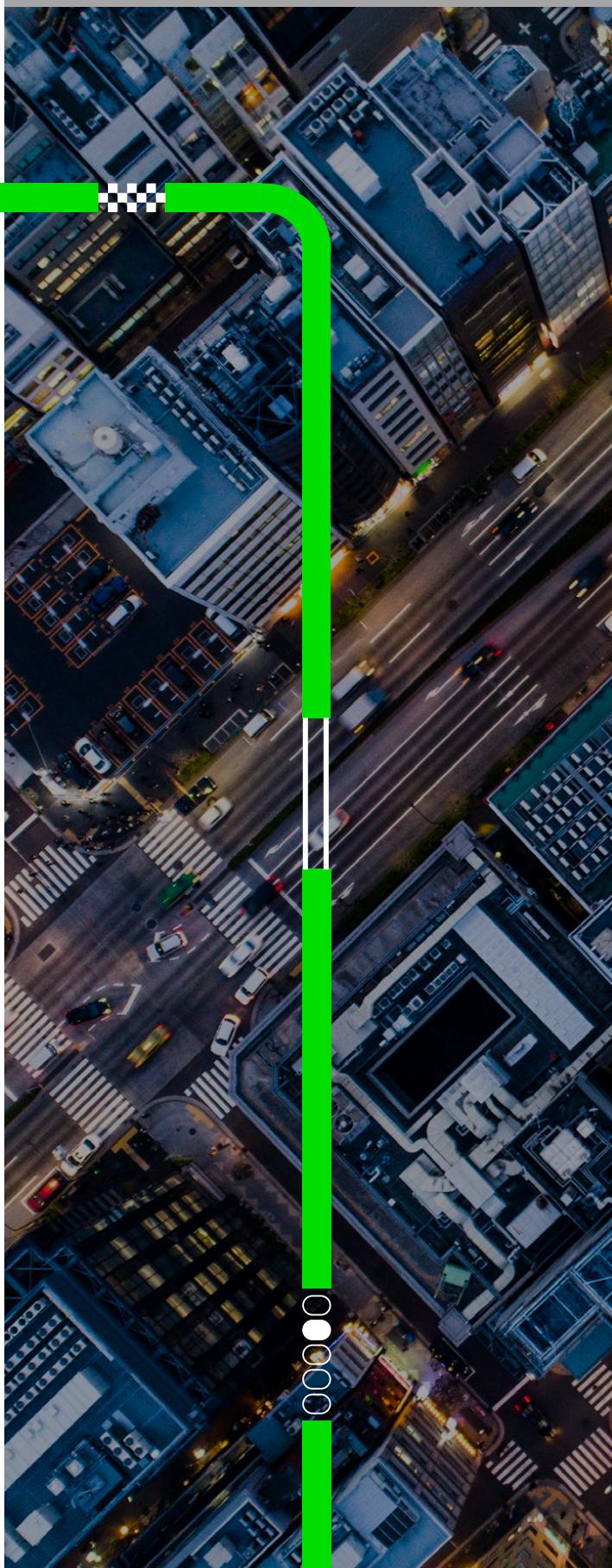
Even if prices don't improve, there should at least be fewer surprises this year. Travel managers are most optimistic about predictable travel patterns and service improvements. However, inflation and the economy remain serious concerns and many feel that higher prices are a "new normal." There is little confidence in more stable pricing as well as the return of global travel.

Weather problems, staffing issues at airlines, airports, and TMCs will be here to stay – how do we deal with these particularly if legacy OBTs and airline computer systems are outdated? ‐

TRAVEL MANAGER

As you look to your 2023 travel program and volume, what are you most optimistic about?





No Simple Solutions

When travel managers were asked about the ONE additional problem in managed travel that they would like to solve, most responses revolved around an improved online booking tool (OBT) experience, multi-sourcing, and NDC integration. Several travel managers also cited their concern about compliance as employees look elsewhere to book when the preferred tool is limited; some also complained that management didn't have their backs when enforcing the program.

If you could solve one problem within managed travel, what would it be?

“Modern tools that connect with NDC or allow travelers to book direct or via other channels.”

“Finding the most cost-effective solutions while also prioritizing health and safety.”

“Magic wand to have the perfect OBT and all legacy technology brought into this century.”

“Better data to tell a story.”

“Transform business travel from a reportable expense into a tool which brings measurable value.”

“More open platform TMCs that allow you to BYO tech.”

“Eliminate employee ‘need’ to comparison shop for pricing and availability.”

“A skilled workforce.”

TRAVEL MANAGER(S)

The FCM Take

Obviously, there are no simple solutions to “fixing” travel management. Clearly more automation and technology solutions are needed to support efforts to personalize, track, analyze, and justify travel. The promise of AI to assist with this analysis is becoming reality. But technology alone will not ease the need for people and talent; if anything, more people are needed with the skillsets to put data findings to work. And that’s where FCM believes the solution lies: in strategic account management, powered by expert people.

Account management is an essential resource for the strategic success of travel programs. And what makes account management strategic and not simply a box on a checklist? It’s when account management includes a process of building value-driven relationships with customers that can help in long-term development. Basically, account managers need to be empowered to do more than just fight fires, they need to be viewed as an invaluable part of a customer’s travel program operations.

So, heading into this new era of corporate travel, our best bet is to focus on true partnerships with our account teams. Ask questions, create solutions, and build strategic relationships. Then we’ll be able to overcome any pain point, together.

Parting words

Travel managers have identified several pain points and offered many solutions, but ultimately, they need the authority and expertise to move their agenda forward. As one travel manager said, “... I think this is the time for [travel managers] to be more vocal and have those high-level conversations with their leadership. Business travel has to be regarded as a tool which brings value and not as a reportable expense.”

Prioritizing travel managers’ most critical issues would allow them to show just how valuable a tool business travel really is. It’s clear that travel managers are anxious to move past any current pain points to the exciting future they see ahead.



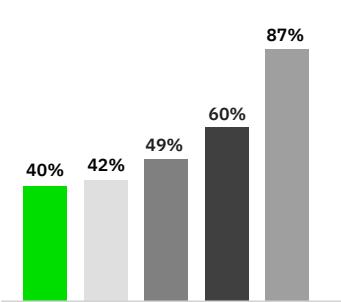
Methodology

We've heard about the struggles of managing travel today and asked corporate travel managers to share their biggest pain points. In an online survey, fielded from late December 2022 to February 9, 2023, we asked corporate travel decision makers to identify their top three pain points of eight listed, why they selected each and what would ease the pain. We encouraged respondents to confide in us other pain points not listed, concerns, or solutions.

The BTN Group invited corporate travel decision-maker subscribers in North America and Europe and FCM asked customers in the Americas, Europe and Asia/Pacific regions to complete the online survey, resulting in 235 total responses. Respondents could complete the survey only once. Chart totals may not equal 100% due to rounding. More about the respondents follow.

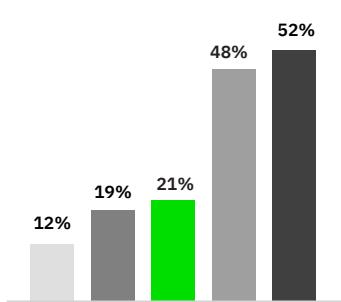


Regions Where Respondents Manage Travel



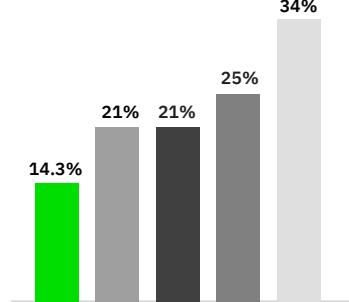
- North America
- Europe
- Asia/Pacific
- South/Central America
- Middle East/Africa

Annual Travel Spend



- Less than \$10 million
- \$10 million or more
- \$10 million to \$24.9 million
- \$25 million to \$49.9 million
- \$50 million or more
- Mean

Years of Experience Managing Travel



- Less than 5 years
- 5 to less than 10 years
- 10 to 20 years
- More than 20 years
- Mean



BTNGROUP

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FCM

About FCM

FCM is one of the largest travel management companies in the world, and the flagship global business travel division of Flight Centre Travel Group. Operating in over 97 countries across the world, FCM's team exists on a truly global scale. Dedicated to supporting each other and staying connected, so that travelers know they're in good hands, no matter where they are in the world.

Globally connected, flexible, and a little unconventional — FCM make sure that wherever travelers are going, they can do it their way. Whether customers have regular international travel needs, take single trips at the last-minute, or want to consolidate their business travel services and costs across multiple countries — FCM's global network has the experience, reach and negotiating strength needed in a travel partner.

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