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**Jim Weighell**, corporate manager, Sure Travel



**Kananelo Makhetha**, BCD Travel SA md



**Simon Phage**, Wings Travel Management vp of operations for Africa and the Middle East



**Claude Vankeirsbilck**, chief sales and marketing officer at Tourvest Travel Services



**Floyd Widener**, senior vp: Sales and Global Program Management for the EMEA region, Carlson Wagonlit Travel



**Dawn Weir**, Medtronic Africa travel manager



**Howard Stephens**, chief procurement officer, Nedbank Group Procurement

# Is the role of corporate travel manager falling away?

Is the role of the all-rounder corporate travel manager falling away, as companies either position travel as another commodity under the watchful eye of the procurement department or outsource this role back to a TMC? By **Kim Cochrane**.

## Is the role falling away?

NO, says **Dawn Weir**, Medtronic Africa travel manager. "I believe the function of corporate travel manager is evolving, not falling away. If anything, it's becoming more complex. The position for me now includes MICE and the procurement of other commodities."

**Howard Stephens**, chief procurement officer, Nedbank Group Procurement, also believes the role won't fall away. "Because of their place in the corporate structure, corporate travel managers can have much more influence on travel behaviour. The move to an end-to-end service culture has meant that travel can come into an operations space. Procurement then offers a centre of excellence service to the operations area. TMCs have their use for more complicated travel and for some specialised areas in the organisation. TMCs are not always business all-rounders as they do not naturally understand the client's company culture. Outsourcing always remains an option but the expectation of the TMC model has changed dramatically."

Wings Travel Management has adapted its model to one of total cost of ownership because procurement specialists understand this and don't just focus on the fees they pay, says vp of operations for Africa and the Middle East, **Simon Phage**. Gone are the days when travel was given to someone with 'little work', he suggests. "We're starting to see an emergence of procurement specialists being employed to handle travel."

Phage, like **Maria Martins**, director: Key Account Management, Carlson Wagonlit Travel South Africa, believes

there is no simple yes/no answer to whether the role of corporate travel manager is falling away, as the response differs from company to company and the complexity of travel involved.

Says Martins: "In most cases, the role is shared with other responsibilities and sits in the procurement or finance divisions. Although the TMC fulfils many functions in the management of the travel programme, it remains imperative that the client has an internal stakeholder."

**Travel 'managers' who are trying to process travel aren't managing travel, as they won't have the time to manage it.**

- **Jim Weighell**

BCD Travel SA md, **Kananelo Makhetha**, has a similar belief. "The role is evolving into a more strategic function where there is greater reliance on informed support from TMCs. Travel managers are now looking beyond simply ensuring that day-to-day booking needs are met."

**Claude Vankeirsbilck**, chief sales and marketing officer at Tourvest Travel Services, agrees that there remains a need from a corporate perspective to ensure expenditure is managed and that the company has a measure of control of how this expenditure is being managed. "In organisations with a high travel spend, it's imperative to have a dedicated travel manager who has the ability to drive travel programme objectives. Key to this role is that the manager has executive support."

He acknowledges the global trend for organisations to outsource corporate travel manager duties back to a TMC but doesn't see it happening in SA yet.

**Jim Weighell**, Sure Corporate manager, says the local reality is that the specialist/all-rounder travel manager role is only institutionalised in the largest organisations. "To a large extent we see managers handling travel as an 'additional' portfolio. I don't see a move back to outsourcing these functions to TMCs because the true role of the travel manager is to liaise and communicate with the TMC."

He continues that some corporations have experimented with running their own internal travel agencies. "This will work for a while but the staff handling travel will soon fall behind in terms of recency and development. TMCs, on the other hand, will be on a constant evolutionary path as systems and methods improve. I agree procurement managers are playing a greater role in the travel management field but there are important distinctions. It is true that travel has become commoditised but the commoditisation is limited to areas such as air tickets, hotels, car rentals and similar. The professional service provided by the TMC should not be treated as a commodity; it is in fact the only point in the purchase chain where skills and relationship-based service value is added. So the role of the travel manager is procurement oriented for the commodity elements of travel and relationship focused for the critical TMC service component."

**Mike Gray**, ceo Uniglobe Travel Sub-Saharan Africa, believes most companies are realising that insourcing a corporate

travel manager/team makes as much sense as insourcing cleaning, security, advertising, fleet management and logistics etc. “Sure it can be done but at what cost in terms of money, time, effort and risk. And why would you want to try and specialise in something that is not your core business? The fad is over.”

## A global perspective

**FLOYD Widener**, senior vp: Sales and Global Program Management for the EMEA region at Carlson Wagonlit Travel, says CWT team members who attended the GBTA Convention in Denver, Colorado (US) found that the role of corporate travel manager was still very pertinent to managing travel within organisations.

“The role is changing and evolving but gaining in responsibility because companies are recognising its strategic importance. Travel touches all facets of the business: safety, security, traveller wellbeing etc. Procurement is certainly playing more of a role in the travel manager space but bringing in expertise with regard to how to run tenders, for instance. The travel manager and procurement manager are complementary roles.”

Phage has another view based on experience with Wings handling the accounts of multinationals; in overseas markets they have seen the travel manager role handed over to the supply chain.

“My take is that with time, the travel manager role is bound to fade away within large corporations as a lot of duplication takes place in terms of TMC functions such as compliance to policy and management of corporate deals.”

Furthermore, he says with a lot of companies expanding into Africa, they need partners who understand the nuances of travel into unknown territories. “There are also organisations employing the services of business travel management consultants, which is further proof that travel is not a core specialty,” he adds.



## Are corporates outsourcing more functions back to TMCs?

Yes, says Makhetha. “For example, more travel managers are seeing the value of ‘managed meetings and conferences’ in addition to ‘managed travel’. They require value-adds such as comprehensive, secure travel data that enables better buying power.”

Weir suggests it depends on the corporation’s total travel cost. “In our case, we are mindful of the ever-increasing cost in the business and are investigating the costs

associated with outsourcing more to our TMC. Due to our very strict global business conduct standards, however, we could never outsource everything to the TMC.”

Stephens believes it depends on the maturity of the travel model. “If immature, a TMC will just act as an agent and charge whatever. If mature, travellers understand policy and travel booking and this could be provided from anywhere. Procurement would then provide a strategic sourcing role.”

 **There’s a big difference between managing your transactions and managed travel. I believe the TMC’s role in support of managed travel is crucial, irrespective of whether an OBt is used or not. There is more to a managed travel programme than just booking travel.** 

**- Kananelo Makhetha**

Gray is of the opinion that many corporations who tried insourcing have burnt their fingers either with transactions, cost or service getting totally out of control; fraud; or breakdown of travel policy control. “So we are increasingly seeing TMCs working with either procurement or finance departments to help get control again.”

Vankeirsbilck says yes, from a global perspective, corporates are outsourcing more back to TMCs, but this is not yet the case in SA. “I have no doubt SA will follow this trend with its own nuances.”

Widener says one company may outsource the majority of the travel function to a TMC – negotiating with suppliers, managing the travel programme, policy etc. – while others may decide to outsource a hotel RFP or negotiation with suppliers. “The trend is not fixed.”

## Will corporates manage complex travel themselves as OBtS get more sophisticated?

Yes, believes Weir. “All our domestic travel is done via the OBt as well as some point-to-point regional and international flights – provided the technology provider has an emergency team of staff to assist after hours. I recommend, however, that for now, only regional/international reservations for experienced travellers are booked on the OBt as they require less hand-holding.”

Stephens is not so sure. “Domestic travel

is straightforward and the bookers can be reasonably junior. Complicated travel needs more senior staff and may not be economically viable. I’d prefer the domestic model to include MICE.”

Martins agrees more companies believe they can manage travel themselves, particularly domestic travel via OBtS – and many times at increased costs to what a TMC would charge for management of this. “Ultimately we believe corporates will return to the expertise and reduced costs of a TMC who manages an OBt as one of the components of the entire programme. OBtS – as self-service booking channels – should constantly be evaluated as part of the entire management of the travel programme as a booking option, if benefit exists.”

Weighell emphasises that a common misconception about travel management is that it is still all about the booking transaction. “That is where the ‘DIY’ shift to OBtS falls short. Booking is not managing and booking without a researched, systematic and dynamic travel policy will eventually result in ‘travel anarchy’. Online booking engines are generally B2C systems capable of booking but they don’t provide the management information and financial reporting necessary for effective travel procurement.” He continues that OBtS should not be confused with corporate travel management systems (erroneously referred to as self-booking tools), as the travel management systems allow for customisation of cost centres, travel policy and reporting.

Vankeirsbilck supports the use of OBtS provided the corporate culture encourages taking ownership of travel costs. “There are some corporates looking to go it completely alone. Unfortunately they will remain completely alone with things go wrong, when assistance is needed or when travel spend is unmanageable.”

Phage believes another challenge for corporates going the OBt route is to understand the nuances and complexities of travel, such as supplier rules (i.e. ticketing rules, connectivity times or frequencies available). “If you do it yourself without understanding the rules that go with it, you’ll create more problems than opportunities.”

Widener cautions that corporations need to consider the safety and security of their travellers, whether it be from a local, regional or global basis, where tracking is extremely important.

## With corporate restructuring, where does the TMC stand going forward?

With the restructuring of corporations, the role of TMCs is growing, says Widener, because TMCs can play an integral role when it comes to consulting, sourcing, traveller safety and

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security, analysis of data, and using that data to refine programmes and negotiations.

“Our role is changing as we’re being integrated deeper into organisational frameworks. We are consulted on things on a much broader scale as client organisations change. Change brings questions such as: here is my new configuration, how would I maximise my travel policy around that? Or: how does the relationship with suppliers change? If a corporation has just acquired a division of another company – how does that affect travel policy, procuring travel services etc?”

Stephens says TMCs need to continue reinventing themselves and many have. “They may need to reduce operational costs by using their own versions of OBTs. They need to sell the real ‘savings’ model not just a saving against full fares. They cannot be seen to be in bed with any specific supplier. Their independence is critical to their success.”

Weighell says locally many corporations still have to experiment with the ‘self-handling’ model, which in itself is part of the learning curve in SA’s travel management evolution.

And good luck to those corporates who opt to go the inhouse route, says Gray. “I hope they find competent staff and systems that actually work and are happy to spend the extra cost, time and effort on a risky venture. I must say, however, that TMCs have also been their own worst enemies by not getting with the new, increasing demands of the time.”

### Who is the corporate travel procurement professional of the future?

Corporate travel procurement professionals of the future work with TMCs to look at the mid- and long-term vision of travel to service the generation Y and Z travellers who are coming, believes Widener. “TMCs need to deliver value-added services to them to keep them effective in their corporate role. We are already thinking about how we will interact with future generations of travellers working with travel managers.”

Stephens recommends a person who can match business needs with the best delivery methods to ensure best processes and a win for corporates and suppliers.

“A person with travel commonsense who is able to match price, quality, efficiency and sustainability with optimal business performance.”

The future travel procurer, states Weighell, has the ability to produce an RFP that identifies exactly what is expected from the TMC partner! “The general mediocre quality of RFPs is an indication of low levels of understanding of what the TMC provides beyond booking capability. Having said that, it’s also apparent that this situation is improving. The top travel procurer will work with the TMC to select the best mix of commodity and service value, which is geared to the particular culture and needs of the corporation. Each company’s expectations will be similar in terms of securing best logical prices but the service expectation bears the unique hallmark of each client company.” ■

## Closing thoughts

“There is sometimes a perception in the SA market that an OBT excludes a TMC whereas we believe the maximum benefit for the corporation is when the TMC manages the full travel programme using whatever tools, online solutions and suppliers are needed to optimise the programme to meet corporate objectives. The OBT, or online transactions, should not be managed separately.”

- **Maria Martins**

“We’ve recently helped many corporations back from the brink of disaster who thought – or were sold – the idea that they could handle travel on their own easily and more cost effectively, only to find six months into the mission that this was a chimera.”

- **Mike Gray**

“A corporate travel manager needs support from someone in the executive of the organisation. Without that support, a TMC model may be superior.”

- **Howard Stephens**