

Top 10 Ways to Slash Your Travel Budget During an Economic Downturn

With all of the talk about an economic downturn, travel is often the first expense item to be cut from a budget but all too often is the first to be reinstated. Business Travel is just too difficult to replace – you just need to be there!

You don't have to reduce or cut travel from your budget. If you follow the below 10 steps your company will see a reduction in spend without having to slash your budget. Also, when the economy is good the below items are just as important!

1. Flexibility

Expand your time frame by a few hours for departing. Consider other airports or other days to travel. If you can afford the time, connecting flights may be less expensive.

2. Consolidate Data

Use your consolidated travel data in comprehensive manner. Is your company's average advance purchase greater than seven days? Who are the travelers? What vendors are you using consistently?

3. Track And Utilize Unused Tickets

Changes and cancellations are always made but are you confident your travelers are tracking the unused tickets? Do you have access to reporting that has complete oversight? Your company can save at least 20% off the bottom line if you have the proper systems in place.

4. Purchase Coach And Use Personal Miles For Business Class

When traveling internationally personal frequent flier points can be used for upgrading as opposed to purchasing retail business or first class tickets. This will be a tremendous savings to the company and by the way – the points were originally acquired from company funds anyway!

5. Minimize Changes

Get a better handle on your schedule. Multiple airline change fees can eventually cost more than the ticket if your trips are planned poorly.

6. Enforce Your Travel Policy

This is the backbone of your travel program. If your travelers do not follow company policy and policies are not communicated correctly your company's travel expenses will be exponentially higher. Any and all supplier negotiating will be ineffective.

7. Use An On-Line Booking Tool

The most immediate and visible impact will be your reduction in transaction fees. But the big savings will result from the hard work you put into your travel policy! The parameters you established for maximum airfare, auto and hotel are all entered into your on-line booking engine. Assuming your company is using a robust corporate booking engine, travelers will stay within the expense guidelines through “visual guilt” and oversight through a flexible approval process. For example, if your policy has a \$300 maximum for domestic airfares and the traveler chooses a flight that is \$400 you can program the system to either report, notify or have actual approval before ticketing. The approver will not only see what was picked by the traveler but will see the other options made available under \$400. This process also exists for auto rentals and hotel purchases.

8. Use Soft Dollar Air Tickets For Company Travel

Many companies don’t realize they can earn tickets, club memberships just by signing up with airline business programs – with no risk to you or the company.

9. Utilize Preferred Suppliers

Why purchase from suppliers that don’t recognize your company? Purchase from those that provide appropriate discounts, support, waivers and of course the customer service you expect.

10. Credit Card/Expense Systems

Acquire credit card systems that benefit your company with benefits, rebates, etc. While you’re at it, reduce credit card reconciliation time by 75% and have a seamless and automated expense management system.

11. Ok, there’s Actually 11 – MANAGE YOUR TRAVEL SPEND

Use the services of a qualified Travel Management Company (TMC). A qualified TMC can help you and your company manage all of the above and more. If you are using multiple vendors, (on-line, travel agencies, TMC’s) chances are very high you are not capturing all of your data and not taking advantage of the benefits of your travel spend. Chances are also very high that you are not utilizing any of the TOP 10 items and you could have difficulty in doing so without a managed travel program.

Provided by Safe Harbors/Travel Leaders.

Please email mlarson@safeharbors.com or call 443-923-0628 for more information.