

The Journey to Integrated Travel Management

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ACTE
RESEARCH



**GLOBAL
BUSINESS
TRAVEL**

Foreword



Integration is no longer an aspiration.

Travel buyers have long dreamed of being able to pull together the various threads of complex travel programmes and weave them into a seamless, integrated process.

They no longer need to wait: robust, tested technology is available that makes end-to-end integration across managed travel a reality. Everything, from search and book to corporate payments, expense management, business intelligence and beyond, can now be part of an efficient, policy-compliant workflow.

According to the research carried out for this report, just a handful of corporations say they have achieved total travel and expense management. But for most, this degree of integration remains an aspiration.

How can corporations translate objectives into reality? The research finds many travel buyers laying down the gauntlet to travel management companies (TMCs), expecting them to propose solutions that join the dots on complex managed travel programmes.

This makes a lot of sense. At American Express Global Business Travel, we would advise travel buyers to challenge TMCs to provide them with the change management expertise and technology to successfully implement a total travel and expense management ecosystem. Your TMC should give you everything you need to deliver the right level of integration for your travellers and your organisation.

We would like to thank the more than 275 travel buyers and managers around the world who participated in the survey, and whose valuable insights provided the foundation for this white paper.

Bruno Murray

Vice President,
American Express Global Business Travel

Introduction



An end-to-end travel programme has long been a goal of travel buyers. Integrating technologies and processes can improve the traveller experience and drive efficiencies, savings, productivity and policy compliance – all of which have a positive impact on the bottom line.

However, the level of integration currently available throughout the travel process – before, during, and after trips – varies significantly from organisation to organisation.

This study, conducted by ACTE in collaboration with American Express Global Business Travel (GBT) and based on a survey of 276 travel buyers around the world, examines the evolution of technologies enabling integrated corporate travel programmes, the benefits, and the barriers impacting adoption of tools, processes and policies.

We'll explore some fundamental issues surrounding the current state of end-to-end travel management, including:

- **What does it mean to be 'fully integrated' – and does it matter?** What does end-to-end travel management mean for today's business travellers and their organisations? What are the current and upcoming priorities to include in the end-to-end process and why?
- **Benefits and barriers:** How do internal stakeholders identify and promote key benefits of integration, and what barriers are travel buyers facing to make progress in their journey?
- **Collaborate to integrate:** How can organisations achieve their end-to-end travel management objectives? Who can they call on to help them?

By shining a light on the complexity of the challenges faced on the journey towards integrated travel management, we'll explore the available solutions and opportunities for travel buyers in the space.

Leigh Bochicchio
Executive Director, ACTE

What does it mean to be fully integrated – and why does it matter?

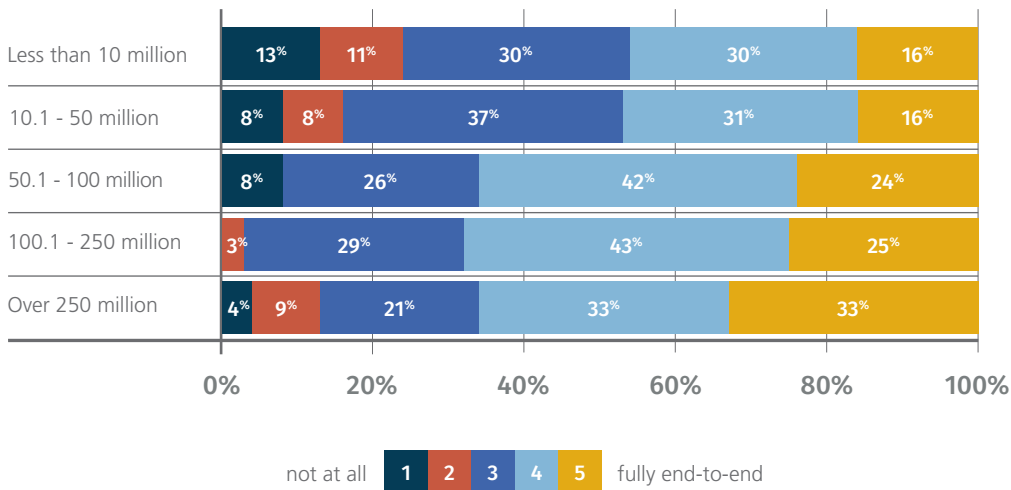
On the face of it, ‘integrated’ – or ‘end-to-end’ – travel management provides a seamless process for business travellers and arrangers, from the moment they start considering options for their trip, right through to their post-trip expenses reconciliation, and everything in between.

But, just as every traveller has individual needs, so does every organisation running a corporate travel programme. While specific requirements of integrated travel management vary, typically they aim to create a seamless experience for travellers and travel buyers through approaches and technology that combine every element of the travel process: discovery, booking, payment, trip assistance, tracking and reimbursement.

The integration process is a continually evolving journey, heavily influenced by an ever-changing technological landscape, industry trends and the needs of multiple generations of business travellers. While almost all organisations we surveyed have embarked on their journey towards end-to-end travel management, some are further along than others. The majority (72%) say their travel management programmes are at least somewhat integrated, with 20% saying they have already implemented a fully end-to-end programme.

Chart 1. Extent of end-to-end integration

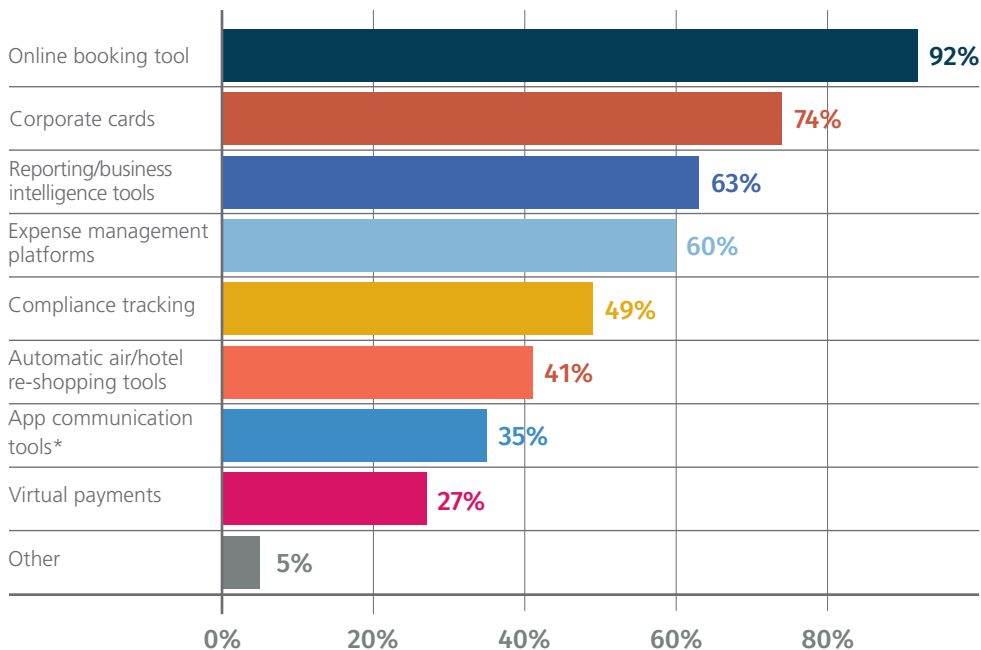
By travel spend US \$



Integration priorities

For those organisations that have already embarked on the journey towards end-to-end travel management, there are some clear priorities for integration.

Chart 2: Elements integrated with travel booking platforms



* *webchat, instant messaging, email reminders, text notifications*

It's not surprising to see that the online booking tool (OBT) is the most common feature of integrated programmes given it is also the most common booking channel¹, and the cornerstone of a managed travel programme, with 92% of respondents highlighting its importance. Corporate cards (74%) and expense management platforms (60%) also featured highly, suggesting that better financial management in relation to business travel is a high priority for organisations when it comes to integrated programming given its influence on outcomes across the business.

As the most commonly used travel payment solution around the world² corporate cards generate valuable data. The benefits include reporting, visibility to spend and budget control, as well as ability to identify traveller location through card use. Larger spends may also attract rebate opportunities from the issuing bank. Integration helps increase compliance to the payment programme in order for the corporation to reap these benefits.

At the other end of the scale, only 27% of respondents say virtual payments are a priority for integration. In a separate ACTE study² we found that while just 15% of

¹ According to a recent research paper, *Booking Tools and Technologies: One size does not fit all*, ACTE 2019

² *Evolving Payments in Corporate Travel*, ACTE 2019

organisations with business travel programmes have already adopted virtual cards, another 28% are likely to adopt them in the future. These organisations found the most benefit in virtual cards when dealing with travel for non-traditional employees (such as consultants, contractors and candidates), especially for expense tracking and minimising fraud. This suggests that integrating virtual payments could become an increasingly important step in the end-to-end integration journey, as well as supporting the adoption of preferred payment options.

App communication tools, an arguably crucial aspect of user experience, also figure low down on the priority list. We'll explore the implications of this later on.

Encountering resistance to change

Just under 3% of respondents have not integrated and have no plans to do so, and another 22% state they have no plans to further their efforts. While a small number feel the issue is financial ("there is no money for us"), others raise concerns about the level of support they could expect to receive from the business: "we barely have IT support for the basics involved in our current travel programme."

This perceived lack of support extends to other stakeholders in the business, with one travel buyer commenting that "senior management (CFO and CIO) are not open to changes that would cost more or require IT resources to implement." Another identified legal barriers: "the challenge we have as a [public sector organisation] is data privacy and getting buy-in from our privacy legal department." Garnering support from across the organisation is key to successful programme integration – we'll explore some strategies later in this paper.

Additionally, some respondents perceive compatibility issues as a barrier to implementation. As one travel buyer says, "appetite to change within the business would be low due to compatibility [with current expense and payroll systems]." Because one respondent's credit card expense system doesn't interact with their travel system, they felt "like we are on two different teams." Of course, one of the aims of true end-to-end integration is to resolve these issues.

Finally, some had no implementation plans simply because they weren't sure where to start, or what benefits it could bring. We'll explore these in detail in the following section.

"Simplifying the process would lead to policy compliance - our processes are slow and difficult, and as a result employees do things the way that is easiest for them."

Travel buyer with no plans to implement end-to-end, due to being unable to obtain organisational support/buy-in
Annual spend: US \$10.1 million - US \$50 million
United States

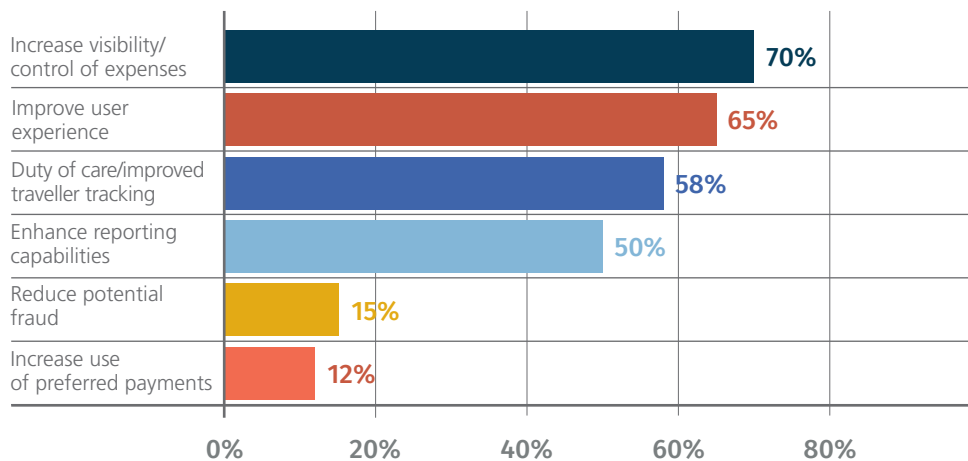
"I think the opportunity is there...it's all about education and empowerment to get executive buy in."

Travel buyer is currently in the process of implementing an end-to-end programme
Annual travel spend: US \$100.1 million - US \$250 million
United States

Benefits and Barriers

The pursuit of end-to-end travel management is on most travel buyers' agendas, no matter where they are in the process – but what are they trying to achieve? Why embark on the journey in the first place?

Chart 3: Primary objectives of end-to-end integration



Travel buyers are often expected to drive initiatives on cost savings, so it is no surprise to see visibility and control of expenses as a key priority (70%). Many organisations are exploring solutions to help integrate travel payments and expense reporting more effectively, recognizing the benefits for travellers and the company. Automatic population of pre-determined fields not only expedites the expense process but minimizes potential fraud and offers a more accurate view of spend based on region, type, project code and a wide range of customizable options. These valuable data points provide companies with tools they need to identify opportunities for cost savings.

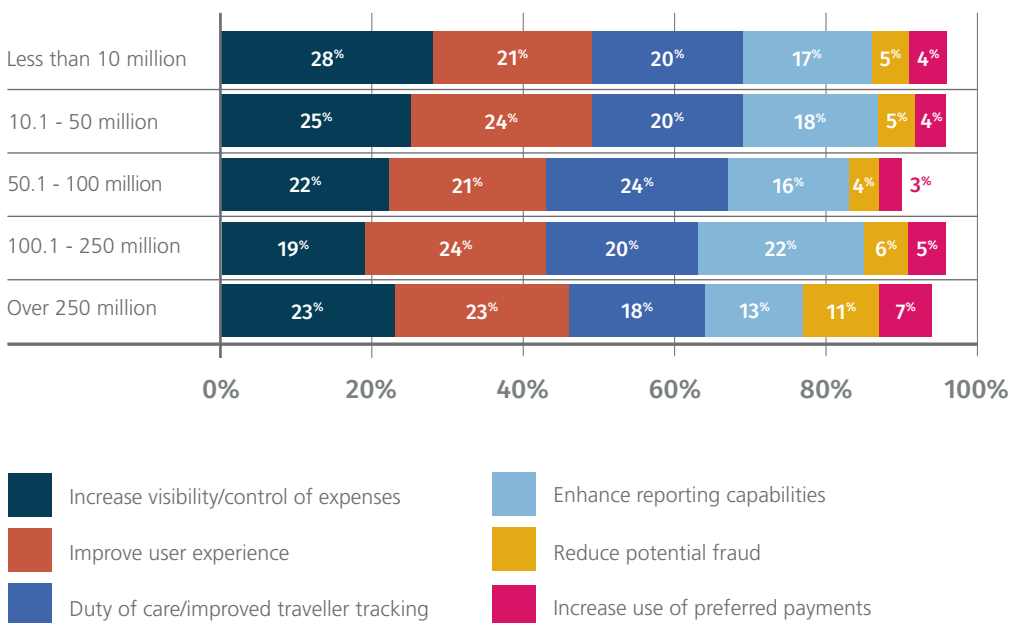
Improved user experience is only slightly lower in the order of priority (65%), while just over a third of respondents cite travellers as an important driver in the adoption of end-to-end travel management (see chart 5, p9). Travel buyers clearly know that delivering a superior user experience is key to success in implementation and roll-out. Awareness of the importance of promoting user experience in travel management has steadily risen in recent years. This is why it's interesting to see the integration of app communications fall low down on the priority list. Tools such as webchat, instant messaging and email reminders can vastly improve the user experience and help to address issues with user adoption.

Finally, duty of care (58%) is the third-most important objective for integration. Through itinerary tracking and card payment data, organisations are able to quickly identify a travellers location in the event of an emergency. However, reporting can only provide the necessary information if the proper tools are being used, thus compliance to the designated programmes and channels are paramount.

The following chart shows the same objective responses, but by travel spend to demonstrate there is opportunity regardless of travel programme size.

Chart 4. Primary objectives of integration

By travel spend US \$



“Many travellers are resistant to change; a lot of it can probably be influenced with good tools and systems, and communication or training”

Travel buyer who identified traveller behaviour as a key barrier to implementation
 Annual travel spend: over \$250 million USD
 Europe

Change is being driven by a range of business imperatives from the fiscal through to compliance and employee security. The classic objectives of managed travel – controlling costs, improving traveller experience and supporting duty of care – are closely reflected here. But while travel buyers have recognised the significant role of end-to-end in helping them achieve broader objectives, do they have the support they need?

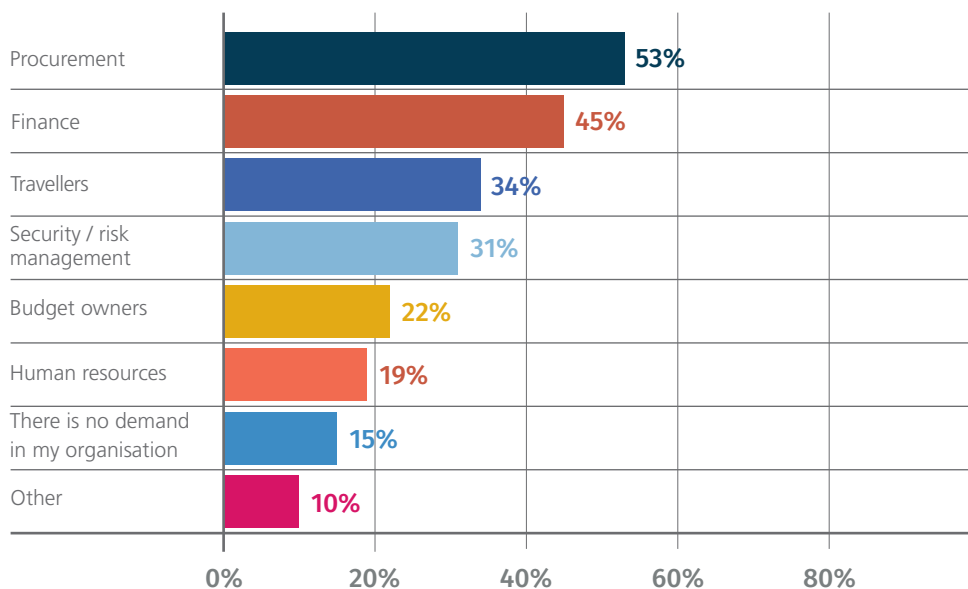
Are internal stakeholders supportive?

The vast majority (80%) of respondents believe that a more end-to-end travel programme would increase policy compliance, and it seems some internal stakeholders tend to agree. Procurement (53%) and finance (45%) are the cited most common drivers, and perhaps a key reason why payment and expenses are two of the most commonly integrated elements to date. This illustrates the importance of involving the impacted stakeholder groups along the journey.

“All those who use and act on travel processes (travellers, financial, budget owners etc.) are driving the need for integration.”

Travel buyer
Central/Latin America

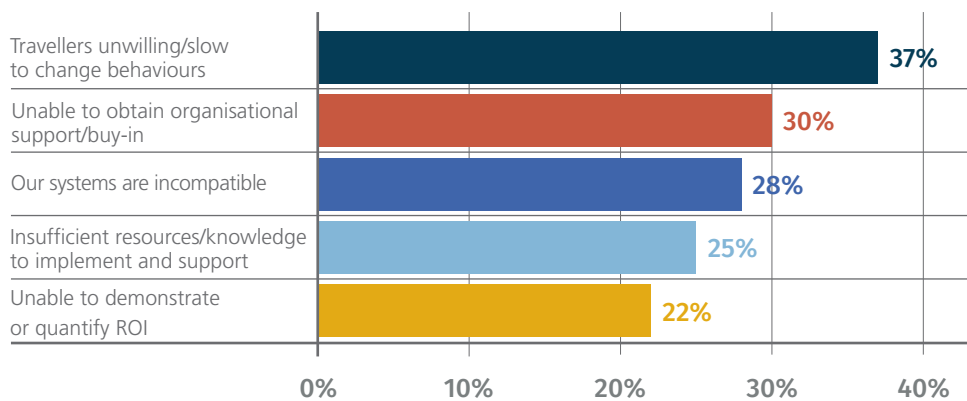
Chart 5. Organisation areas driving end-to-end integration



What's holding you back?

Budget control, better traveller experiences and duty of care are all important objectives – both for the travel programme, and for the wider business. Continued integration is supported by various stakeholders, including business travellers, who travel buyers identified as some of the most vocal proponents of integrated, end-to-end travel programmes. So why are 37% of respondents also reporting their travellers as the most common barrier to adoption?

Chart 6. Challenges or barriers to developing end-to-end integration



It seems that traveller experience is seen as both a driver and a barrier when it comes to adopting more integrated travel management. Among those who said travellers are driving the need for integration, 19% said that traveller behaviour was also the main barrier to developing an end-to-end programme. Organisations are grappling with a strategic need to drive change alongside a day-to-day resistance to that change. This indicates that there is a need for better change management, along with clear communication with travellers so they feel supported and excited by the change benefits.

“People are not inclined to change the existing process even if it’s for the better, resulting in poor adoption of the new tools.”

Travel buyer who identified travellers as driver for change
Annual travel spend: \$50-\$100 million USD
Central Asia

What else is hampering integration? In addition to the habits and behaviours of travellers, travel buyers say they are also contending with an inability to obtain organisational buy-in (30%), incompatible systems (28%), as well as a lack of resources/knowledge to implement and support integration (25%). The implication here is that while resource and technology investment are certainly hampering the efforts of some travel buyers, their biggest barrier to success is their ability to influence key stakeholders and create advocates for change.

“We have an end-to-end programme in place, however we do struggle with employees’ noncompliant behaviour...sometimes they find better discounts on the public booking platforms or more options due to the fact that the company booking platform is restricted to show in-policy travel options only.”

Travel buyer
Annual travel spend: over \$250 million USD
Europe

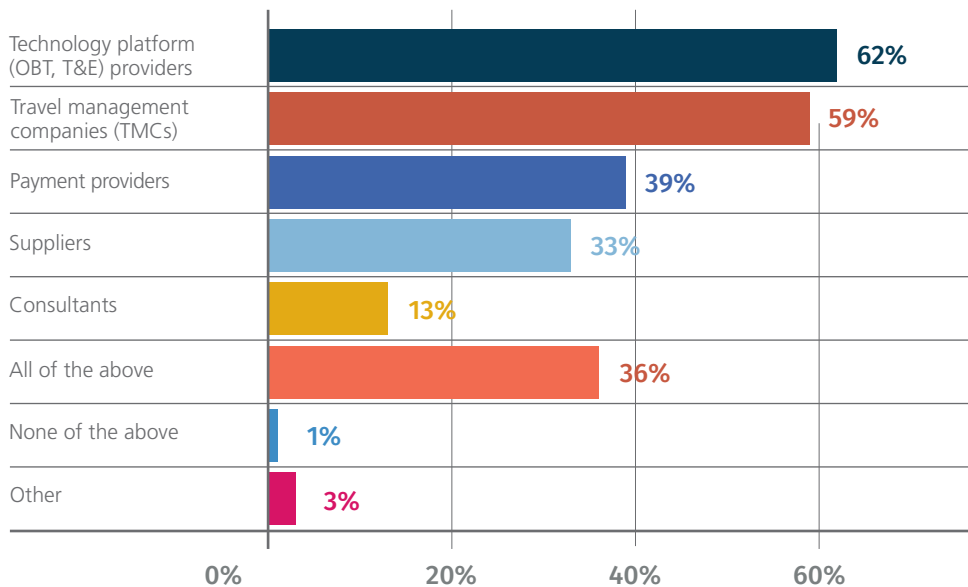
Collaborate to Integrate

"Business travel is made of different actors and suppliers who need to work together to be able to propose an integrated system answering business travel needs."

Travel buyer who felt all relevant suppliers should support integration programmes
Annual travel spend: less than \$10 million USD
Europe

End-to-end integration – by its nature – is complex and requires cooperation and support from companies involved in the travel workflow. It's also not something that can be achieved in a silo. In order to smooth the path towards integration, travel buyers should rally support from internal stakeholders and external partners. Who are the parties that travel buyers feel they should be able to rely on to achieve their objectives?

Chart 7. External partners expected to support development of an end-to-end programme



We know that OBTs are the most widely integrated element, thanks in part to the support technology platform providers and TMCs offer to travel buyers working to integrate their programmes. Well over half expect support from technology platforms (62%) and their TMC (59%) on their journey to end-to-end, as the decision-makers and those responsible for travel programmes recognise the value in having a single point of contact for all of their travel management needs from booking fulfillment, to assistance on trip, to expense management. An additional 39% see the value in support from payment providers, which seems low considering the level of importance travel buyers place on integration of corporate cards and expense management. However, often the TMC supports the payment aspect of the booking process, making the provider less directly visible.

In some cases, travel buyers do not feel they receive support from their external partners. In particular, some respondents voiced concerns that external partners do not work effectively together to create an integrated solution.

“Many suppliers have great tools but they do not always work together. There could be a great OBT, but it’s unable to feed data into the expense tool because they won’t integrate.”

Travel buyer
Annual travel spend: \$10-\$50 million USD
Europe

How can you garner support?

End-to-end means different things to different organisations, and it may evolve over time. Travel buyers should start with the end goal in mind, working backwards to identify what needs to happen and how various stakeholders can support them on the journey.

Key success factors

1. **See the journey through the eyes of your stakeholders:** What outlying processes can be discovered beyond the widely used booking, corporate card and expense platforms? Where do the company stakeholders (travellers, finance, and human resources, for example) have to deviate from your tool(s) to manage processes? Take the time to understand their challenges and needs.
2. **Get leadership onboard:** Show business leaders how end-to-end integration supports the overall objectives of the business. Many travel buyers say stakeholders are already invested in the process – it’s about building a clear business case to demonstrate benefits and ROI for each stakeholder group.
3. **Bring travellers along on the journey:** Business travellers are potential allies for change – but it’s up to travel buyers to help them understand how end-to-end can support their needs. Many travel buyers see travellers as a barrier to integration, but you can make them an advocate for change by involving them in the process. Identify their needs and focus on how you can meet those in your planning and communications.
4. **Lean on the experts:** Identify subject matter experts to help understand available technologies that can work for your organisation, to provide data and automate or streamline processes.
5. **Identify opportunities to consolidate:** Consider all the touch points in your journey to end-to-end. Some travel programmes may benefit from establishing a single travel management partner to fully achieve integration. Challenge your partners to work together to bring you solutions, build business cases and support change management within your organisation.

“We need win-win collaboration with our suppliers.”

Travel buyer
Annual travel spend: \$10-\$50 million USD
Europe

“A full end-to-end program needs collaboration between all suppliers within the workflow. I find that TMCs at times are the most inflexible in letting go of the way they have always done things. External suppliers, particularly those with more of a tech lead approach are the most flexible challengers of the status quo - they are the ones that are disrupting and having positive effect on innovation.”

Travel buyer
Annual travel spend: \$100-\$250 million USD
Europe

Conclusion

The journey towards end-to-end integration, while presenting complex challenges, is front of mind for most travel buyers around the world. How you go about effecting change depends on a variety of factors, including internal buy-in, access to resources and investments, the strength of external partnerships and the specific requirements of the business and its travellers.

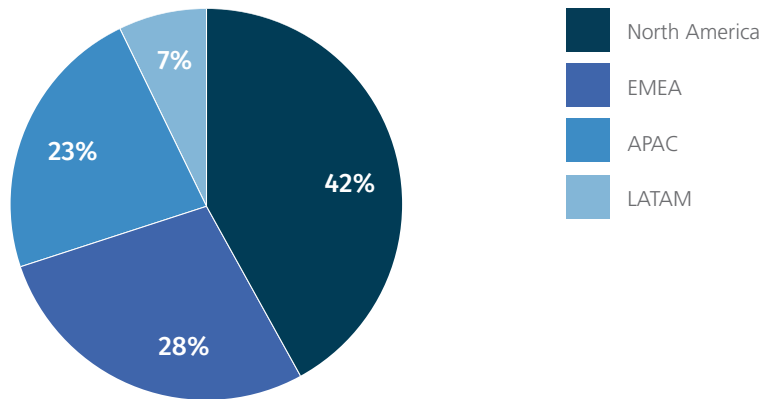
What is clear is that internal stakeholders across various business functions are invested in supporting the integration of travel management programmes, and there is significant support available from a variety of partners. Travel buyers should seize this opportunity to demonstrate leadership and drive real benefits for their organisations and their travellers.

The benefits of an integrated approach are clear. Wherever you are on the journey, you can leverage the insights from this report to move ahead and achieve your objectives, whether you're already on the road to end-to-end integration, or one of the few who have not yet started.

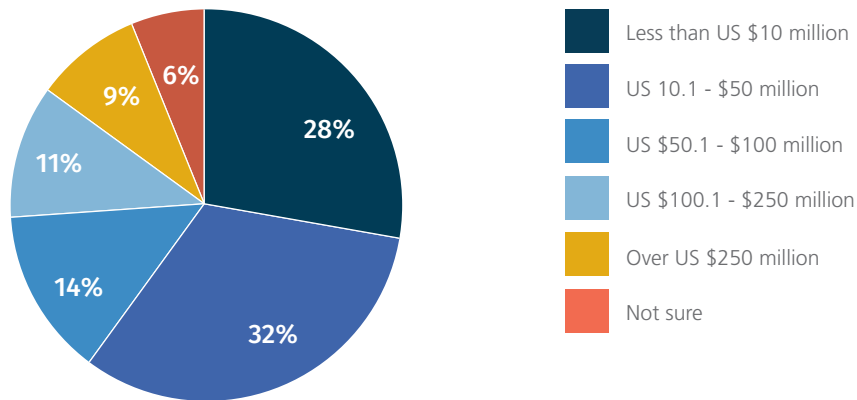
About the Report

To produce this report, ACTE surveyed 276 travel buyers around the world via a combination of open-ended and multiple-choice questions.

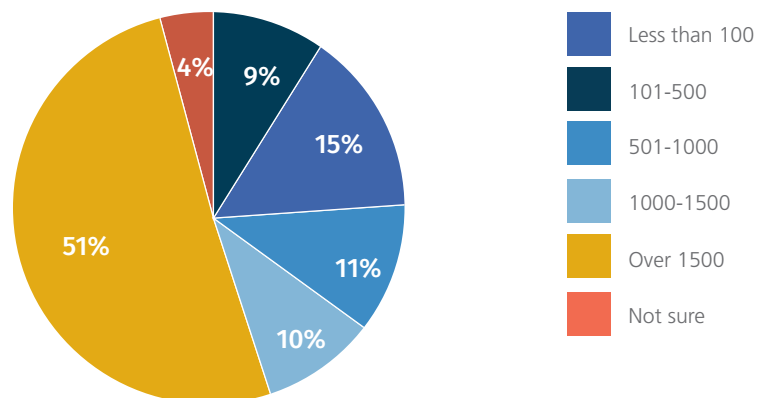
Global breakdown



Travel spend



Number of travellers





About the Association of Corporate Travel Executives (ACTE)

The Association of Corporate Travel Executives (ACTE) has a 30-year reputation for leading the way corporate travel is conducted. As a global association comprised of executive-level members in more than 100 countries, ACTE pioneers educational and technological advances that make business travel productive, cost-effective and straightforward. ACTE advocacy and initiatives continue to support impactful changes in safety and security, privacy, duty of care and compliance along with traveller productivity that supports global commerce.

Learn more at www.acte.org.

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