

F202: Improving Compliance

Presenters:

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Yann LE GOFF, Sourcing Director - Indirect Materials & Services
SIDEL B&C

Cindy Van der Elst, EMEA Travel Manager, Honeywell Europe

Improving Compliance F202

May 15th 2009

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"It is not the strongest of the species that survives,
not the most intelligent,
but the one most responsive to change."
-Darwin





The Essence of Renewal...



Bad news for the
caterpillar is good
news for the
butterfly...

'Change Yourself'

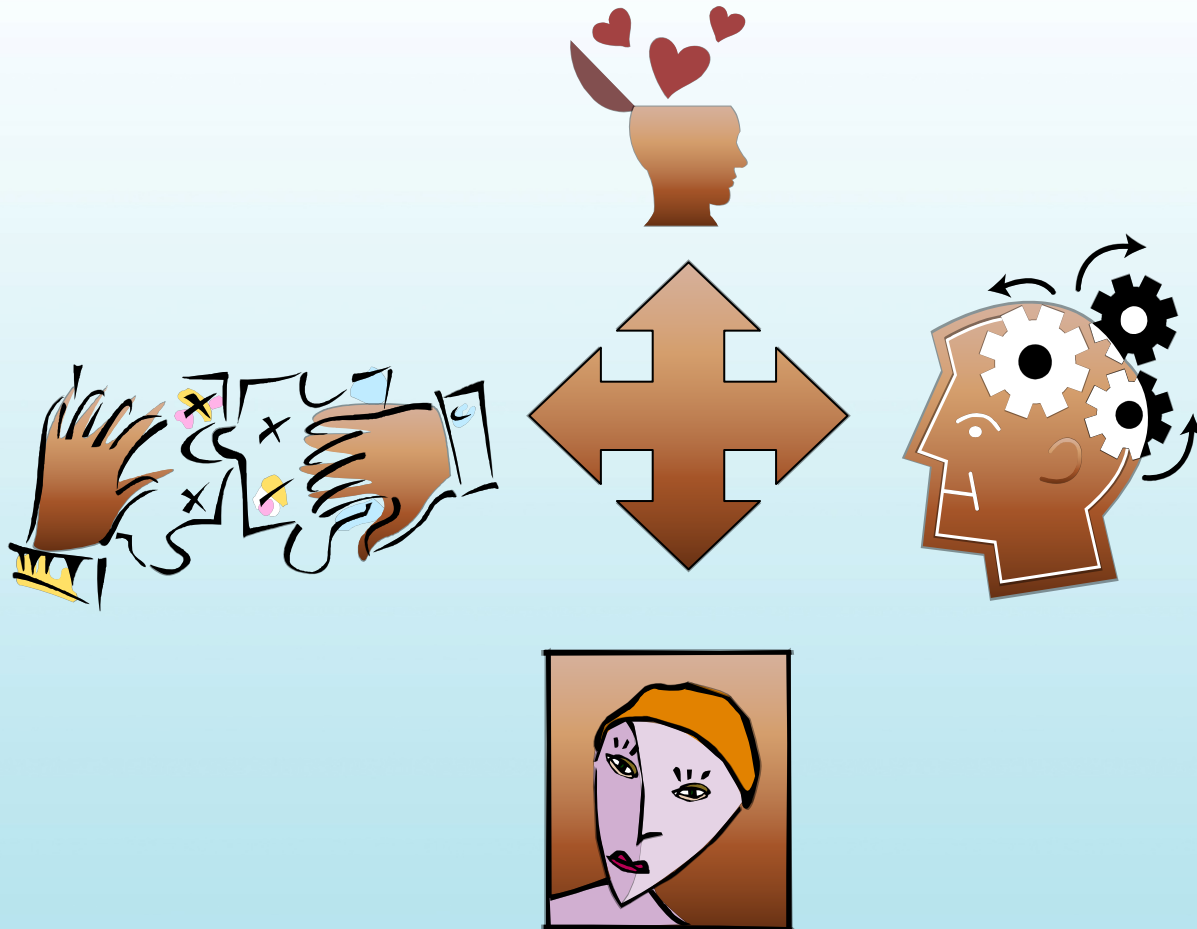


Check Your messages against
these characteristics:

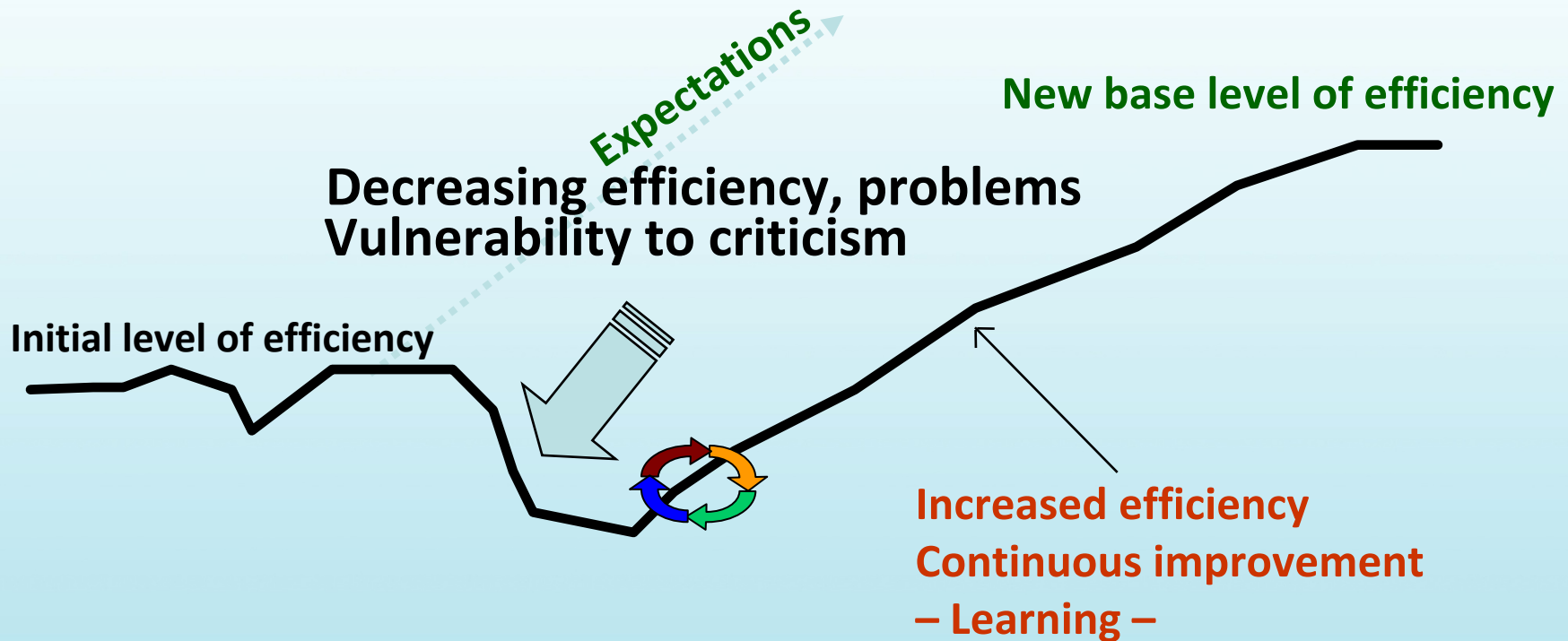
Why Bother, Brother?

- **WII4M³**
 - What's in it for me?
- **WII4US**
 - What's in it for our team and colleagues?
- **WII4OF**
 - What's in it for our firm?
- **WDID(IP)**
 - What do I do – in practice?

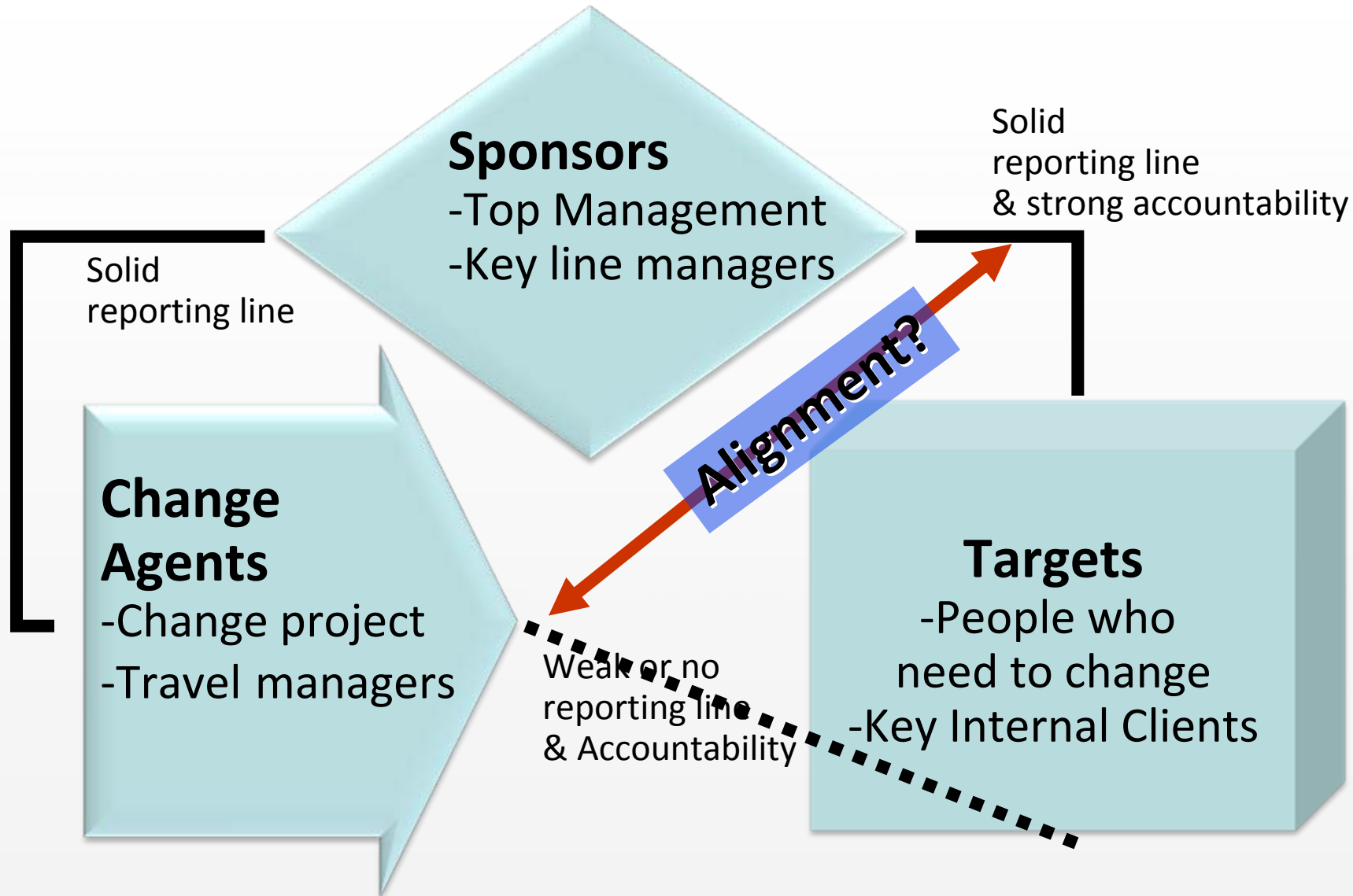
The Communications Challenge



Improvement Project Phases



Critical Roles: Do all key players share the Vision and have the same direction?





The Beast We Call “Change Resistance” Might Really Be A Management Issue

Causes for not complying:

Unwilling?

Unable?

Unknowing?

Your tactics:

Lead and Manage. Set goals, measure, provide coaching and feedback, reward and recognize.

Enable. Remove obstacles. Educate and train in new skills, techniques, and practices

Engage. Communicate the what, why, how, when, who, etc..
Have a real dialogue.



Balanced Change Scorecard

Enabler

- Set clear measurable change goals
- Allocate necessary resources
- Train & educate

Leader:

- Confirm ownership
- Cause to go with one,
- Guidance given by going front

Lead

Enable,
resource

Engage,
Involve

Manage

Manager:

- Plan, Do, Check,
- Act

Communicator:

- Involve users
- Ceremonies, events
- Listen

Summary:

- Fact based change management
 - Facts about: Perceptions, actions and execution, behaviours, wellness.
 - Systematic planning and execution.
- Clear goal and target.
 - Specific and jointly defined.
- Project management principles and immediate corrective actions.



Summary:

- Reasonable resourcing.
 - Time, money, tools, people.
- Sponsorship: Active management alignment, participation and support. Ownership, A Face.
- Involving people, dealing with their emotional issues as well as factual matters.



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SIDEL B&C

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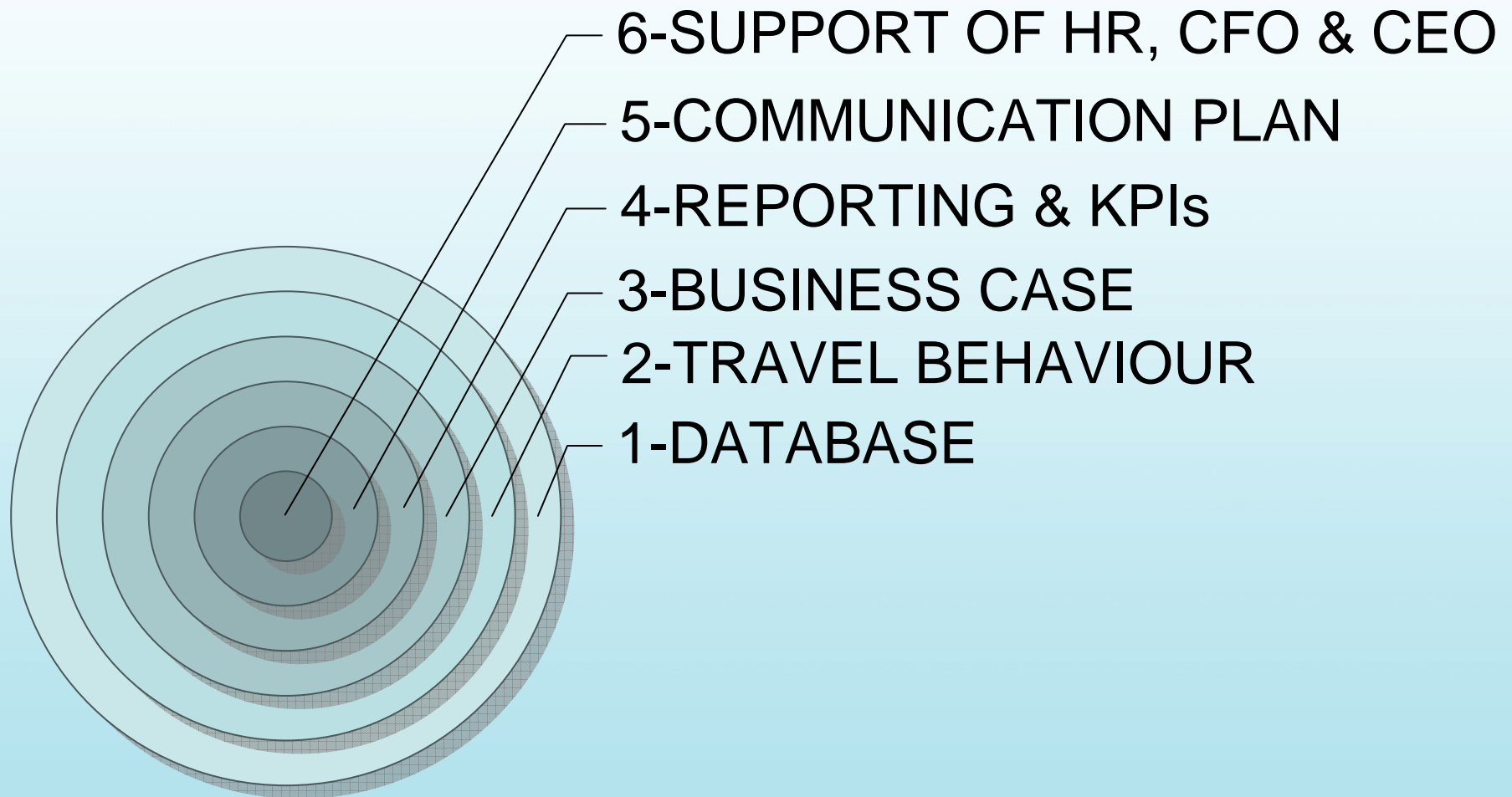


FACTS ON SIDEL

- Specialized in bottling lines manufacture
- 34 business points around the world
- 2 main sites : France & Italy
- Travel : 30M€
- 5,000 employees for 1,250 M€ turnover



6 STEPS TO BUILD A STRATEGY



1- DATABASE

- To identify spends (value, nature, volumes, routes used...)
 - Corporate cards
 - Travel management companies (TMC)
 - Airline & car rental reports
 - To list all existing contracts and evaluate their use
- To build a database with pivot tables for analyses
 - Excel and/or Access (2007, 2008 & 2009)
- TIMING : 2 to 3 months
- RESSOURCES : TMCs, Accountancy Dept, Travel Manager
- DATA : TMCs, payment cards, expense reports

2- TRAVEL BEHAVIOUR

- To extract, thanks to pivot tables, behavior analyses
 - Business class Vs Economy (including low cost carriers)
 - Booking in advance
 - Trip frequencies
- To define pre-trip process
 - Trip management, pre-authorization, booking process
 - Analyze of all existing booking process and tools
- TIMING : 1 month
- RESSOURCES : Travel Manager + one university trainee

3- BUSINESS CASE

- To benchmark best practices
 - Between Group Divisions
 - With Market
 - With TMC
- To define potential economies
 - Booking class, airlines, timings...
 - Anticipate change of traveler behavior
 - Simulate ideal behavior and best economical solutions
 - To redraw the travel policy
 - Priority to existing global contracts
- TIMING : 1 month
- RESSOURCES : Travel Manager + one university trainee

4- REPORTING & KPI

- To measure impacts
 - Policy change (Use of LCC, no more business...)
 - Use of best economical solution (Use best fare, airline or route...)
 - Change of behavior (Advance booking, class...)
- To propose a standard monthly report
 - To measure supplier performances
 - To measure the use of Global Contracts
 - To measure the economical effects of travel policy changes
- TIMING : 1 month
- RESSOURCES : Travel Manager + one university trainee

5- COMMUNICATION PLAN

- To the Group Steering Committee
 - Action plan, tools, expected effects
- To the Partners (airlines in contract, TMCs...)
 - Impact of day to day work
 - Economical and organizational challenge
- To the travelers
 - Changes & consequences
- TIMING : 1 month
- RESSOURCES : Travel Manager + one university trainee

6- SUPPORT OF HR, CFO & CEO

- Human Resources
 - To support the change of policy and to communicate it
- Chief Financial Officer
 - To approve saving calculation methodology & economical targets
- Chief Executive Officer
 - To validate the action plan and support it
- TIMING : 1 week
- RESSOURCES : Travel Manager + Account Auditors



PAST BEHAVIOUR



Travel Manager
Process well define



No Travel Manager
Process not define
Non respect of Travel policy



IT

F

FORMAL

TRIP APPROVAL

NONE

>25%

LOW COST

<5%

CHALLENGED

NATIONAL CARRIER

SYSTEMATIC

<5%

BUSINESS CLASS

>10%

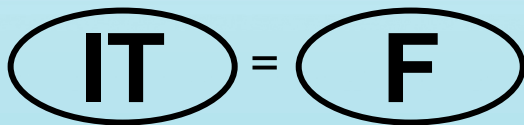
SYSTEMATIC

ADVANCE BOOKING

NEVER



NEW BEHAVIOUR



Alignment of policies, process and organisation
Contract re-negotiation
Alternative solutions



IT

F

FORMAL

TRIP APPROVAL

FORMAL

>25%

LOW COST

>20%

CHALLENGED Shuttle for IT/FR

NATIONAL CARRIER

CHALLENGED Shuttle for IT/FR

<2%

BUSINESS CLASS

<2%

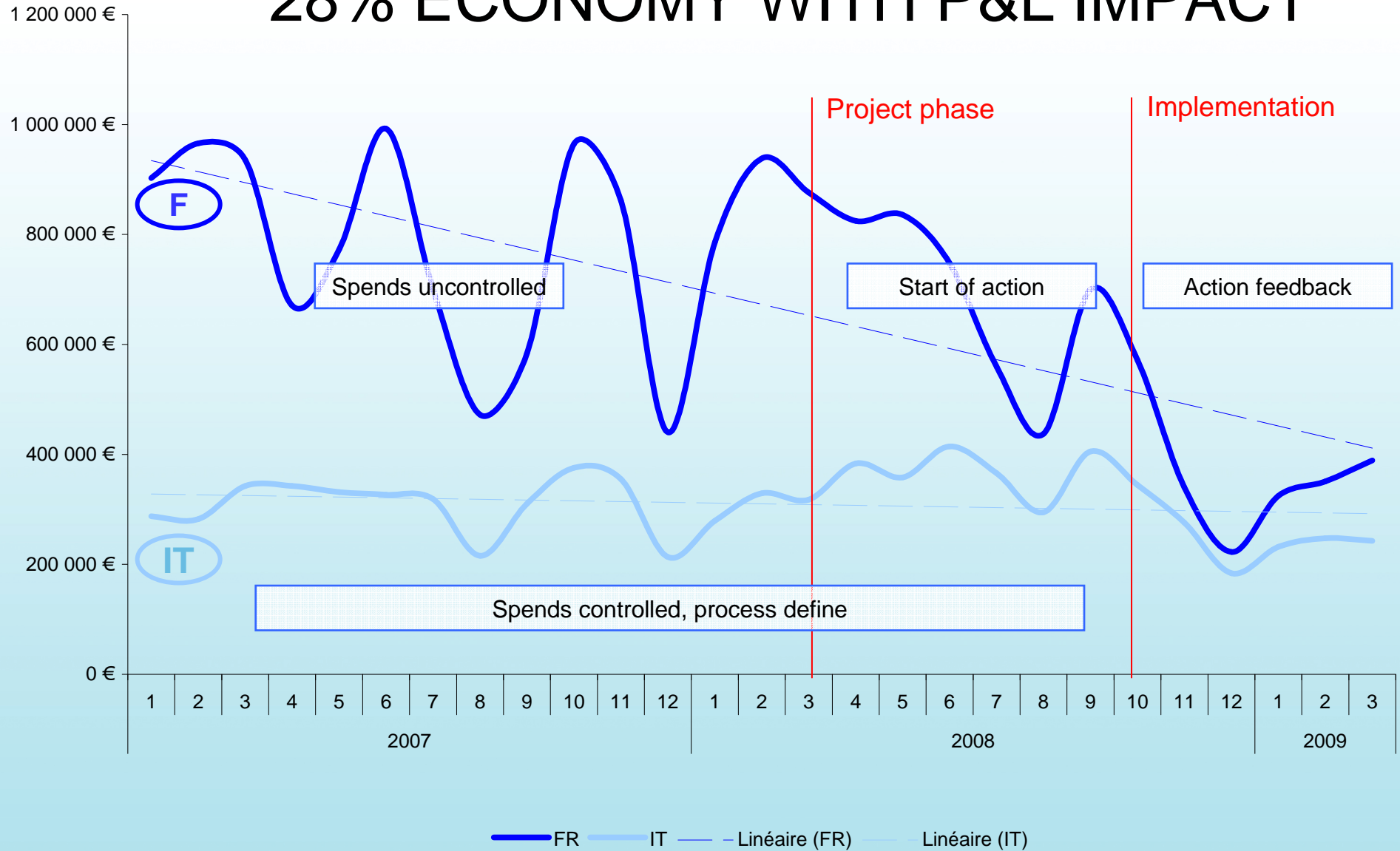
SYSTEMATIC

ADVANCE BOOKING

SYSTEMATIC



28% ECONOMY WITH P&L IMPACT





crossroads **paris**
Paragon Business Travel Conference & Expo
14-15 May 2009

THANK YOU





An audacious management

Sourcing Director of indirect spends for the SIDEL group, member of the French Travel Manager Association steering committee, Yann Le Goff carries the cap of Travel Manager since July, 2008. To optimize expenses not really controlled linked to displacements of his collaborators, Yann LE GOFF launched an audit, made an action plan showing accomplishable savings and has it approved by its Steering Committee. « *Feedback was very favorable, and they gave full clearance to me to restructure travel policy, control the internal process and take back the control of the suppliers* ». In less than 6 months, results are convincing: more of one million euro of economy on the air travel spends, notably thanks to the installation of a private air link between the French factory of Le Havre (FR) and the one of Parma (IT). Available on booking to all collaborators, whatever their function is, the twin jet aircraft allows to link up both cities in 1h30. Plan is audacious, just as the course of his instigator. First pilot of some business aircrafts, Yann Le Goff dropped the flight controls for a sales and marketing function in the aerospace, before working on purchases with SIDEL. Good knowledge of markets and understanding business passenger problems allowed him to create the function which he occupies currently.

Transparency of results

If Yann Le Goff maintains good relations with his collaborators, it is because he bets everything on transparency. « *The key is in communication, it is necessary to show results. I do not hesitate to go to technicians' big meetings to introduce figures, and to explain the process that drove to savings* ». According to him, method works. Even, some passengers take reflexes of Travel Manager themselves, by complaining about the high cost of some travels, or by searching directly the most favorable prices. « *If we communicate properly with the right methodology, we can either work financial people, Top Management or collaborators* ».

Toolbox

In view of the economic context, the overhaul of travel policy accelerates in 2009. Travel spends dropped by 30% in value. Trips dropped by 5 to 10%. To reach these objectives, Yann Le Goff is looking for some new tools to control better the travel chain: « *We are going to set up a Self Booking Tools as well as a Travel & Expense tool. The deployment of a lodged account in partnership with AIRPLUS is also in project* ». The Travel Manager counts on the support of a travel agency, and makes tender for. This New Year already promises to be well loaded for this 42 years old man as he just took a new challenge: « *I teach purchases and negotiations in Le Havre University. The hardest job of my career!* ».

Purposes gathered by Alexis DUFOUR "Voyage & Business"

Travel Compliance Best Practices

Honeywell Europe
Cindy Van der Elst
EMEA Travel Manager

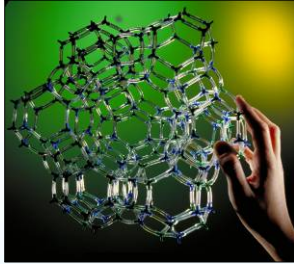
Are you like this when it comes to driving traveler compliance?



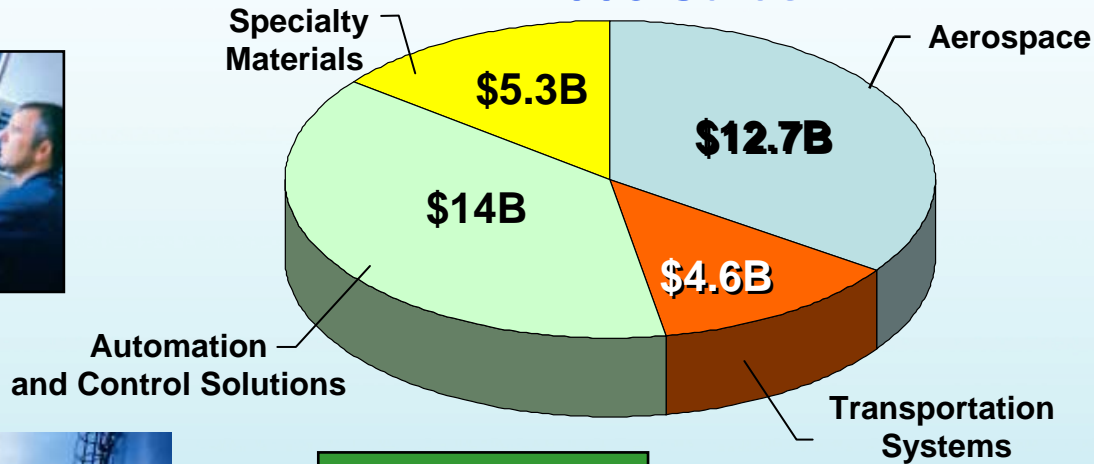
Company Overview

- 128,000 employees in more than 100 countries
- A *Fortune* 100 company – sales of \$36.6 billion in 2008
- “World’s Most Ethical Companies”
– Ethisphere Institute
- “America’s Most Admired Companies”
– *Fortune* magazine
- “Best Places to Launch a Career”
– *BusinessWeek* magazine
- “The Alexander Hamilton Award”
– *Treasury and Risk* magazine
- “Most Admired Companies”
– *U.S. Black Engineer & Information Technology*, *Hispanic Engineer & Information Technology*, and *Women of Color* magazines

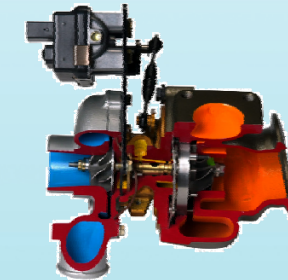
Honeywell's Businesses



2008 Sales



Total = \$36.6B



Diverse Businesses, Technologies and Products

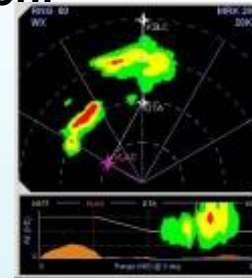
The world's premier supplier of aircraft engines and systems, avionics and other products and services for airliners, business and general aviation aircraft, military aircraft and spacecraft.

Businesses:

**Air Transport & Regional, Business & General Aviation.
Defense & Space**

Products:

- Aircraft engines
- Auxiliary power units
- Integrated avionics and aircraft control systems
- Aircraft safety systems
- Precision guidance and navigation
- Environmental control systems
- Electric generation and distribution systems
- Landing systems
- Repair and overhaul
- Spare parts
- Support and services for space and communications facilities
- After-sales support solutions
- Aircraft lighting
- Aircraft cabin entertainment and passenger productivity products/systems



Automation and Control Solutions

A global leader applying sensing and control expertise that helps create safer, more comfortable, more secure, and more productive environments in homes, buildings and industry. More than 120 million homes and buildings as well as 24 of 25 top oil refineries rely on ACS products and services.

Businesses:

Environmental and Combustion Controls, Life Safety, Honeywell Building Solutions, Honeywell Process Solutions, Honeywell Security & Data Collection, Sensing and Control

Products and Services:

- Energy management systems, building automation, controls and services
- Commercial fire systems, smoke and gas detection, personal protective equipment, and home healthcare monitoring products
- Fire alarm, access control, video surveillance systems and automatic identification, and data collection
- Controls for heating, ventilation, air conditioning, humidification, zoning, water controls and processes, electrical devices, and systems and lighting control
- Electromechanical switches and electronic sensors used for industrial, aerospace, medical, transportation, and test and measurement applications
- Advanced software applications for home/building control and industrial optimization and process automation



Transportation Systems

The world's leading innovator of automotive turbochargers. We offer some of the best-known consumer automotive product brands and manufacture world-class braking material for major auto manufacturers around the world.

Businesses:

- Turbo Technologies
- Consumer Products Group
- Friction Materials

Products:

- Garrett® turbochargers
- Prestone® antifreeze/coolant
- Autolite® platinum spark plugs
- FRAM® automotive filters
- Holts® car care products
- Bendix® and Jurid® brake pads



Specialty Materials

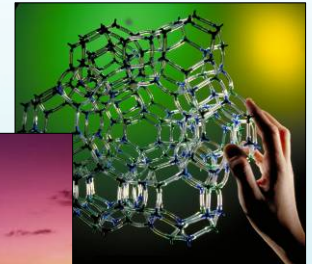
A global leader in providing customers with high-performance specialty materials, including fluorocarbons, specialty films and additives, advanced fibers and composites, customized research chemicals, electronic materials and chemicals, catalysts and adsorbents and process technology, engineering, equipment and services for the refining and petrochemical industries.

Businesses:

UOP LLC, Fluorine Products, Resins & Chemicals, Specialty Products, Electronic Materials

Products:

- Process technology, catalysts, adsorbents and technical services for the petroleum refining, petrochemical and gas processing industries
- Biofuels process technology
- Genetron[®] environmentally-friendlier refrigerants
- Spectra[®] high-performance fiber for ballistic protection and other applications
- Aclar[®] pharmaceutical film packaging
- Enovate[®] non-ozone-depleting blowing agent
- Ammonium sulfate fertilizers
- Caprolactam for nylon production
- Burdick & Jackson[™] solvents and reagents for biotechnology and pharmaceuticals
- Chemicals and metals for semiconductor production



No game without rules!

- Travel policy => “rules of the game”
- Uniform guidelines and procedures for all
- Highlight company & employee benefits
- Sponsorship from senior leadership
- Escalation process for compliance offenders

See yourself as an ambassador of the game!

THE “AIR” CHALLENGE

Lost Savings for air travel in 2008 => 10%

Goal Lost Saving decrease for 2009 => 5%

THE POLICY

Lowest logical airfare for domestic and international travel: Travelers are required to book the Lowest Logical Airfare including the use of non-refundable tickets, connecting flights and alternate airports.

THE SOLUTION

- Lost Saving Reason Code tracking
- Post trip Lost Saving Report
- Pre trip Lost Saving Report
- Agreed threshold with Travel Agency to apply escalation process

THE “HOTEL” CHALLENGE

Preferred Hotel Compliance => 10%

Goal Preferred Hotel Compliance for 2009 => 50%

THE POLICY

Hotel Spending Guidelines: Travelers are required to use Honeywell’s negotiated or preferred rates whenever possible. Travelers will be reimbursed for actual and reasonable hotel room costs

THE SOLUTION

- Involve local stakeholders
- Apply consistent supplier rationalization
- Hotel non-compliance reason code tracking
- Pre-trip Hotel non-compliance report
- Online booking tool = only preferred hotels where available

THE “ONLINE” CHALLENGE

Online booking adoption rate in 2008 => 35.46% (7 markets)

Goal Online booking adoption rate in 2009 => 40% (7 markets)

THE POLICY

Reservation Procedures: Where it is available, air travel, lodging and car rental must be booked online through the company's on-line reservations system for the traveler's location (e.g., Travel Planner) if not available, through the designated travel agency serving the traveler's location.

THE SOLUTION

- Online training tool
- Onsite training/refresher
- Post trip reporting
- Involve local leadership to drive adoption site by site
- Invitation to use online on the telephone welcome message

Please grant me the serenity to
accept the things I cannot
change, the courage to change
things I can, and the wisdom to
know the difference !

Questions?

Thank You!