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The Road Ahead- Your Role as a Government Travel Manager

Panel Discussion:

Jerry Chenault, USDA

Hilary Haight, National Science Foundation

Dan Maschoff, Accenture

Karen VanBuskirk, GSA Contractor support

National Travel Forum
June 29 2010



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Today's Session:

Travel continues to be one of the most dynamic areas to manage. With travel budgets under scrutiny, the role of the travel manager is more important than ever. But where should your focus be?

Best practices for containing costs

Green initiatives

Measuring the effectiveness of your travel program

Roundtable discussion: ways to stretch your travel \$s and communicate the value of your travel program to your management



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Agenda:

- Introductions
- Travel Manager Roles and Responsibilities
- Managing your travel spend
- Share strategies for best practices
- Measuring effectiveness of your travel program
- Roundtable Discussion





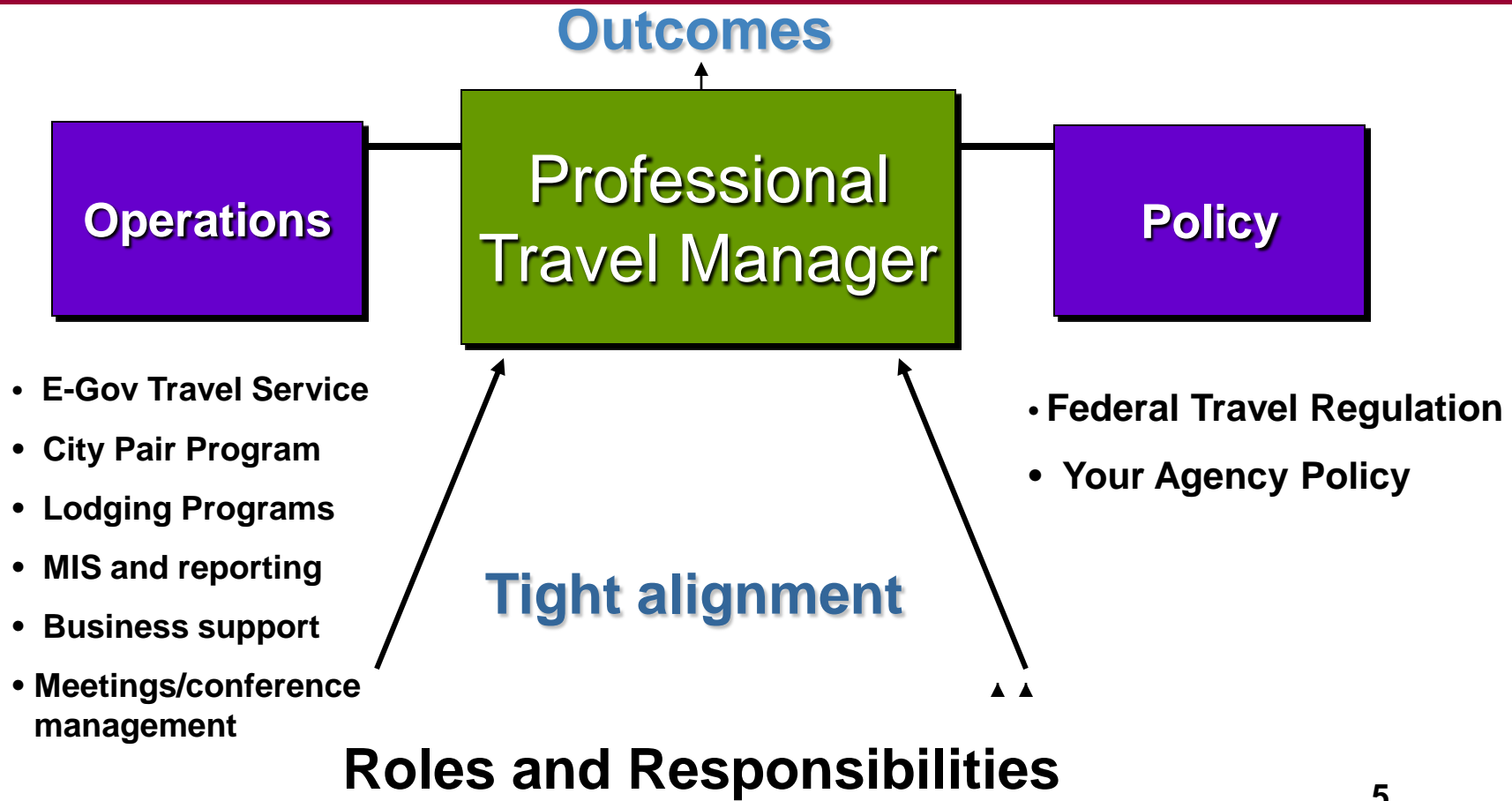
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TRAVEL MANAGER ROLE



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The Value of a Travel Manager

- **What's the opportunity?**
 - **Internal Controls**
 - Data and information supports effective decision making
 - Better management of travel security
 - **Compliance**
 - Maximize savings through greater use of preferred suppliers
 - Reduce out-of policy travel
 - **A way to save money**
 - Operational effectiveness, user satisfaction





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Training/Educational Opportunities

- **National Business Travel Association (NBTA)** www.nbta.org
- **Association of Corporate Travel Executives (ACTE)** www.acte.org
- **GSA Training** www.gsa.gov.traveltraining
- **Society of Government Travel Professionals (SGTP)** www.sgtp.org
 - Entry Level online course

Outcomes:

- Skills to develop and manage travel program*
- Knowledge of best travel management practices*
- Understanding of key business issues in all segments of travel industry*



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GSA Support you can count on:

- Emphasizing value of managing travel across government stakeholders
- Travel Manager Excellence Team
- Handbook for Business Travel Buyers - BTN
- Travel MIS to support reporting requirements
- Travel Manager Toolbox- *in development*





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MANAGING YOUR TRAVEL SPEND

2010 Federal Budget seeks \$75B in Savings....

June 14, 2010

The Obama administration last week directed agencies to prepared as much as \$75 billion worth of discretionary budget cuts for 2012..



Opportunities to Focus On

- Optimize Air spend
- Drive Hotel savings
- MIS Travel – Changing Buyer Behavior
- Communication Strategies
- Measuring Success of your Travel Program



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OPTIMIZING AIR SPEND



City Pair Program

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Why CPP- key facts

- Core requirements EXCLUSIVE/UNIQUE for federal government:
 - Firm Fixed Price
 - Last seat available in inventory
 - Fully Refundable
 - No Cancellation Fees
 - No Change Fees
 - No Advanced Purchase Required
 - No Blackout
 - No Minimum or Maximum Stay
 - No Volume / Performance Liabilities
 - Must meet DOD participation in CRAF
 - Must meet DOD safety requirements



Dual Fares

➤ Two contract fares: **YCA** and **_CA**

- **YCA** – best value discounted unrestricted fare
- **_CA** – more highly discounted capacity controlled fare

Savings Opportunity:

Guide travelers to pick more deeply discounted -CA fares
in dual fare markets

Write policy requiring –CA fares whenever available ¹⁴



What about use of Commercial Fares?

- *“I can find it cheaper on the internet”*
- FTR has provision that allows consideration
- Are there times when it is advantage of commercial fares?
- What do you need to consider?

Panelists are here to tell you their approach...



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DRIVING HOTEL SAVINGS



Why FedRooms- Key facts

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Why FedRooms- key facts

- **Best price/value:** *always at or below per diem rates*
- **Policy compliant hotels:** *Fire Safety/FEMA-certified*
- **Flexibility:** *cancellation deadline 4pm (or later) day of arrival; no early check-out fees*
- **Lodging where you need it, when you need it!**
Your favorite hotel is probably in the Program ,there are 7,000+ hotels worldwide
- **No unadvertised fees**
- **Did you know ...**
 - *You can also use FedRooms® for personal travel*
 - *You also get your hotel award points with FedRooms® rates*
 - *You also get any “free” hotel amenities (e.g. breakfast and internet)*
 - *You can use FedRooms® when you attend a conference – save money!*
 - *Government contractors may also use FedRooms®*



Opportunities

- Keep travelers in online tools to book hotels
- Educate traveler how to find FedRooms hotel in tool
- Ask for FedRooms rate (Gov rate is 12% higher)



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Data, Data, Data: Foundational to a Successful Travel Program



Suite of Government Wide Standard Reports and Interactive Dashboards

- Regulatory Reports
- Travel Spend Reports
- Programs Utilization Reports
- Group Travel Reports
- Data Source and Data Quality Reports
- Sourcing Reports



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Drive outcomes for your agency with GSA Travel MIS

- Cost savings – via increased utilization of existing travel programs
- Improved agency policy formulation/oversight
- Improved ability to detect program slippage
- A means for cost containment
- Time and resource savings associated with more efficient fulfillment of FOIAs and data requests



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GREEN: The Hottest Color in 2010



Why Now?

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- On October 5, 2009, President Obama signed Executive Order (EO) 13514 to establish an integrated strategy towards sustainability in the Federal government and to make reduction of greenhouse gas (GHG) emissions a priority for Federal agencies.



Tools to go Green

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- E-Gov Travel Service
 - Online
 - Consolidation and aggregation of data
 - Supports the Travel MIS reporting tool

- FedRooms[®] hotels – corporate specific with social responsibility



Food for Thought: Travel Alternatives

source

NBTA Forecast

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➤ **Teleconferencing:**

- 31% reporting an increase of up to 5%
- 21% indicating an increase of 5-10%

➤ **Video conferencing:**

- 32% indicate an increase of up to 5 %

➤ **Telepresence:**

- 9% note increased use of Telepresence by up to 5%
- 5% of users report a 5-10% increase

Is Technology replacing trips?

81% of travel buyers think so, but

An additional 20% said that this technology complements trips rather than replace it



Best Practices

Positive Outcomes

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accenture



National Science Foundation
WHERE DISCOVERIES BEGIN



United States Department of Agriculture



Best Practices
Positive Outcomes

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United States Department of Agriculture

Jerry Chenault



USDA eGovernment Travel



Travel Management



Cost Saving Options

Pre-ETS

Paper Authorizations and Vouchers on average \$28.50 for authorization and booking only. Paper vouchers entered manually into financial system for payment.

ETS

On-line Authorizations and Vouchers less than \$18 for authorization and voucher. Travel Arrangers if not able to make your own arrangements.



Travel Management



Availability of restricted fares

- Must have internal controls in place to track unused tickets
- Must educate travelers on the use of restricted fares

Educate Travelers via Communications

- Capacity-controlled fares
- Restricted fares including non-refundables
- Use of FedRooms



Travel Management



Travel Management Program Office

Combine travel policy, operational responsibility for the system in use and customer support or help desk

Effort underway to recommend organizational realignment

- May include centralized travel arrangers for entire Department or agency-specific centralization of processing authorizations and vouchers

- May include expanded responsibilities for local travel, relocation and long term-taxable temporary duty travel



Travel Management



Travel Management Center Management

Pre-ETS

Over 450 Task Orders for TMC Services

-65% expired on 12/31/2004

-Remainder expired during 2005 through September

ETS

TMC Services are managed by the ETS provider



Travel Management



Current Initiatives

Split Disbursement

- Increases rebates for timely payment

Stamp via Email

- Approval of Authorization and Voucher
- Desktop
- Blackberry



Best Practices

Positive Outcomes

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National Science Foundation
WHERE DISCOVERIES BEGIN

Hilary Haight

National Travel Forum



National Science Foundation (NSF)

Travel Management Presentation -
June 29, 2010



Travel Management

- Cost containment -- offering travelers cost saving options
- Managing “Green” aka requests from OMB
- Communications – how to help our travelers
- ETS best practices
- Performance based metrics



Cost Containment

Offering Travelers Options

- NSF conducted a non refundable pilot in FY09
- Results presented to NSF Executives who provided “green light” to offer options across the Foundation
- Working with our ETS and TSS service providers to open option to all travelers
- Implementation summer 2010



Non Refundable Ticket Pilot Findings

- The Pilot was conducted on an optional basis for panelists and results are for all participants in FY09 .
- Participants selected non refundable fares 26% of the time
- Extrapolating across the Foundation, there is a potential savings of \$2.7 million dollars based on average savings and % of utilization
- Benchmarking with other Agencies reveals several who allow and encourage the use of non refundable fares
 - e.g., DOT, DOI, USDA, Education, Treasury

Ticket Data	Count	Invoice Cost	Savings Data*
Total Tickets Issued	911	\$425, 654	
Total Non Refundable Selected	238		\$115, 877
Total Cancelled	11	\$ 5, 975	
Net Savings			\$109, 901
Average Savings Per Ticket			\$462*

*Savings is comparison of fare paid vs. YCA



Managing “Green”

CO2 Footprint

- Worked with GSA on using the travel MIS to provide data requested by the OMB CEQ office.
 - Some requests came via GSA and others direct to our NSF green team
 - We need to establish better understanding of CO2 footprint fluctuations based on travel destinations, type of aircraft, etc.
- Virtual meetings



Communications

Outreach, outreach and more outreach!!!

- The travel team at NSF presents at our Program Management Seminar about 8 times per year for new Program Officers
- Our team publishes newsletters and is responsible for the development and maintenance of our internal travel website
- We've formed two new groups, ETS SuperUsers and a management Travel Advisory Council to help educate on travel issues and glean VOC
- Provide hand out for New Employee Orientation package



ETS Best Practices

- Involve stakeholders early in the implementation process
- Continue to do community outreach
- Meet with all levels within the organization, e.g., Executives and day to day pocs
- Infrastructure resources, e.g., internal website
- Conduct continual training



Performance Metrics

- Report statistics to Executive Officers on an ad hoc basis
- Currently exploring a metric report card that can be briefed and/or published on our internal website
 - Working with GSA's Travel Excellence Council to explore metric standards



Best Practices
Measuring Success

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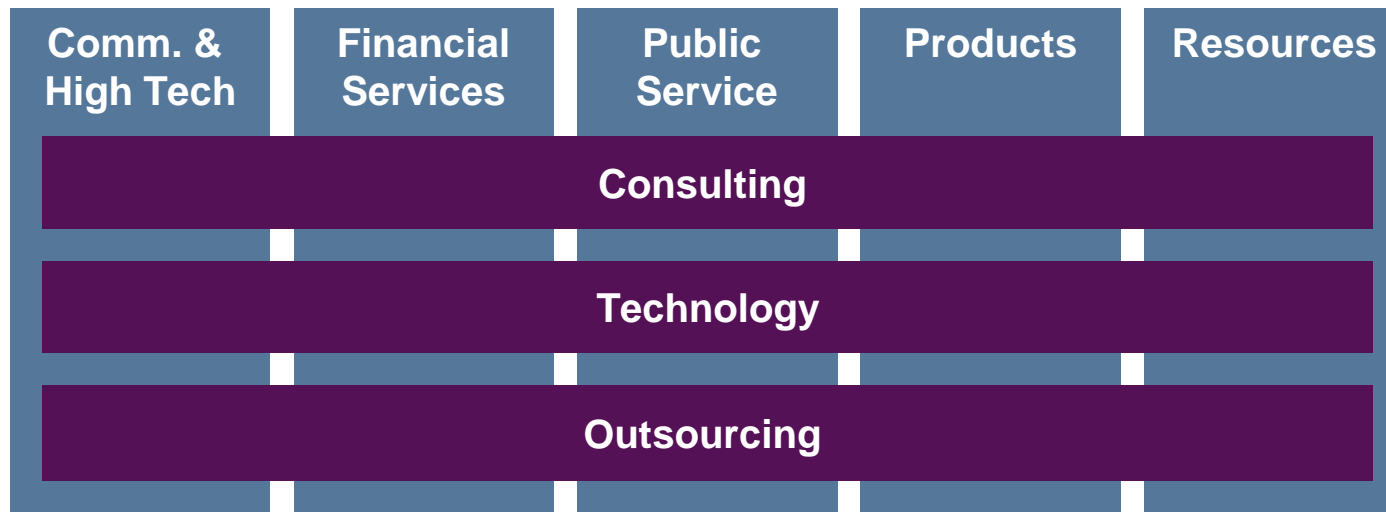


Dan Maschoff

Travel & Entertainment Global Category Director
Accenture Procurement Solutions



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Accenture Fast Facts

- With a worldwide personnel count of more than 190,000, Accenture serves approximately 4,000 clients in more than 120 countries that span the full range of industries around the world
- In fiscal 2009, Accenture served 96 of the Fortune Global 100 and three-quarters of the Fortune Global 500
- Accenture generated net revenues of US\$21.58 billion for the fiscal year ended Aug. 31, 2009
- Of Accenture's top 100 clients in fiscal 2009 (based on revenue), 99 have been clients for at least five years, and 91 have been clients for at least 10 years



Best Practices

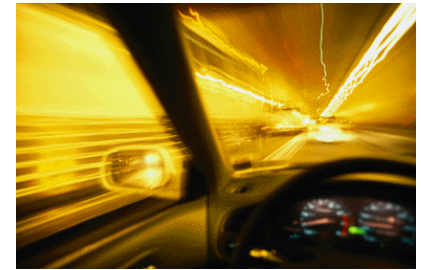
Measuring Success

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Why is “Measuring Success” important?

- Expectations and accountability for improving travel spend management continue to grow
- Increasing complexity and scope requires efficient management processes and tight focus on Key Performance Indicators (KPIs)
- Metric-driven insight supports better decision making with tighter linkage to achieving goals
- Analytics and Performance Management depend on metrics to validate high performance and use of leading practices





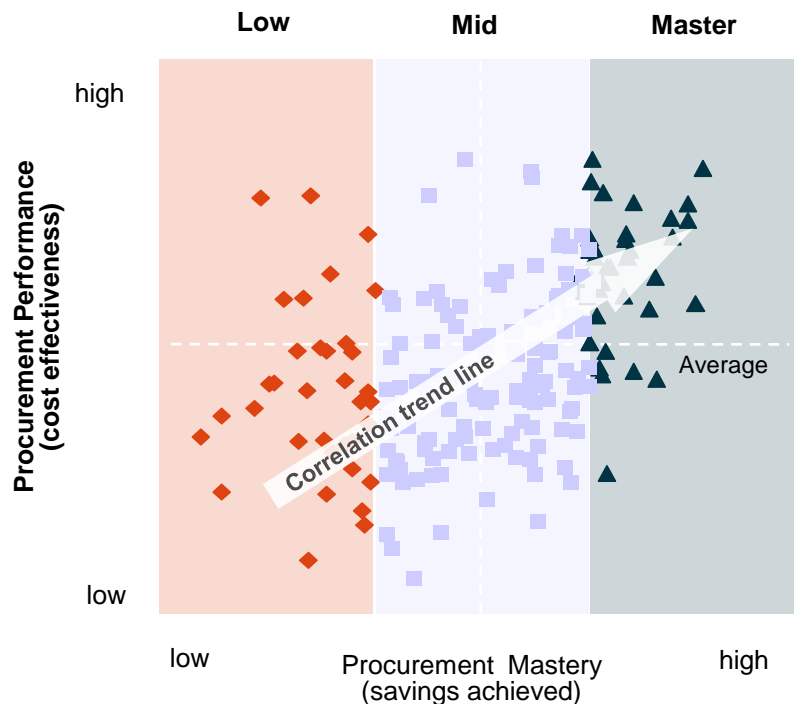
Best Practices

Measuring Success

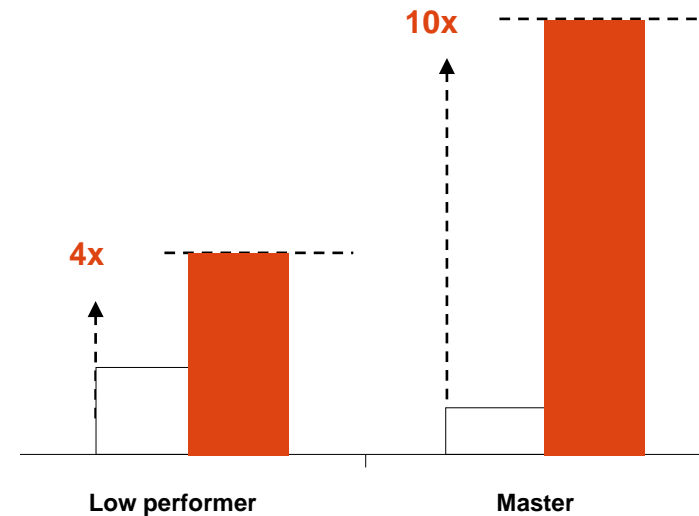
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Accenture conducted research into high-performance procurement and interviewed 225 CPOs in 19 countries and 25 industry sectors.



Average Return on Procurement Investment:



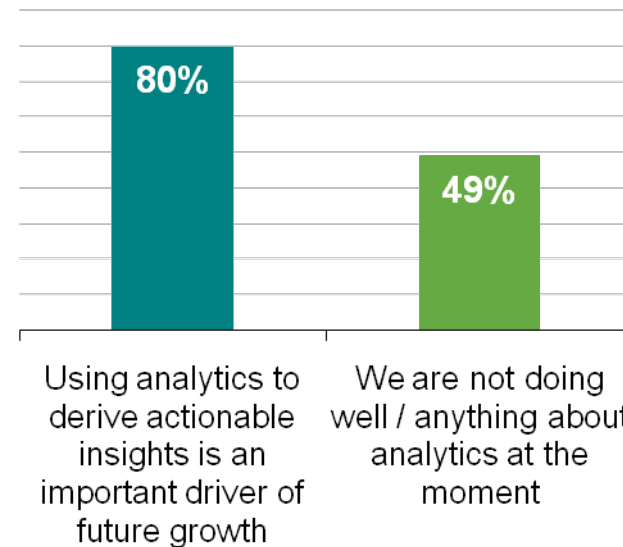
Procurement masters typically generate a 10 fold return on operating costs



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Accenture research shows that high performance is increasingly tied to extensive use of sophisticated metric-based analytical capabilities.

Low Performers		High Performers
23%	Have significant decision-support/analytical capabilities	65%
8%	Value analytical insights to a very large extent	36%
33%	Have above average analytical capability within industry	77%
23%	Use analytics across their entire organization	40%

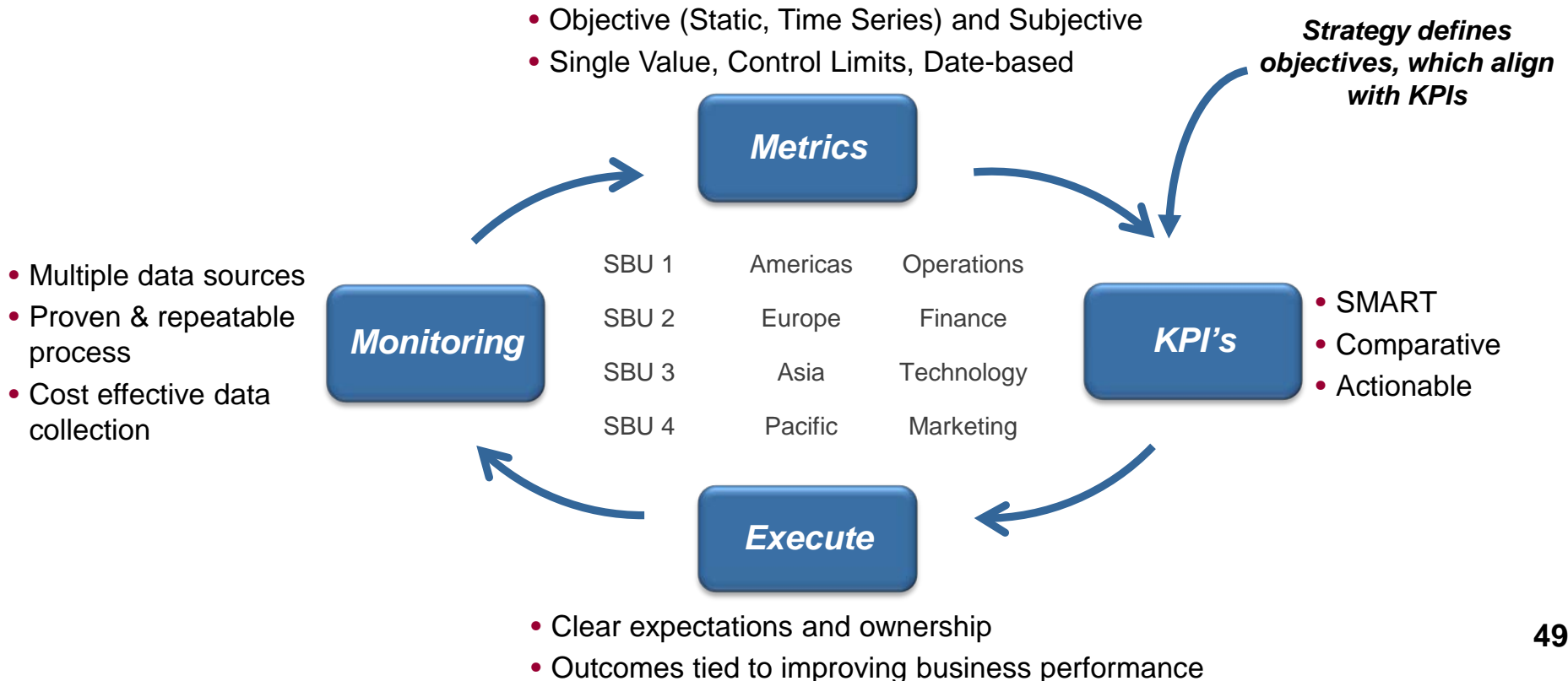


But almost half executives indicate they aren't happy with their progress on analytics



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Performance Management Framework allows measurement and evaluation of spend and behavior, as impacted by program initiatives.





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Segmenting Metrics and KPIs enable alignment with scope and impact.

Executive Metrics	Description
Total Travel Spend	Global spend by all travel sub-categories, segmented by BU, geography, etc.
Total Savings	Savings produced by sub-category, segmented...
Missed Savings	Savings lost by behavioral decisions by sub-category, segmented...
Negotiated Savings	Savings from strategic sourcing by sub-category, segmented...
Total Trips Taken	Sum of total trips taken, segmented...
Average Trip Cost	Total Spend / Total Trips, segmented...
Supplier Usage	Top suppliers' spend and share by sub-category, segmented...
Top Origins / Destinations	Travel patterns, segmented...
Overall Traveler Satisfaction	Satisfaction survey results, overall and by sub-category, segmented...
Overall Compliance	Policy adherence, by sub-category, segmented...



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Primary Sub-category metrics relate to spend and behavior demographics.

Category Metrics	Description
Airline Spend	Spend by airline supplier, segmented by class, domestic/international, etc.
Airline Negotiated Savings	Savings from airline negotiations, i.e. improved discount terms
Top Air Markets	Spend and tickets for top city-pairs, segmented by airline and class
Lodging Spend	Spend by lodging supplier (property) including hotels and long term accommodations, segmented by property type, geo-code, city, chain, etc.
Lodging Negotiated Savings	Savings from negotiations, i.e. rate improvement, value-added amenities
Top Lodging Markets	Spend and room-nights for top cities, segmented by property
Ground Supplier Spend	Spend by ground supplier (e.g. car rental, bus), segmented by vehicle class
Ground Negotiated Savings	Savings from negotiations, i.e. improved discount terms including surcharges
Top Ground Markets	Spend and rental-days for top destinations, segmented by supplier



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Supplier-specific metrics relate to supplier management practices.

Supplier Metrics	Description
Airline Discounts / Flat Rates	Specific negotiated terms applicable to fares paid
Fare Filing Dates	Applicability of and access to negotiated terms
Airline Value-added Elements	Class of service upgrades, frequent flier upgrades, lounge access, etc.
Operational Performance	On-time arrivals, baggage service
Hotel Rate / Discounts	Property level rates or discounts; chain discounts
Rate Loading Dates	Applicability of and access to negotiated terms
Hotel Value-added Amenities	High Speed Internet (HSI), breakfast, parking, frequency program upgrades, etc.
Business Plan Completion	Delivery date with key content; achievement of plan objectives by supplier
Supplier Satisfaction	Overall traveler and program management satisfaction by supplier



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Travel program metrics cover travelers' behavior and suppliers' service delivery.

Program Metrics	Description
Traveler Behavior	Spend and transactions by buying criteria, e.g. on/offline, advance purchase, preferred usage, etc., by sub-category and segmented by BU, geography, etc.
Compliance	Policy adherence by sub-category and segmented by BU, geography, etc.
Approved Non-compliance	Approved exceptions to policy by spend and transactions, segmented by sub-category, BU, geography, etc.
Preferred Supplier Usage	Preferred supplier share of total spend and transactions by supplier and by BU, geography, etc.
Top Non-preferred Suppliers	Top spend and transactions by non-preferred supplier by BU, geography, etc
Online Channel Usage	Total and eligible transactions using online channel by BU, geography, etc
Offline Support Usage	Number and type of calls by transaction type, segmented by BU, geography, etc
Average Speed to Answer (ASA)	Total "wait" time / total inbound calls by service delivery center



Contacts:

Jerry.Chenault@usda.gov

HHaight@nsf.gov

daniel.maschoff@accenture.com

Karen.VanBuskirk@gsa.gov