

# T203: Cutting Costs in Economic Crisis

Facilitator:

Michael W Lyons, Vice President Corporate Events &  
Travel Services, HSBC

Presenter:

Stephanie Smook, EMEA Travel Manager, NIKE

# Cutting Costs in Economic Crisis

- 119 Travel Managers surveyed in March 2009...
  - 85% report a decline in travel since October 2008
  - 70% expect travel to continue to decline through 2009
  - 36% report that travel has declined more than 15%

# Cutting Costs in Economic Crisis

- Top 5 Initiatives to Cut Costs
  - Overall T & E Budget Cuts
  - Encouraging or requiring less travel
  - Sending fewer employees to meetings, conferences, conventions and tradeshow
  - Emphasizing advance purchase of airline tickets
  - Strengthening or enforcing travel policy mandates

# Cutting Costs in Economic Crisis – Case Study

Stephanie Smook – Nike EMEA

Nike Inc  
Global Travel Program  
EMTS at Nike EHQ  
Keeping the lights on  
Opportunity or not?  
Challenges  
Next steps





## Nike – an overview

- Nike founded in 1972 Oregon, USA
- WHQ based in Portland OR, USA
- 30,000+ employees worldwide
- EHQ based in Hilversum, The Netherlands (1,800 employees)
- USD 18+ bil in revenues in 2008
- 100 mil Global T&E Spend – EMEA 18 Mil
- EMEA – 27 countries

# Global Travel Program

- Preferred Supplier Programs: TMC, air, hotel, car rental, corporate cards
- Additional EMEA deals for air and rail
- Security / ISOS
- Consolidated Reporting
- Service – global SLA's locally applied
- Global support

# Event Management & Travel Services

- Event Management, Event Production, Meeting Management, Ops and Travel
- Internal stakeholders
- Reporting into Sales
- Close cooperation with other departments
- Alignment of preferred supplier programs
- Cross functional Taskforces

# Keeping the lights on

- Internal reorganization
- Dealing with economic crisis
- 70% decrease in travel business
- Strategic Meetings Management Program
- Opportunities for Savings
- Travel reviews with EMEA countries

# Opportunity or not...?

- Consolidation
- Review and implement policies
- Preferred supplier programs
- Reporting
- Improve operations
- Technology
- Alternative meeting solutions

# Consolidation

- Increased travel volume through consolidation
- Capture all business:
  - SMMP
  - Global Program – close cooperation with EMEA countries
  - Subsidiaries

# Review and implement policies

- T&E policy + Vendor T&E Policy
- EHQ policy implemented in the countries
- Meeting policy
- Mandate & communicate
- Top down approach
- How to control (no back doors)
- New employees must sign agreement

# Possible travel policy changes

- Business vs. (Premium) Economy flights
- 1<sup>st</sup> class vs. 2<sup>nd</sup> class train travel
- Lower hotel ceiling limits
- Long term stay not on Premium location
- Change taxi guidelines; increase train travel
- Day trips whenever possible
- Meetings: no personal travel allowed

# Preferred Supplier Programs

- Have preferred supplier programs in place
- Include these programs in your policies
- Renegotiate contracts
- Network – ‘riding the boat together’
- Optimize relationships – create learnings
- Develop long-term relationships
- Spot buying

# Reporting

- Get clean and accurate reporting from all suppliers
- Share your MIS
- Pre trip reports
- VAT recovery
- Money talks....!

# Improve operations

- Approval process
- Implement self booking tool & increase online adoption
- Review payment model TMC
- Decrease FTE's
- Increase productivity

# Technology

- Online booking tool
- Marketing + inclusion in travel policy
- Online fulfillment center ('touchless')
- Roll out in EMEA
- Integrated tools
- Online RFP tool (Bidstork)
- Back office systems + scripting

# Alternative meeting solutions

- “Distance Collaboration”
- Video conferencing
- Audio conferencing (calling cards)
- Web ex
- Windows Communicator

# Challenges

- How to
  - get buy in
  - increase compliance
  - keep control
  - deal with a significant cut back in volume
  - meet your suppliers expectations
  - create savings

# Next steps

- CONNECT – stakeholders, Sr. management, travelers, travel bookers
- EDUCATE - Seminars, Newsletters, trainings
- COMMUNICATE - new hires, travel reviews, departmental talks
- ALIGN – countries, Global

Questions?

Thank You!