



***Adapting Travel
Automation to
Your Needs ...
Today and Tomorrow***

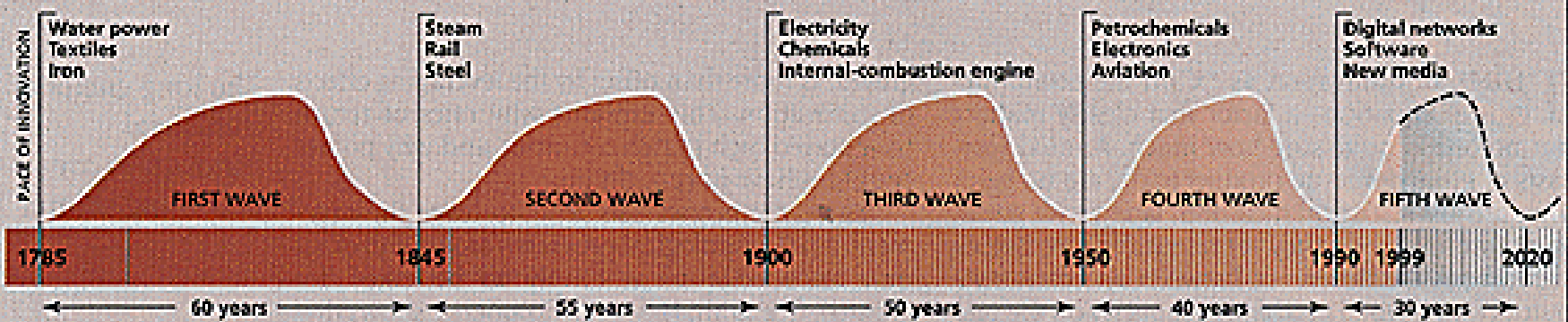
Society and Travel Industry in Transition

INFORMATION AGE

SURVEY INNOVATION IN INDUSTRY

Surf's up

Schumpeter's waves accelerate



INDUSTRIAL AGE

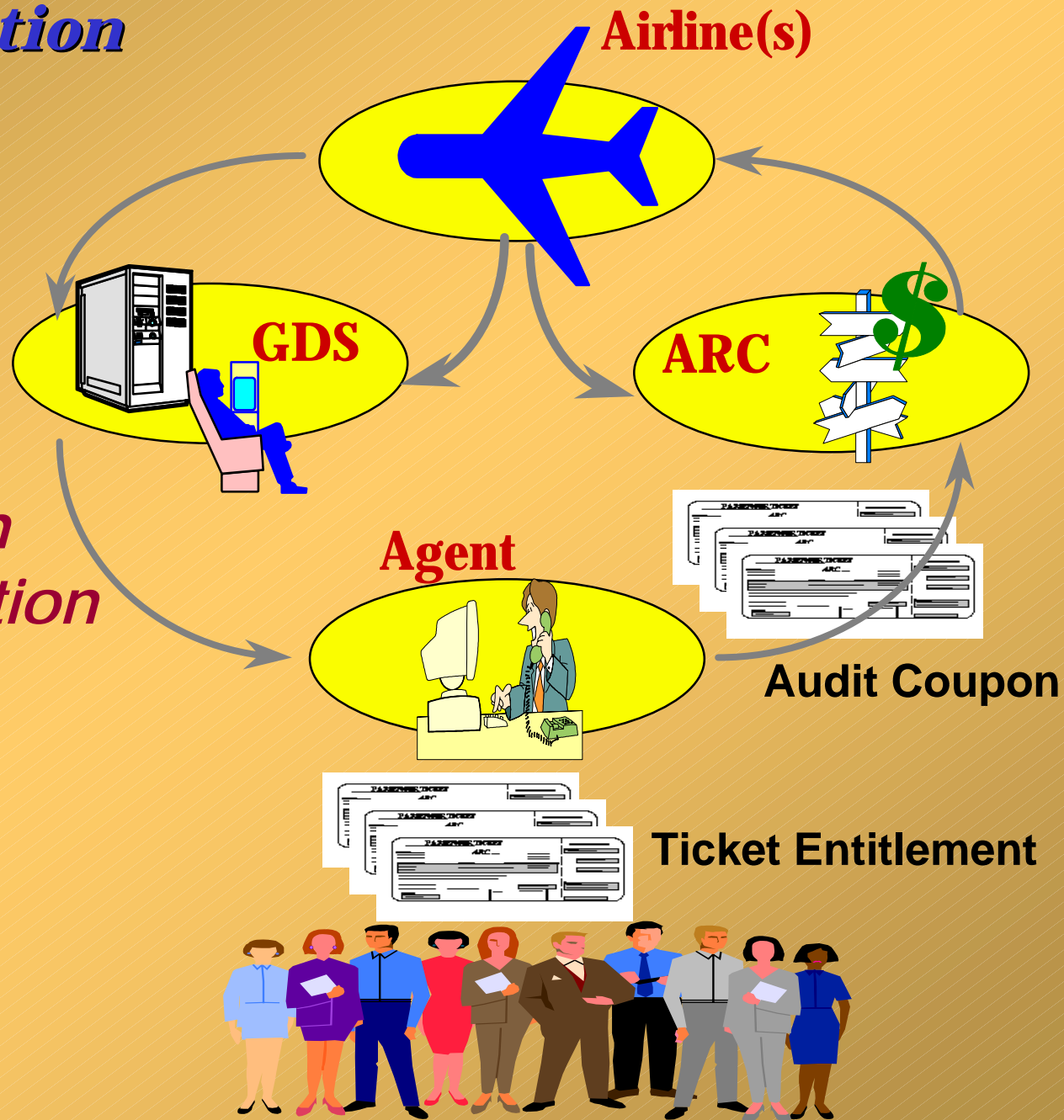
THE ECONOMIST FEBRUARY 1999

Airline Distribution

*“Holistic” tool
of the mid-era
Industrial Age*

- *Inventory Driven*
- *Limited Information*
- *Contained Risk equates ...*

Control

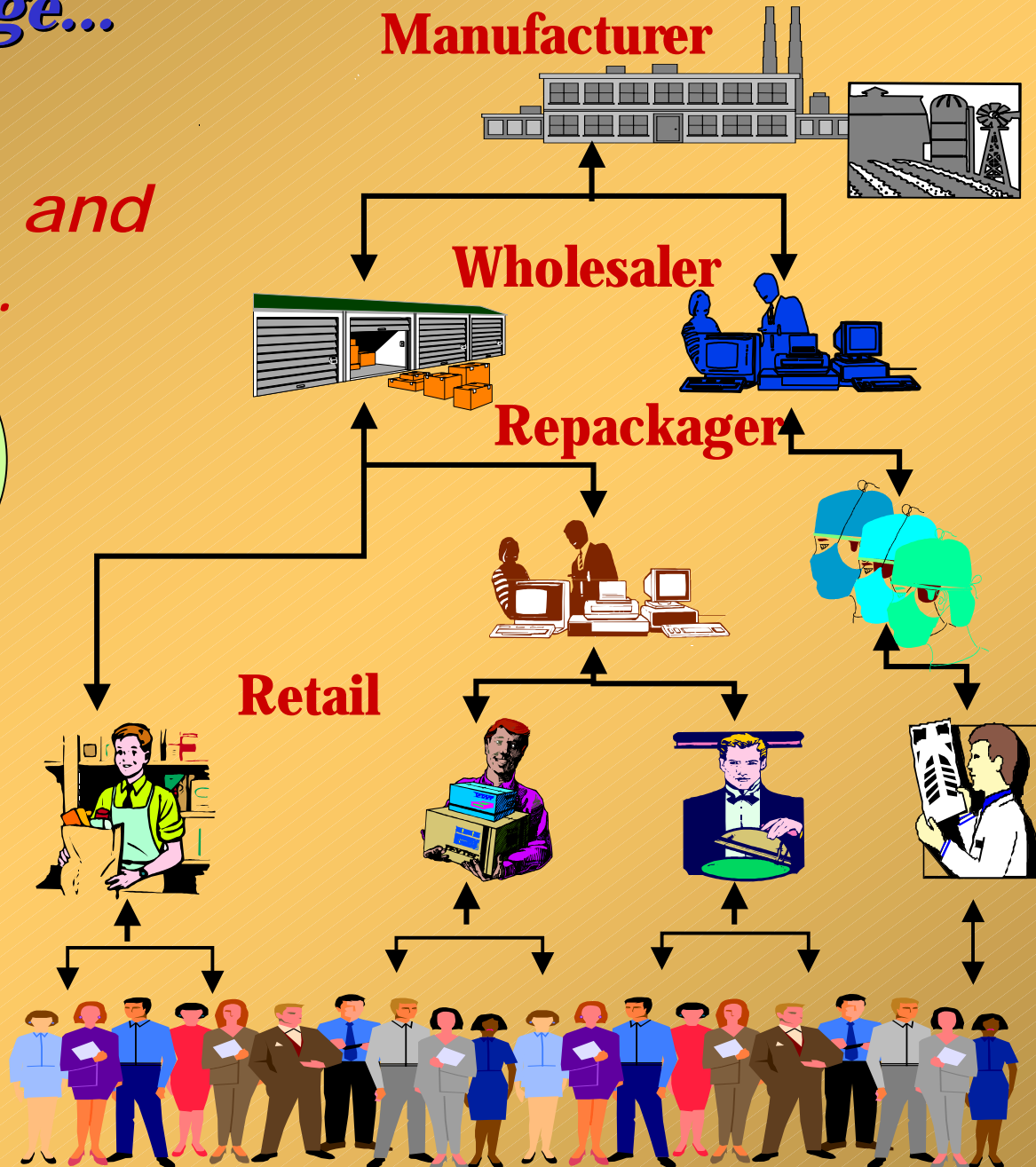


Industrial Age...

*Risk,
Information, and
Standards ...*

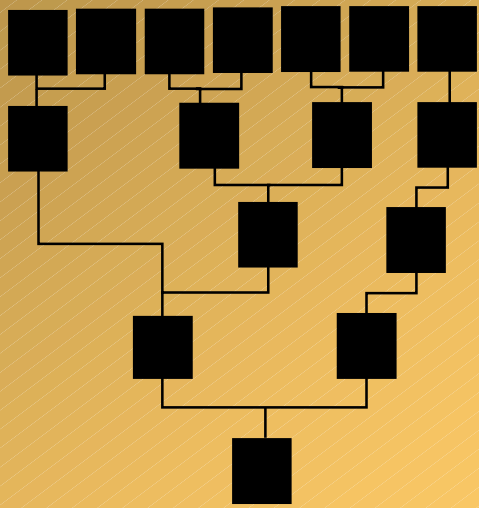


*... tied to
"Hierarchy"
of the
Distribution
Channel*

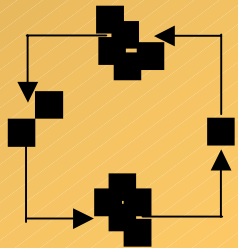


Information Transition...

Hierarchical Distribution

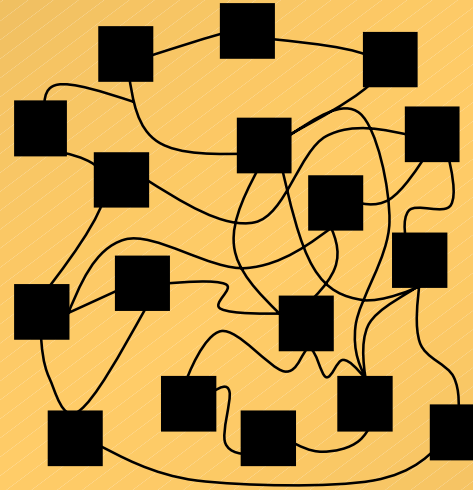


Information flows from Vendor(s) through controlled distribution channels to the buyer ...



- *Supplier-Driven Distribution*

Hyperarchy Distribution



When Information flows digitally and is shared by everyone, distribution alternatives become interactive...

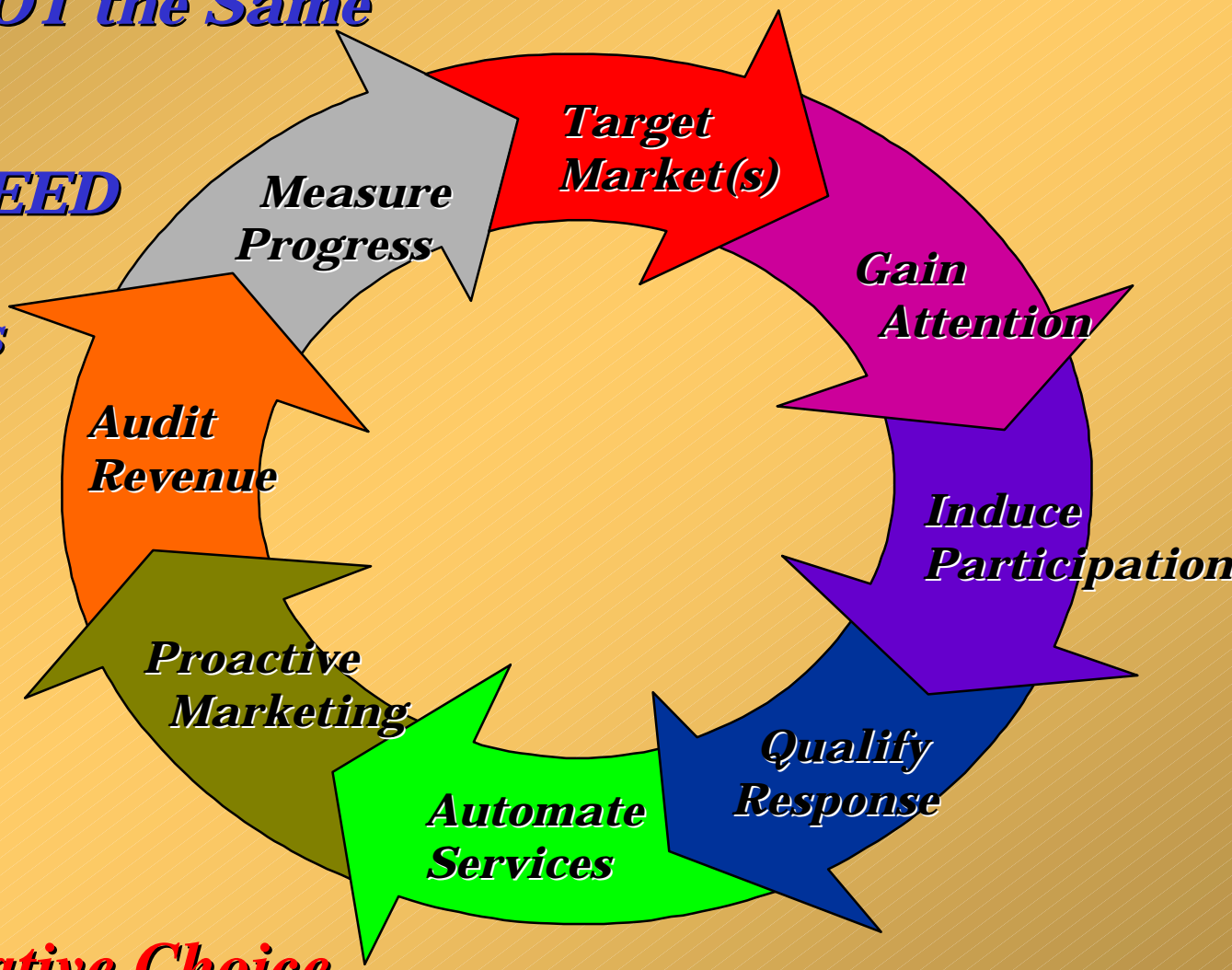
- *Demand-Driven Distribution*

Marketing Dynamic ...

The Same, but NOT the Same

Key Issue ... SPEED

- ... Transactions*
- ... Information*
- ... Customer Response*
- ... Vendor Response*



Speed of Alternative Choice

Q: How might this shift affect the travel manager?

For example, models ranging from full service agencies to direct relationship with suppliers ... (Norm Fiess, Denver BTA)

A: Travel Purchasing Model is Changing ...

- **What are your personal skills?**
- **Is your company ready to manage travel ...
how will the company measure travel contribution?**
- **Is travel an “expense” or “opportunity” cost?**
- **Is your company big enough to buy direct ...
or does it need to buy in a cooperative?**
- **Are your vendors prepared to deal with you/your company?**
- **What should you “outsource” ... What must you “control”?**
- **What “tools” are available to you ... What might be outsourced?**

1. How current are your market pair corporate traveler reports?

0 – No Reports

1 – Annual

2 – Monthly

3 – Weekly

4 – Daily

5 – Pre-Booked Daily at least a week in advance of travel

2. How is Travel Buying Reconciled with actual Traveler Expense Reports?

0 – No reconciliation

1 – Manual Audits of Suspected Offenders

2 – Manual Periodic Random Audits

3 – Manual Audit Monthly

4 – Interactively after Expense report is filed

5 – Interactively against Approved Travel Plan/Expense form

3. How is your Travel Agency compensated for its services?

- 0 – Commission only**
- 1 – Commission plus costs for specific regular reports**
- 2 – Fees plus commission for activities or services performed for corporation**
- 3 – Fees less commissions based on activities or services performed for corporation**
- 4 – Fee based on time spent in servicing corporation**
- 5 – Fee based on transformation of travel function to meet corporate strategies**

4. What level of Strategic Travel Knowledge do you access or monitor?

- 0 – Not your responsibility**
- 1 – Travel requests and reason's for travel are approved departmentally**
- 2 – Operations and training travel is planned and audited, while executive, marketing and/or sales travel are approved departmentally against budgets**
- 3 – Travel requests are audited against travel planning with exceptions noted**
- 4 – #3 above plus traveler's reason for travel is captured and used for next planning cycle**
- 5 – Traveler's reason for travel is captured interactively, measured against plan, and information is used to plan/respond to anticipated needs in short term and/or next planning cycle**

5. Your company currently ...

- 0 – Pays for travel by reimbursement for travel using traveler submitted expense reports**
- 1 – Pays for more than 50% of travel with corporate credit card(s)**
- 2 – Pays for 90% of travel through corporate travel agency(s) using corporate credit card(s)**
- 3 – Has some direct purchase agreements that are settled monthly by check (i.e., non-credit card)**
- 4 – Has implemented some form of direct Electronic Funds Settlement (EFT) monthly payment solutions with non-travel vendors**
- 5 – Has implemented automated EFT direct settlement at time of service delivery with some travel or non-travel vendors**

6. You, personally ...

- 0 – Have no computer literacy skills ... that's what “staff” are for!**
- 1 – Can use a computer for routine office skills and/or access to a GDS/CRS**
- 2 – Use a computer to access Internet and do interactive fare searches at different web sites**
- 3 – #2 and are involved in the strategic planning of the network that serves your travel department**
- 4 – #3 and understand the capabilities of data mining computer systems**
- 5 – #4 and understand how to structure an SQL query to convert information stored in a data inventory system to knowledge useful to meet your company's strategic objectives**

7. You identify in your travel agency reports (i.e., not from charge-card companies), air travel charge-card expense? ...

- 0 – Have not thought about it**
- 1 – Have thought about it, but agency reporting system cannot capture the data**
- 2 – Get data historically from accounting department**
- 3 – Capture charge-card expenses at time of ticketing via back-office reports**
- 4 – Capture expected charge-card billing via pre-travel reporting**
- 5 – #4 and interactively audit GDS/CRS data against expense reports filed by traveler**

8. Your personal view of future travel distribution is...

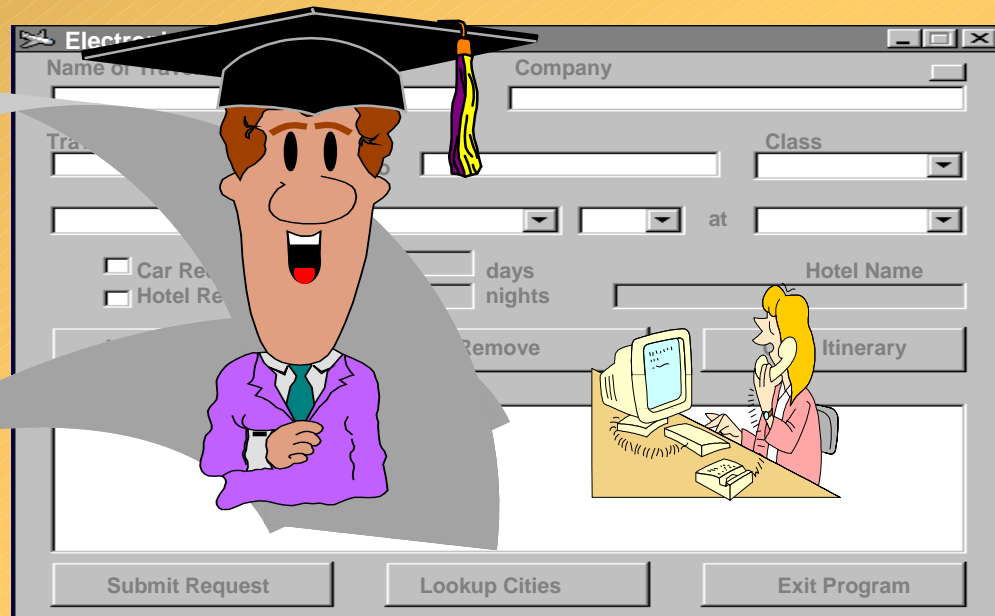
- 0 – The existing distribution model will remain the same for the next five years
- 1 - While I see change taking place, my corporate management is so structured that they will not allow change leadership in travel
- 2 -The GDS/CRSs and ARC will modify the way they do business enough to serve my company's needs
- 3 - Even if the GDS/CRS and ARC adapt their processes, there will be an increasing need to effect bookings, settlement, and other transactions via Internet and other e-commerce tools
- 4 – Corporations will buy 10% to 20% of their air travel needs directly from airlines via e-commerce within five years
- 5 – New risk-taking “players” will evolve in the distribution channel to effect better travel solutions for corporate buyers.

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Corporate Travel Manager "Navigators"



1. The Hyperarchy implies choice ...
2. Choice beyond a certain point implies bewilderment.
3. Thus, the rise of the Corporate travel "Knowledge Navigator"

THE
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Thank You!

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