Behavior Management
A new way to think about an old problem

Nearly every company with a managed travel program is looking for ways to achieve savings without preventing people from traveling. Incremental savings from vendor partners year in and year out help, but that can only be leveraged for so long before vendors have nothing left to reduce. This leaves the questions of "how can we deliver on future cost reduction objectives" and "can we effectively influence travelers to follow the policies to achieve new savings?"

Spend reduction strategies are nothing new and have evolved over time, but the fundamentals are rooted in a few consistent, systemic issues. Do your employees know what they are supposed to do? Do your managers know who is driving up avoidable travel costs? How far are you prepared to go to actively address bookings that are out of compliance?

Compliance policies exist because they have a real benefit to both the traveler and the organization as a whole. When people follow the rules, it keeps travel costs as low as possible. For instance, we know plane tickets booked in advance will result in less expensive tickets. We know finding the right rate can be half the cost. On top of that, travel policies exist because they have a real benefit to both the traveler and the organization as a whole.

The challenge

Historically, travel managers have owned the travel program. Today, corporate procurement departments have become more involved with strategic sourcing and execution, and in some cases are now managing the entire corporate travel program. Finance departments have also started to be more involved, looking for further cost reductions. With finance coming to the table, asking what more can be done, many travel managers are left wondering how to achieve their incremental spend objectives. One of the answers is to increase travel policy compliance. But how do you do that?

With technological advancements and the ever-expanding array of choices travelers have at their fingertips, keeping them in a managed travel program is becoming a fight many companies are losing. It's not always the rogue traveler hunting down loyalty points; it's also the employee who only takes one or two trips a year and doesn't think about travel that much.

> CWT research among 100 companies of varying sizes, in different industries and in different regions, shows increased compliance has the potential to reduce over-spend by up to 15 percent.

Getting employees to follow any compliance policies can be difficult, though some policies are easier to follow than others. Payment card and data security policies typically have high compliance rates. But travel is more challenging because it's both very personal to employees and is often seen as not that big of a deal.

CWT Solutions Group

Carlson Wagonlit Travel

Why do employees not follow policy?

1 Travel policies are generally included in new hire packages and then, if read at all, stored and rarely referenced.

2 Individual vendor's loyalty programs, or simply people's personal preferences, provide a stronger draw than the deterrent of being non-compliant.

3 External factors drive travel decisions, such as client requirements and other valid business reasons. There is such a thing as forgivable non-compliance, when needs dictate.

Travel policies are not enforced. Companies have a responsibility to their shareholders or ownership to not overpay for anything. Yet countless organizations allow their employees to go outside travel policies.

Because each company is different, it's impossible to put a dollar number on the potential savings from increasing travel policy compliance. However, CWT research among 100 companies of varying sizes, in different industries and in different regions, shows increased compliance has the potential to reduce over-spend by **up to 15 percent**. And depending on the amount of a company's travel spend, that could be a very significant number.

How to influence the behavior of travelers

The solution, on the surface, is simple: educate your employees about travel policies, engage them when they get it wrong and empower them to make the best decision. But it is never as easy as it seems.

However, it's important not to overthink behavior management. Breaking it down into smaller parts makes the task less daunting.

› **Educate the travelers.** Compliance education needs to be an ongoing process. This can't be a one-time warning after a non-compliant booking because the traveler will likely forget about it until the next conversation about non-compliance. Education needs to be frequent and consistent.

› **Empower stakeholders** to actively manage their employees. Stakeholders have typically been defined as executives, business unit leaders or another small group of individuals responsible for managing a large number of employees. These people need to have the right data, of course, because it involves their P&L, but there aren't enough hours in the day for them to actively manage their entire employee base. Real change is only effected when managers closer to the individual employees are involved.

› **Engage everyone** with information that is relevant and understandable, delivered on a consistent basis in a timely fashion and presented in a way that's easily consumed and understood, with clear and relevant calls to action.

It's easy to say all this, but much harder to implement. What is the best way to go about achieving education, empowerment and engagement?

T360: Execution strategy for behavior management

Traveler 360 (T360) is CWT Solution Group's powerful, proven traveler engagement system designed to change behaviors and recapture significant missed savings. It means looking at the entire traveler ecosystem and finding impactful approaches to reach and educate the traveler for increased travel policy compliance. Ultimately, it's about putting and keeping the travel policy high on people's agenda, making compliance as unavoidable as possible.

It's more than just a philosophy: T360 is a targeted approach to systematically reduce traveler overspend. As such, it provides the tools to allow non-travel professionals to actively manage traveler behavior.

As we've seen, engaging just travelers or just executives brings limited benefit. T360 brings all stakeholders into the conversation and delivers real, sustainable savings.

It starts with the right data and then creating visibility of traveler's non-compliant spend and its impact to both the traveler and other stakeholders. That is a key driver of behavior change. Once people can see that their actions have financial consequences, they are more likely to change. And when travelers know their leadership can see exactly the same information, it provides a real incentive to change. Non-compliance can no longer fly under the radar if lots of eyes from multiple levels in a company can see it. The result is travelers being accountable and having to take responsibility to ensure they are compliant.

T360 is not just about the stick; it incorporates the carrot as well, providing education, engagement and empowerment, using visibility, in actionable ways people can easily understand and use.

The four stages of T360 are:

ANALYZE
Traveler segmentation & missed savings

> The first step is to start with an analysis of the potential savings for an organization.

> Analysis is also performed on different traveler segments to understand non-compliance, focusing on real issues and any systemic problems.

EDUCATE
Business unit scorecards

> Once the focus areas have been identified, business unit scorecards are created and configured to educate stakeholders and engage them in terms and language they use and in a format that can be executed immediately.

ENGAGE
Traveler scorecards

> The traveler scorecards, containing individualized reports, are sent directly to the traveler. They are formatted and branded specifically for each traveler, creating immediacy and emphasizing the importance of the initiative. These reports also make it much easier for managers to speak to employees about their booking behavior because the information is very clear.

COMPETE
Traveler gamification

> There's nothing like competition to engage people. The final stage of T360 is putting a gamification program in place to provide a public arena for friendly competition. Traveler gamification promotes positive traveler behavior by introducing motivating, game-like elements to the travel program. This consulting and technology solution provides incentives to travelers to stay compliant and increase cost savings.

Success story

A global semiconductor company is successfully leveraging T360. Usually, when a company spends more on travel, they see their missed savings increase at the same rate. However, while engaging their travelers through T360, this client had increased travel spend, but achieved significant decreases in their missed savings.

Together with *CWT Solutions Group*, we started by analyzing their unique segments of travelers to identify where they needed to focus. *CWT Solutions Group* used that data to develop business unit scorecards to target the greatest opportunities. The company sent scorecards to people at several different management levels within the company. Each manager has data about the level reporting up to them, providing a strong focus on visibility and savings.

Starting in June, traveler scorecards were sent to individual travelers. Employees and managers now see compliance levels in four key areas: lowest logical airfare

acceptance, online booking adoption, advance purchase, and preferred hotel compliance. The result? The percentage of missed savings continues to drop.

They have yet to implement the gamification program, as T360 is still in the Education and Engagement phase. But there is no doubt the downward trend of missed savings will continue once this last piece is put in place.

Missed savings trend

Legend:
- Total travel spend (air + spend)
- Total missed savings
- Missed savings of total spend
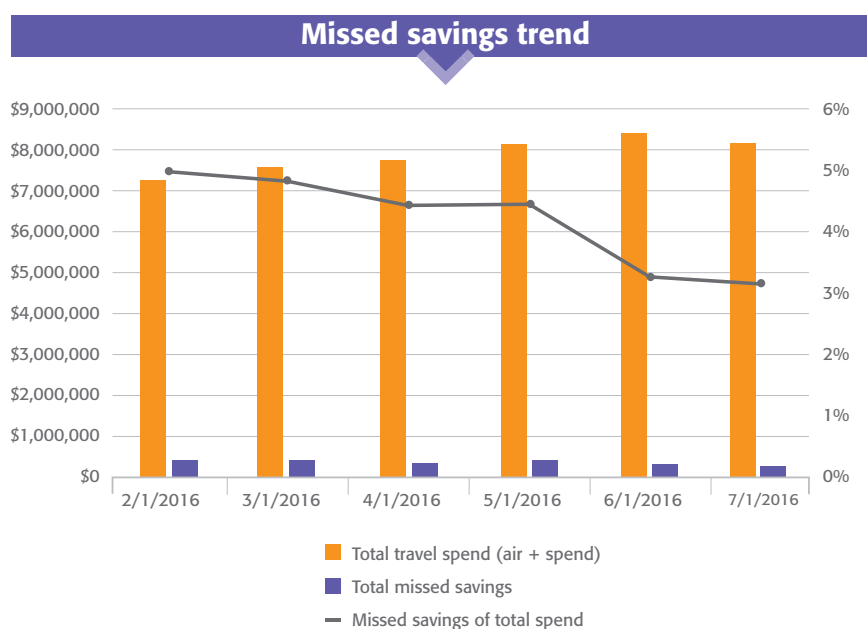
To learn more about how you can achieve significant savings through enhanced traveler engagement, contact your CWT program manager or visit www.cwtsolutionsgroup.com.

What is Solutions Group – Traveler Engagement Solutions

The Traveler Engagement Solutions division of the *CWT Solutions Group* is focused on bringing travel programs to the next level. It's one of the newer divisions within *CWT Solutions Group* and is expanding to meet the ever-increasing need of engagement within the travel program. We provide a range of assessment and engagement services to help drive behavioral change in a positive way.