

## FCm Outlook

### Cutting travel costs for small business travel budgets



Small business travel needs to be managed strategically to deliver savings.

Small to medium sized enterprises (SMEs) have unique corporate travel needs. With limited travel volumes, lower travel budgets and less resources than larger companies, the focus is on buying business travel at the most competitive cost in the most convenient way.

There is a common misperception that SMEs can secure the cheapest business travel by booking directly with suppliers. The Internet revolution, combined with low-cost carriers and budget hotels, has certainly changed the way in which SMEs view their travel.

But as time-strapped CEOs and personal assistants spend countless hours trawling the Internet for fares and managing their own travel arrangements, are the benefits really what they seem?

#### A cost-saving travel plan

Like any other controllable expense in a small business, corporate travel needs to be managed strategically rather than ad hoc. If savings are to be achieved, travel and related entertainment activity must be planned to create significant and measurable efficiencies.

For SMEs, FCm Travel Solutions recommends a cost-cutting plan that comprises of the following elements:

- > working with one travel manager who understands your needs completely and can give you end-to-end service
- > improving how your company travels as a whole
- > educating your people
- > effectively negotiating your air fares
- > maximizing the value of your hotel bookings
- > protecting your travellers' security.

Each of these elements is essential to improving the time and cost efficiency of how you and your employees travel on business.

#### Improving how your company travels as a whole

##### 1. One travel manager

At FCm, the small to mid-sized market is where our business originated and continues to be our signature service even as we expand.

We believe SMEs require specialist expertise from one person who understands your company's unique travel patterns, needs and cost parameters. A dedicated travel manager gives your business a single point of contact to take care of your every requirement... from bookings, to insurance and visas, and the negotiation of fares.

Working with a travel manager also offers a range of benefits over booking travel online. These include:

- > our private fares dashboard, which gives our consultants fingertip access to the best fare of the day and allows substantial time savings for your business
- > the security of knowing where your people are located at all times, through a centralised booking process
- > sourcing fares that are both competitive and flexible, allowing for last minute changes
- > greater consistency in your company's booking processes, thereby streamlining your bookings and travel patterns which in turn delivers long-term savings.

##### 2. Improving how your company travels as a whole

The overall efficiency of your travel is determined largely by your corporate culture. Your decision towards when and where you fly, the airlines you choose, and the hotels in which you stay, can dramatically impact the overall cost-effectiveness of your travel. Even if your business has only a small number of travellers, variations in the above factors can create unnecessary cost blow-outs.

Working closely with you, your travel manager can help achieve quick and simple improvements by:

- > assessing how you travel, and identifying areas where costs can be contained eg. How far in advance are your tickets

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booked? Class of travel? Style of hotel? Transfers between airports and hotels?

- > considering what you value most: productive, flexible and safe business travel or finding the lowest-cost travel options
- > where you have multiple departments and travel needs, creating a basic travel policy that guides the way all your people travel, and provides greater ability to negotiate more competitive rates
- > ensuring everyone is aware of this policy and complies with this policy
- > managing all your travel bookings centrally.

#### 3. Educating your people

Vast savings can be achieved for your business, as a result of simple changes to the way you manage your travel bookings.

Our FCm travel managers will help educate you and your travellers on the best ways to achieve time and cost savings. We focus on ensuring all company travellers understand why changes are needed, the benefits of the change, and how it impacts them – as individuals and as a company.

#### 4. Effectively negotiating your air fares

Air travel still accounts for the vast majority of all corporate travel related expenses. The cost efficiency of your organisation's air travel can be streamlined using a range of strategies, including:

- > working with your travel manager to source the lowest logical airfares, also known as Best Fare of the Day (BFOD)
- > booking your tickets in advance, to optimise any advance fare purchases
- > analysing whether more cost-effective classes of travel can be booked (eg. economy for domestic flights; premium economy where available; and business instead of first class)
- > considering low-cost carriers for short-haul flights, where there is no conflict with your existing airline agreements

and where flight schedules suit your scheduled meetings

- > ensuring there are ramifications for any employees who make their own bookings and/or book outside the parameters of your internal travel policy.

#### 5. Maximising the value of your hotel bookings

In addition to air travel, hotel accommodation can account for a substantial amount of your travel budget. Your FCm travel manager can assist your business to further leverage your existing hotel booking processes, so you achieve better savings. For example:

- > assessing your room night volumes to bolster your rate negotiations
- > looking at the trends in where your people stay to determine whether there are more cost effective alternatives that are just as convenient
- > negotiating on the total cost of your accommodation by including value-added services specific to your company's requirements (eg. telecommunications, food and beverage, laundry etc), and delivering savings on incremental travel costs
- > instigating re-negotiations when your company's specific hotel rates are found to be uncompetitive
- > providing professional recommendations based on extensive hotel knowledge and industry experience
- > utilising our global hotel program, where our negotiating strength achieves lower room rates for your business
- > working with FCm to create an easy-to-use client specific hotel program
- > ensuring your company's agreed rates are loaded into a consultant reservation system and online booking tool so they are accurate and accessible.

#### 6. Protecting your travellers' security

Risk management planning is a vital part of protecting your business travellers.

FCm can assist you in your duty of care to employees who are on the move or planning to travel.

As a minimum, the following steps should be taken:

- > ensure all travellers in your company make ALL bookings through your FCm travel manager, so they can be readily located in the event of a crisis
- > organise comprehensive travel insurance for your travellers
- > advise your travellers on all health-related requirements (eg. vaccinations and precautionary medication) before they depart
- > identify any potential safety hazards prior to each business trip
- > ensure all visa, passport and foreign currency exchange matters have been organised prior to departure.

### About FCm Travel Solutions

FCm Travel Solutions is one of the world's leading corporate travel and expense management specialists, distinctive by our local, flexible and personalised service.

Through our solution of products, we offer SMEs all the capabilities of a worldwide travel consultancy, with the benefit of our highly tailored and boutique-style service. Using our flexible business model shaped to match the distinctive needs of your business, we can fully understand your travel requirements, be tailored in our solutions, and build a long-term partnership with you.

FCm's dedicated travel managers provide true one-on-one service. We will assist you with every aspect of your corporate travel, in a way that takes the pressure off your everyday business and maximises your savings.