

Case Study

Focus: Cost Reduction



corporate travel
management

Client: Mineral & Construction Sector

Background

'Company D' is a privately owned provider of design, engineering, construction and excavation services to the Australian mineral and construction industries.

With an annual travel spend of \$800k, Company D began outsourcing its travel activity for the first time in 2011 with the aim of reducing expenditure and increasing internal efficiencies. CTM was selected as the company's travel management provider of choice.

Objectives

In outsourcing to a professional TMC, Company D's key objectives were to:

- 1) achieve **minimum 10% travel savings** through outsourcing
- 2) report **real-time data** on travel activity and costs to the Executive Management Team and Board
- 3) **increase internal efficiencies**
- 4) provide a **consistent point of contact** for travel bookings and administration

To achieve min. 10% travel savings through outsourcing to a professional TMC

Road Blocks

In migrating the company's internal travel booking processes to an external provider, CTM encountered and addressed a number of challenges. These included:

- the false perception that outsourcing would increase costs
- a general resistance to change from staff



Solution

After detailed analysis of Company D's existing travel practices, trends and expenditure, CTM was able to implement the following solutions to best achieve the client's goals:

- the negotiation of discounted airfares through **preferred supplier agreements** with two key airlines, representing an average **10% saving per sector**
- the implementation of an **Online Booking Tool** and **Pre-Trip Approval Process** to maximise efficiencies and compliance
- a **dedicated travel consulting team** for reliable and accessible support
- introduction of **regular consultation and sharing of statistical data** with the Executive Management Team and Board to foster top-down buy in

10% savings on airfares by negotiating preferred supplier agreements

Results

12.5%* reduction in travel expenditure

with a profit to fee ratio of 2.7:1

Improved internal efficiencies valued at \$26k per year

12.5% savings achieved with a 2.7:1 profit to fee ratio

\$26k saved in internal staff efficiencies**

by outsourcing to a dedicated TMC and implementing internal procedures such as a Pre-Trip Approval Process and Online Booking Tool

Quarterly Reporting established

including industry benchmarking to highlight additional potential savings opportunities

A dedicated consulting team

and After Hours Support Team providing **24/7/365** access to bookings, reporting and administration

By combining CTM's wealth of industry experience, leading edge technologies and professional expertise, CTM was able to achieve and exceed all of its client's objectives.

* 12.5% cost saving based upon first Quarter results

** \$26k cost saving based upon projected annual salary savings as a result of increased efficiencies achieved during first Quarter