

# Case Study

Focus: Cost Savings



corporate travel  
management

**Client:** National Law Firm

## Background

Company F is a world-class law firm with offices across Australia. The company sought CTM's guidance and expertise to reduce its domestic travel expenditure.

## Objectives

In the absence of a strategic travel policy, Company F had resorted to booking premium priced fully flexible economy and business class airfares. In a bid to reduce travel expenditure and eradicate wastage, Company F appointed CTM to:

- **implement a strategic travel policy to reduce domestic travel expenditure**
- **drive down Average Sector Prices (ASP)**
- **improve staff and stakeholder understanding of the company's travel trends and needs**

**Drive down Average Sector Prices and reduce overall domestic travel expenditure**

## Road Blocks

Whilst establishing a range of improved booking practices and procedures for Company F, CTM identified a number of obstacles to achieving the company's goals.

These included:

- **the false perception that travellers required fully flexible and refundable airfares**
- **a lack of understanding surrounding the cost benefits presented by restrictive airfares versus change fees**
- **a general resistance to change by staff**



## Solution

Upon appointment, CTM thoroughly researched the company's travel trends and identified the unique needs of the business. It was imperative that key stakeholder buy-in was achieved if the desired outcomes were to be reached.

CTM undertook a number of steps to achieve overall cost reductions for Company F. These included:

- **identifying opportunities** to shift travel to cheaper, more restrictive airfares
- educating Travel Arrangers on the **benefits of booking more restrictive airfares**
- highlighting the significant differences between ticket types and identifying that Flexi-Saver airfares met the company's **need for flexibility whilst offering a 30% reduction in costs**
- establishing **regular reports** on Company F's travel trends and booking behaviour to maximise policy compliance and identify possible future savings
- providing **regular audits** and **sharing data** with key stakeholders throughout the business

## Results

### Domestic travel expenditure reduced by 25%

By identifying actual travel trends and needs, educating travellers and Travel Arrangers, and auditing ongoing travel behaviour, CTM was able to **reduce overall domestic travel expenditure by more than \$750k (25%)**.

**Reduced domestic travel expenditure by \$750k, equal to 25%**

**Frequency of fully flexible airfare bookings reduced from 50% to under 5%**

### ASP reduced by 30%

As a result of new booking behaviours implemented by CTM, Company F reduced the booking frequency of Full Economy Class airfares **from 50% to less than 5%**. This facilitated a reduction of the Average Sector Price for domestic travel by more than 30% (\$33 saving per sector).

**CTM's ability to identify cost saving opportunities, educate travellers and staff, and track and share travel data with key stakeholders proved critical in achieving the client's objective of reducing domestic travel spend.**