Blueprint for a Successful Global Consolidation

Understanding the possible benefits of consolidation is not adequate and a program's success should be cautiously envisioned. We have designed a blueprint to accomplish a first-class consolidation. The following seven stages are devised to guide corporations through the complex initial stages of planning a global travel program consolidation:

Phase 1 – Understand your Company

Specified management information on the existing scope and nature of a corporation is essential. Recognizing ranges of possible savings can be problematic without a chart of a company's recent travel. Furthermore, without starting a benchmark, gauging a program's success will be unfeasible. Particularly, a company should collect the following:

- Organization structure and details of how a program is managed, from global or regional teams.
- Current travel management companies (TMCs) and provisions including financial and operational configuration, and service level agreements.
- Current vendor partnerships.
- Travel policy specifics.
- Travel patterns with important statistics such as spend, trip length, fares, city pairs, market shares, and hotel rates.

The ideal method to attain precise and reliable data is via one or a small amount of TMC partners. Though, if numerous TMCs are required, data can be combined as part of the consolidation procedure. For statistics that cannot be attained electronically or precisely, it might be practical to consider the data significance compared to the objectives of the complete global or regional program.

Consolidation predictably necessitates companies to scrutinize the program, which leads to widespread deliberations with in-house stakeholders. While investigating consolidation, a corporation uncovers a lot about their procedures that can offer a chance to communicate any discrepancies. Consolidation is an occasion to discuss and update key procedures. As part of this process, it is important to discover if other departments have completed a consolidation and gathering information to comprehend cultural disparities and how they developed a solid business case.

Phase 2 – Ponder your Return on Investment (ROI)

Operating from a comprehension of precisely how the company travels and functions, management must choose if consolidation is the correct method and, if so, the nature of that combination. If spend is smaller than USD $5 million, global consolidation may not deliver a considerable ROI. However, that does not denote a reduced-scale consolidation would not produce value. A regional or national size consolidation should be pondered, as this method may assist in producing results.

In addition, ROI will not just be financially quantifiable. Enhanced service excellence, improved traveler safety and security, and higher transparency are expected results and should be matched against the investment.

Phase 3 – Outline your Main Goals

It is imperative to determine main performance indicators in the initial design phases of consolidation to assure a company attains its objectives. These goals may include net effective savings, compliance, net cost of handling the program and/or supplying the service, and total spend compared to sales turnover. Consolidation is not a goal, but a method. Start by inquiring what main goals consolidation should accomplish; a specific range of savings, enhanced service excellence, consistent procedures, and/or improved traveler safety and security. Insight of a corporation's scope and structure will assist in establishing objectives. Without assessable goals, it is hard to ascertain if the program prospered or was unsuccessful.

Phase 4 – Obtain a Solid Consolidation Team

A successful consolidation requires a solid dedication from a company. As such, at the core of consolidation must be a person – a travel buyer or procurement executive with regional or global influence – who comprehends the corporation's requirements and can converse at the decision-making level.

Though, consolidation is not a job for a single individual. A strong configuration is required to aid in the achievement of a consolidation. Consolidation teams should include procurement, travel management, risk management, and finance. If a travel policy is included in the consolidation, human resources should be added to the team. For regional consolidations, the team must include similar parts in each country.

Phase 5 – Establish Senior Management Buy-in

If a consolidation is unsuccessful, it usually can be credited to an absence of executive and senior management buy-in. Without executive backing, it is doubtful consolidation endeavors will go further. By involving the uppermost senior management level in a region at the start of the planning, consolidation teams foster champions who correspond, regionally, the anticipated program advantages to the company and its local teams. Presently, both senior managers and C-level executives are more active in inquiring how travel programs are performing and how they can assist with objectives.

Phase 6 – Control Anticipations

While consolidation provides a possibility for massive savings, a company must initially inspect its hopes. If a program is mainly unmanaged, and the company has the required components in position to commence consolidation, realizing the greatest savings level must not be impossible. Though, it's significant that a corporation summarize the causes for possible failure and the obstacles that might reduce the ROI. It's as imperative to convey this information to stakeholders as it is to the potential advantages.

Consolidation will inescapably require change, and the company must be ready to welcome it. Thriving change management needs the creation of a multi-level strategy to convey how the program will progress for everybody; the traveler, travel arranger, regional or country travel or procurement managers, and finance.

Phase 7 – Create a Timeline

The consolidation duration varies based on the corporation's recognized meaning of the term and amount of buy-in received from executive management. Many organizations choose to review consolidation of TMCs and vendors. Managers of consolidation programs must not anticipate a fast conclusion. While components of consolidation; (e.g. creation of a mutual policy), can frequently be completed in a few months, an accurately global consolidation that includes all main components of a travel program, will probably take quite a few years to realize.

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