



Organizing Travel Spend Management

Company Profile

Client: The client is a global specialty chemical manufacturer who produces an array of chemicals, from soda ash, hydrogen peroxide, specialty polymers and polyamide intermediates products, to PVC and consumer chemicals used in shampoo and shower gel. The company is European-based with a global presence, operating 111 sites in 55 countries and employing over 29,000 individuals.

Business Challenge

The client's rapid growth resulted in a lack of centralized management of third party supplier spend of contracts, specifically for travel. There was neither a travel program nor policies in place to appropriately manage travel processes. Separate business units had differing requirements, procurement had limited support from the business, and overall policy compliance was not a focus for the business units. The pre-trip authorization process was cumbersome and protracted; there was limited understanding within the business of travel budgets or projected growth, and a recent consolidation of global offices brought about the need to conform to standardized policies, processes, and procedures.

How Corbus Helped

In order to develop a global level sourcing program, Corbus undertook a detailed analysis of all travel sub-category spend profiles and contractual arrangements and developed a sourcing strategy for each. Corbus then implemented the strategy, which included a migration to Corbus contracts for hotels, negotiations with airlines, and a Request for Proposal (RFP) for a travel management center.

To enable ongoing processes, Corbus worked with the client to develop both a travel program and policy documentation, including a travel booking process to ensure compliance to the new policy and program. The formalization of an implementation transition plan and employee communication plan was needed to increase likelihood of adoption of new policies, and authorization systems were put in place. Category and demand management was established, incorporating supplier performance management, spend analysis, and benefits tracking frameworks. Post-trip reconciliation processes were developed to match booking costs to actual costs. Suppliers were able to offer incremental benefits as expenditure grew, and on-going benchmarking was initiated to ensure supplier deals were relevant and appropriate.

Results

- ✓ Savings from aggregated supply contracts (2-5% savings against market increases of 5-12%)
- ✓ Increased standard room usage from 70% to 85%
- ✓ Lost savings were minimized through better controls and understanding of traveler behaviors
- ✓ Suppliers modified rates and fare discounts in line with client booking behaviors
- ✓ Internal costs were reduced due to more efficient booking processes
- ✓ Compliance to policy and process were tracked and lost savings were reported monthly
- ✓ All trips were authorized by Finance Managers to ensure compliance to the budget