The Future of Business Travel Procurement

Adopting agile for your 21st Century Travel Program

Focus on Outcomes

Agile + Business Travel Procurement
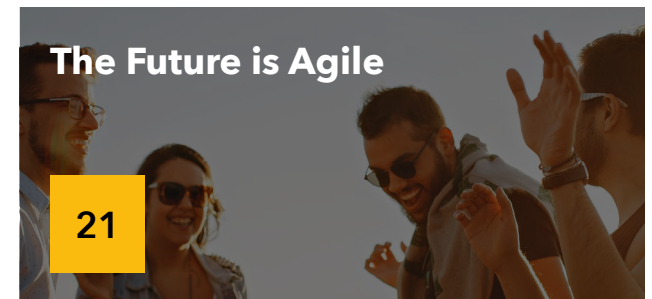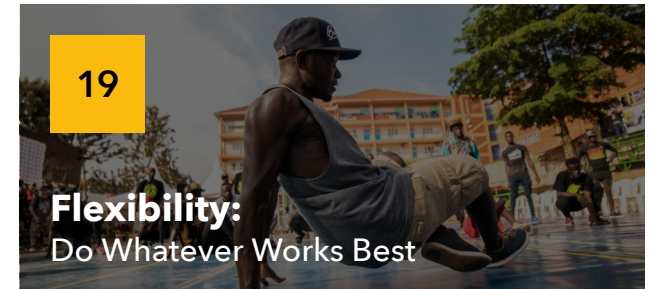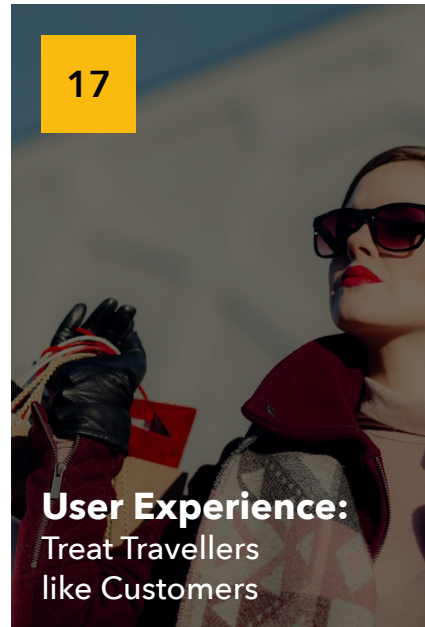### A Perfect Combination

User Experience
Treat Travellers Like Customers

Flexibility
Do Whatever Works Best

Booking.com business

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Going Agile

Agile practices and techniques have taken the business world by storm since the days of the tech boom. Inspired by the meteoric rise of Silicon Valley in the 1990s, and the more recent startup craze in software development, organizations of all sizes and in every industry have taken note of new, flexible, tech-driven ways of doing business.

Going Agile

With its traditional focus on policy, processes and bureaucracy, business travel procurement is a relative newcomer to the agile party. However, things are changing fast. New technologies and a new generation of business travellers are quickly pushing business travel procurement into the future – and creating a new role within organizations for procurement managers.

What does it all mean? And, more importantly, how can agile tactics help business travel procurement managers play a more strategic role in their organizations going forward? In this eBook, we explore the agile boom and explain why it is much more than just a passing business world trend. For fast-paced, tech-driven jobs like business travel procurement, it is a fast lane into the future. The practical tips in this eBook will give you a head-start on your own agile business travel procurement journey.

What is Agile?

Many of us have heard about "agile" methods and practices. Very often, "agile" is used hand-in-hand with terms like "lean" and "scrum" to describe certain flexible new ways of working and doing business. But what does it all mean?

What is Agile?

"Lean" processes skip unnecessary steps and eliminate slow, rigid bureaucracies. "Scrum" refers to a team-based development process based on clear assignment of tasks, frequent interactions and a focus on a series of manageable, short-term goals.

The "agile" approach originated among American software developers in the late 1990s. At that time, developers were looking for faster, more efficient ways of completing projects. In 2001, a group of Silicon Valley developers released a four-point "Manifesto for Software Development".

These four cornerstones continue to be essential aspects of the agile mindset:

• Individuals and interactions over processes and tools

• Working software over comprehensive documentation

• Customer collaboration over contract negotiation

• Responding to change over following a plan

The business world has been through a lot of changes since 2001 – thanks in part to the growing acceptance of these agile principles.

Focus on Outcomes

Suppose your procurement team is struggling with travel policy compliance issues. You and your colleagues are pulling your hair out trying to get your company's travellers to book and spend within the travel policy. You've invested months in constructing a detailed policy, including a range of options based on carefully negotiated partnerships with suppliers.
Still, travellers are regularly skipping the policy and making their arrangements elsewhere. Which approach do you take?

Focus on Outcomes

The beaten path

A conventional response would be to implement stricter rules and processes. Your company might even impose penalties; for example, by refusing to reimburse certain travel costs to employees who book outside the travel policy. This would be a normal rules-based approach to the problem.

The agile approach

An agile approach is not concerned with following strict rules or imposing fixed processes. All it's interested in is achieving the best outcomes. The agile mindset is all about being flexible, realistic and doing whatever works best under the given circumstances. So, ask yourself: Is there something your travellers know that you don't know? Is your policy out of touch with their needs? Is there a better, more efficient way of doing things?

Maximise efficiency

When employees fail to comply with the travel policy, it's generally not because they are "rebels". They simply do so because it saves them time, because the official methods are too slow, involve too many steps or use impractical technologies. If you focus on outcomes, then your travel policy should enable employees to book their trips as quickly and efficiently as possible, so they can do their jobs more effectively.

Of course, it's essential to balance employee spending preferences with business needs – this is the procurement manager's true mission. The key is to be open to new possibilities and create policies that are flexible enough to be realistic. The handy travel policy generator from Booking.com for Business is a great place to start.

Agile + Business Travel Procurement

A Perfect Combination

Agile + Business Travel Procurement:
A Perfect Combination

Business travel procurement is a fast-paced, ever-changing process.

No two travel dates are alike. Rigid, one-sized policies are no longer realistic.

Travel procurement technologies are on the rise.

Agile is all about using smart technologies to save steps and create leaner, more efficient processes – whether it's booking cheaper travel arrangements or declaring costs more quickly.

Procurement is becoming more strategic and outcome-oriented.

Experts predict that procurement will soon grow beyond its traditional cost-handling function and take on a more strategic position within organizations.

We are only at the beginning of the shift towards agile business travel procurement. There is still a lot of experimenting and learning to do. Fortunately, we can learn from the successes that agile methods have brought to other areas of the business – especially product development. Let's take a look at some of these agile development methods in detail and discover how travel procurement managers can adopt a more agile mindset to achieve better outcomes for their companies. The four key areas discussed below (communication, technology, user experience and flexibility) are based on the four cornerstones of the original agile manifesto.

1.

Communication

Create Transparency

An agile approach relies on smooth, transparent lines of communication. If a team member discovers a new, better way of doing things (a faster, cheaper way of booking airfare, for example), they need to be able to share their knowledge effectively.

Let's meet up

Perhaps the most widespread feature of an agile approach is very frequent team meetings. Agile teams meet on a weekly or sometimes daily basis to compare outcomes and make sure everyone is on the same page. These meetings (known as "scrum meetings" or "stand-ups") give everyone a chance to share their insights in a relaxed, open atmosphere.

Even playing field

Every individual's input is welcome, regardless of his or her job title. Good ideas can come from anywhere within the team or organization, so the meetings should give everyone an opportunity to share valuable input. Travellers themselves often have crucial first-hand knowledge that their managers or procurement teams don't know about. It's up to the team to decide which input is useful. The information sharing process should be respectful and democratic.

Go for the goal

Team meetings should focus on an overarching goal (such as reducing annual travel costs). However, clear, short-term goals should be set and discussed regularly (such as finding the most cost-effective options for a specific destination or upcoming event). In "agile" terminology, these short-term goals are known as "sprints". As the name suggests, they are short, manageable stretches. Complete them successfully, one at a time, and eventually they add up to meeting the long-term goal.

Pick your partner

Clearly defining contact partners is essential to a smooth flow of information. Be sure everyone knows exactly who to contact for issues related to specific topics, like declaring costs, suggesting improvements or giving feedback.

Check the pulse

Particularly in larger organizations, polling and questionnaires can be a great way to collect input. If your procurement team is serving a large number of travellers, or if your staff is spread out across multiple locations, it can be difficult for everyone to meet regularly in person. Try creating an easy online survey to gather insight. Booking.com for Business has created a business traveler feedback survey that can serve as a template.

2.

Technology

Technology

Embrace the Possibilities

Travel procurement is on the verge of a high-tech revolution. In particular, predictive price-tracking technologies are becoming more effective and more readily available (check out this recent eBook from Booking.com for Business for a discussion of how artificial intelligence will change the role of procurement in the near future).

These innovations promise to save time and money by tracking down the best travel options in real time. However, technologies are also essential to an agile working environment. They make communications more effective and save team members time and hassle when performing essential tasks like reporting travel costs.
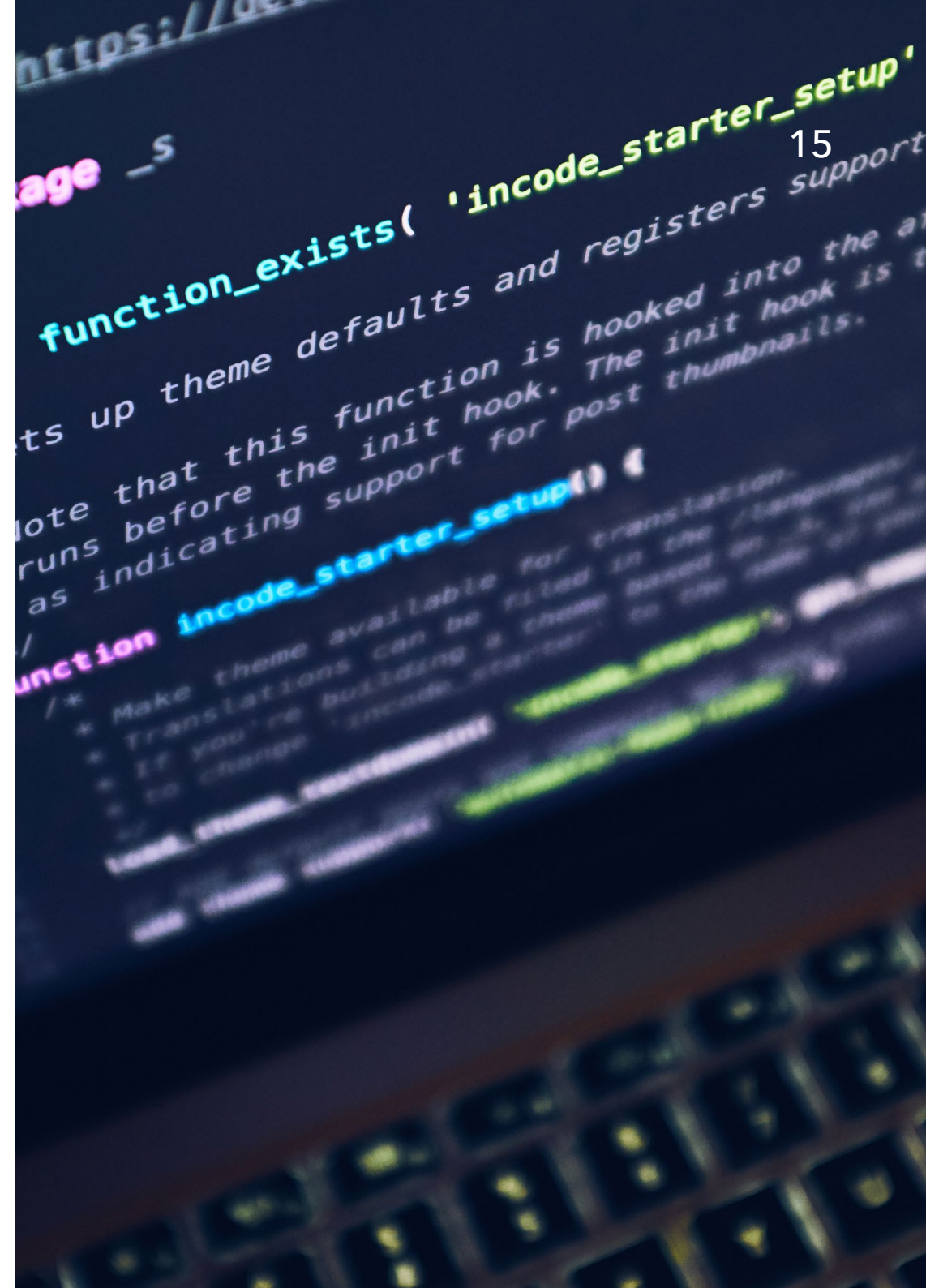
No more paper

If your cost reporting system still relies on paper invoices and handwritten reports, it's time for an update. Electronic costing is far more efficient, saving time and resources. Some companies now require their suppliers to provide all invoices and documents electronically. This is a topic that could be included in contract negotiations.

Sharing tasks

Technologies also simplify cost reporting by enabling employees to register their own travel costs (through an online portal) instead of handing over receipts to procurement and leaving the data entry to them.

Work with your IT team to develop or purchase a suitable travel cost reporting system that is easy and fast enough for travellers to use themselves. Given the abundance of new software-as-a-solution (SaaS) options in procurement software, buying a ready-made product is often more efficient than developing an in-house solution.

Keeping in touch

Modern communications technologies like Skype, VoIP and instant messaging services like WhatsApp have already changed the way many of us communicate in our free time. They are also a perfect solution for maintaining smooth lines of communications between business travellers and their head offices.

Be sure your travellers know how to reach the relevant contact partners effectively in case of any cost-related issues during their trip. Offer them easy, familiar ways of communicating in real time.

3.

User Experience

Treat Travellers like Customers

Agile is all about producing better outcomes by making things easier, more accessible and even more fun. When it comes to business travel, procurement managers need to offer business travellers a hassle-free, user-friendly experience. This ensures that travellers remain engaged, so they are also more likely to comply with travel policies. As discussed in our recent eBook on business traveler engagement, when you make travel a fun, pleasant experience for your company's business travellers, they will reward the business with a stronger performance.

Convenience is key

Frequent business travellers are some of the busiest people on earth. They do not have time to navigate outdated software applications when booking their travel arrangements or declaring costs. Your company must ensure that its software platforms are in line with modern user experiences, otherwise you can forget about policy compliance. Ideally, travellers should be given the greatest amount of freedom possible to make their own travel decisions, within reasonable limits and guidelines set by the company.

Make it fun

Many companies have reported incredible success with gamification. This turns previously tedious tasks (like policy compliance and cost reduction) into an exciting competition. If your company is struggling with specific issues, like overspending or compliance, try working with teams and managers to implement a gamification program. Under these programs, employees receive rewards and/or peer recognition for meeting goals and continually improving their performance. Case studies show that gamification creates a relatively inexpensive yet powerful social incentive for employees to improve efficiency.

4.

Flexibility

Do Whatever Works Best

Lastly, instead of forcing travellers to follow rigid policies and tough rules that make it harder for them to do their jobs, try taking a more flexible, realistic approach.

Agile companies and teams prefer "adaptive" policies. These give them more freedom to react to real-life situations. Most conventional travel policies already include a certain level of freedom, simply because travel needs and conditions can be unpredictable, and the supply of travel providers is subject to unexpected changes. However, there may be opportunities for you to streamline travel spending policies even further.

The end justifies the means

Remember to stay focused on outcomes. What do you want the outcome of your company's travel program to be?

Each company must decide that for itself. Naturally, the travel program needs to support the company's business objectives. However, does you company also value travel as a recruitment incentive or a driver for employee engagement? Does your company set environmental impact goals that your travel program needs to align with? Whatever the objective, travel spend must be all about reaching your company's desired outcomes – even if it means expanding the travel policy to include more suppliers and booking options.

Redefine travel needs

Travel spend options that were once considered a luxury are now becoming more of a "must-have" for today's generation of business travellers. In other words, "wants" are being redefined as "needs". For example, since millennial travellers love to combine business travel with leisure, your travel policy must give them the flexibility to choose extra amenities (at their own expense).

The Future is Agile

Agile business practices are here to stay. Teams at pioneering companies like Samsung, Apple, Disney, Microsoft and Google have turned "lean" methods, "scrum" and outcome-focused processes into new standards for competitiveness and success. The list of companies now practicing agile tactics continues to expand. It's hard to imagine these companies returning to the rigid policies and strict hierarchies of the past.

The Future is Agile

Now is the perfect time for your procurement team to make the shift towards an agile business travel approach. As travel procurement technologies improve, artificial intelligence will take over many of the cost reduction and control tasks that procurement managers are still doing by hand today. As a result, procurement teams will have access to more powerful data analysis tools, so they can help their companies make smarter business choices.

The strategic importance of procurement is on the rise. Meanwhile, travel markets are becoming increasingly competitive and volatile.

Agility gives travel procurers and travellers greater flexibility, so companies can adapt more easily to sudden changes. By putting some of the practices explained in this eBook into place, you can be sure that your company's business travel program is on the right path towards an agile future.
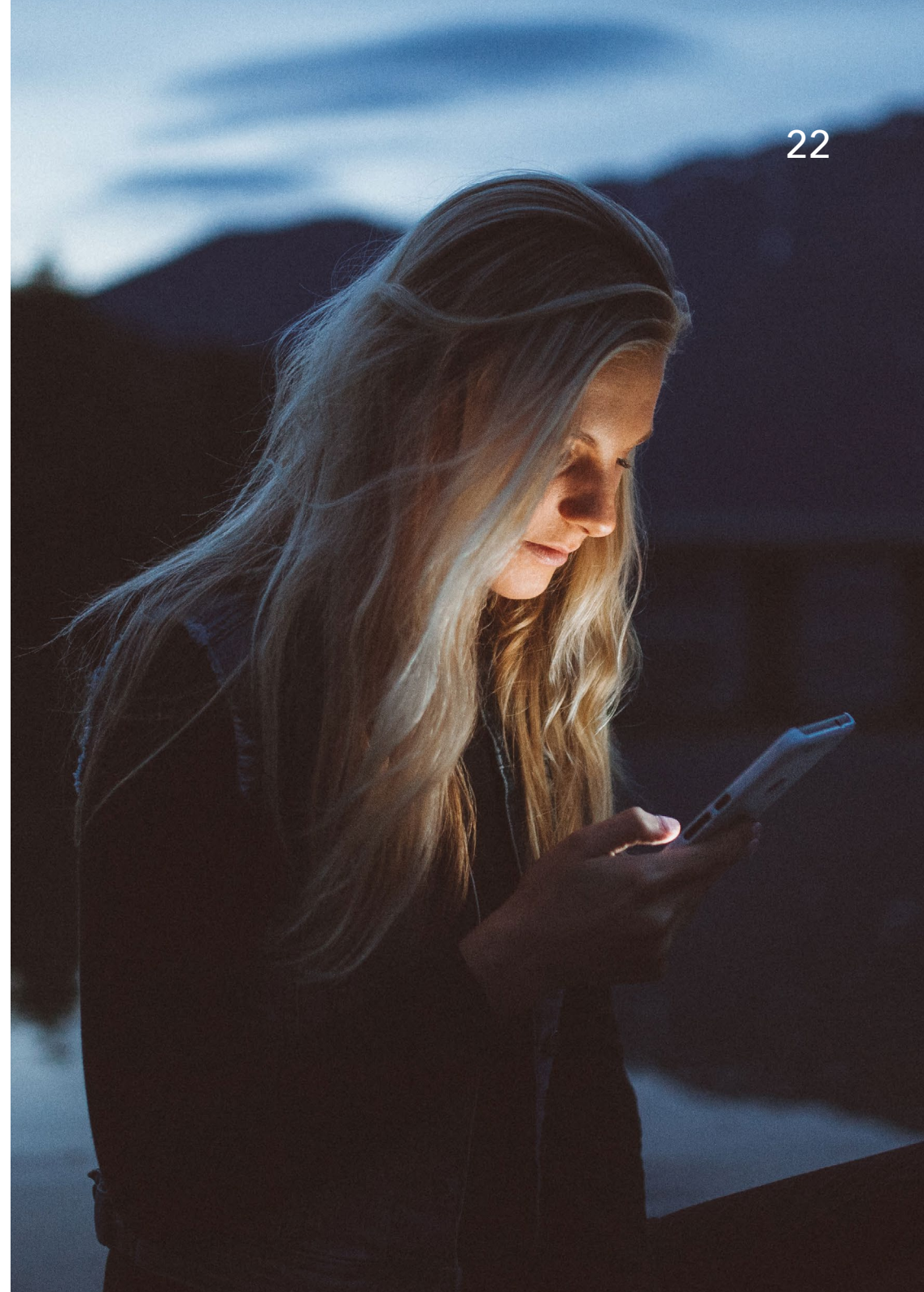
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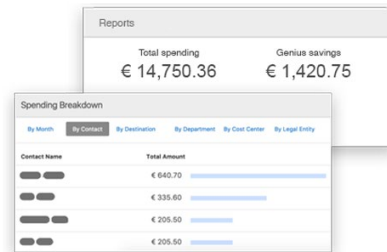
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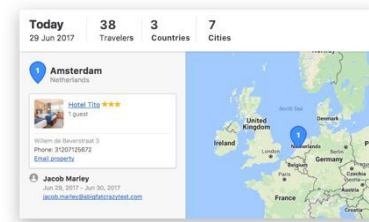
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