GETTING BACK TO BUSINESS, WITH BUSINESS TRAVEL

Abstract

With Omicron cases dipping across the globe, business travel has resumed for many organisations as countries have started labelling COVID as an endemic rather than a pandemic. The travel industry is bringing forward predictions of a 'return to pre-covid levels', especially for domestic travel and suppliers are ramping up scheduling and capacity. So the question arises – can 'travel life' just go back to what it was before? Considering the uncertainties, companies understand that complete normalcy will not resume, and corporate travellers and their travel programs will need to adapt accordingly. This paper explores some of these adaptions and challenges.

Infosys®
Navigate your next

Testing the waters

Once business travel resumes back to normal, it should flourish. Despite realising that video conferencing can work (which was touted for over 15 years, but never really been adapted), many 'road warriors' have resurfaced. The need for connecting face-to-face with clients, reviewing operations first-hand, and having interactions with colleagues and suppliers, mean that many organisations are witnessing a steady upward trajectory.

However, international travel is showing slower progress. This has much to do with traveller and organisational hesitancy in having staff stranded overseas in case they contract the virus. Further, confusion over differing rules and conditions across borders regarding vaccination and digital certification acceptance is also adding to the sluggish progress. Hence, while the international rebound anticipated is taking longer, the airline governing body, International Air Transport Association (IATA) predicts pre-pandemic levels to be reached by 2023

Challenges with the workforce

Travel Management consultancies have long struggled with maintaining good staff who can manage intricate travel itineraries and provide proactive advice to travellers. Unfortunately, with many Travel Management Companies (TMCs) having to furlough or dismiss staff during the pandemic, many consultants have left the industry altogether. This has impacted many businesses who are now turning to consultants to get advice on the ever-changing market, manage frequent changes and cancellations, and for the ever-growing list of unused travel credits and refunds.

While technology has provided more ability to manage individual bookings and travel programs overall – many previously self-managed travellers are now returning to offline consultants for bookings and assistance. However, with the dearth in workforce, TMCs are now struggling to find qualified, experienced staff who can manage these queries further impacting corporate travellers.

On the road, travellers need to manage expectations and ensure appropriate research into options to understand what is best suited. They need to navigate the myriad of rules when it comes to conditions such as – which vaccinations are accepted by which countries, when is a PCR test required, and/ or where additional time is needed to pass through airports, border controls, etc., and other details about connecting flights.

Workforce limitations are also impacting many other travel suppliers like airlines, airport services, and hotels, especially areas where the job skills require extensive training and other risk management services. Currently, pilots who need to add flying hours to keep their qualifications updated, are undertaking months of 'flying in circles'

around airports. Airline fleets that have been mothballed are now gearing for resuming services and require extensive maintenance and review to be done by engineers and ground staff. This is coupled with ongoing COVID pressures as staff contract the illness requiring time off or where rules apply for close contacts to remain in isolation – thus impacting the return to work and work uplift needed to meet the demands.

Additionally, demand impact will be further exacerbated as leisure travellers return in droves and add additional pressures on these diminished workforce numbers. It will take time for suppliers to ramp up their services and be able to meet the demand and expectations of travellers in things like scheduling capacity, route coverage, inhouse services in accommodation and even availability of vehicles for ground transport.

Travelling for internal meetings

Despite the surge in travel bookings and for the reasons mentioned above, corporate travel managers and organisations are questioning the need for all types of business travel to recommence, and are becoming more proactive in getting the best returns for trips undertaken.

Many have noted that travelling for internal meetings will continue to be curtailed, and this is going to be one area where travel might not return to pre-COVID levels.

Businesses will push back on internal travel, especially as it has been demonstrated that team engagement can flourish through virtual interaction. For some organisations, internal travel can be as much as 30%-40% of total trips undertaken.

Also, the ROI on travel is now being questioned more than ever. Managers are now requesting value to be demonstrated from the trips and are looking for multiple meetings to be conducted or in some cases, even a value expectation business case to accompany the request.

Pre-trip approval processes resurfaced for many organisations during covid (digitally or otherwise), and this looks likely to remain for the short term as organisations remain cautious in removing shackles completely. It remains to be seen if they are removed altogether as these approval processes become simpler and less cumbersome to use

Sustainability – the quintessential inclusion

- Environmental, Social, and Governance (ESG) has emerged as a key fundamental principle for many organisations and their overall business strategy. This focus funnels down to the organisation's travel program, as it is a highly visible component of an organisation's sustainability initiatives. Hence, category managers are actively pursuing sustainability agendas through their own internal demand management and their procurement activity.

While negating the need to travel is still the best form of minimising carbon emissions, the paradoxical requirement outlined above implies that this will not be the panacea. However, minimising travel in line with demand management activities such as pre-trip approvals and utilisation of video conferencing will reduce some

business travel. Many travel managers and organisations are focussed on this reduction as a measurable business target.

In the past, a general complacency has been paid to sustainability criteria during procurement, and generally included as a basic question to meet governance reporting. Organisations reported on carbon emissions (generally only for flights) which was then offset using carbon credits or other corporate 'pay back' initiatives.

However, more organisations are now focussed on working with suppliers who can also demonstrate their sustainability initiatives. There is a growing impetus to include sustainability as a more highly weighted evaluation metric in their supplier selection process; and as a key differentiator between suppliers when dealing with more commoditised sectors.

It remains to be seen what price differential organisations will be willing to pay to utilise a more sustainable supplier – which has been the main drawback in the past. There is a growing workforce more attuned to such policies and are actively pushing this agenda within their organisations. This along with business and community sentiment, and with suppliers embracing their own sustainability agendas regardless - it is like unlikely this price pushback will be maintained

So, while the travel industry and corporate travel programs will go back/have gone back to 'normal', there are some changes and challenges that will need to be understood and addressed. Communication and updates to travellers and bookers will remain key to keep them abreast and minimise frustration as to why they can't go back to the 'good old days'.

Authors

Dorina Santos

Manager, Infosys Portland

Dorina has been involved in corporate travel procurement for over 20 years, having cut her teeth implementing the first NSW Govt online booking tool before moving to contracting and category management of the travel program for them. Since moving to the private sector, she has actively managed the travel programs for a multitude of leading ASX500 and other government and tertiary education organisations. She also provided services such as strategic sourcing and negotiation of suppliers and implementation of services, before then managing these suppliers and the overall corporate programs for these companies.

In the recent years, Dorina's focus has moved to E2E strategic program design and build, including technology integration and aligning best of breed modules to ensure a better overall program for clients. She regularly presents at industry conferences, and offers a balance between strategy direction while also ensuring these strategies can be operationalised and adopted.

Dorina also provides strategic thinking on category management frameworks and provides capability uplift and training to clients across this important area, generally including areas such as change management as part of her overall work with Infosys Portland.

Trevor Clancy

Director of Operations, Infosys Portland

Trevor began his career working as a Business Analyst developing and implementing IT solutions for clients across Europe and North America, before moving onto the implementation of e-procurement solutions for a leading B2B service provider. Over 16 years through the delivery of large procurement programmes for public and private sector clients across Aviation, Construction, Defence, Financial Services, FMCG, Hospitality, Manufacturing, Media and Retail, Trevor's role at Infosys Portland rose to Director of Service Delivery.

Trevor's current role now sees him specialising in driving the efficient operation of the business including working with our Practice Areas of Supply Chain, Marketing, Property, Procurement Operations and Directs as well as responsibility for our Service Delivery, the Portland Global Delivery Centre in Pune and the integration within Infosys of our support functions in Finance, IT, Legal and Marketing.

Trevor graduated from the National University of Ireland – Galway with a degree in Commerce and a post-graduate in Systems Analysis.

About Infosys Portland

Infosys Portland is a subsidiary of Infosys BPM Ltd., a part of Infosys Ltd. Its mission is to improve the efficiency and effectiveness of its clients' procurement and supply chain activities. We achieve this by providing thought leadership, specialist subject matter expertise, a global delivery model, and best-in-class technology solutions. By increasing the value delivered and improving the of procurement and supply chain operations, our clients are able to achieve more for less.

Infosys™
Portland

For more information, contact info@infosysportland.com   www.infosysportland.com