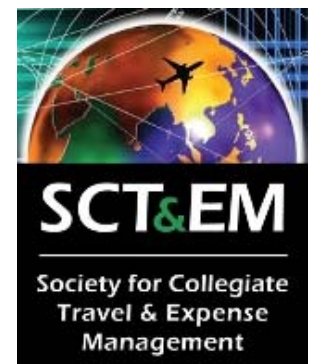


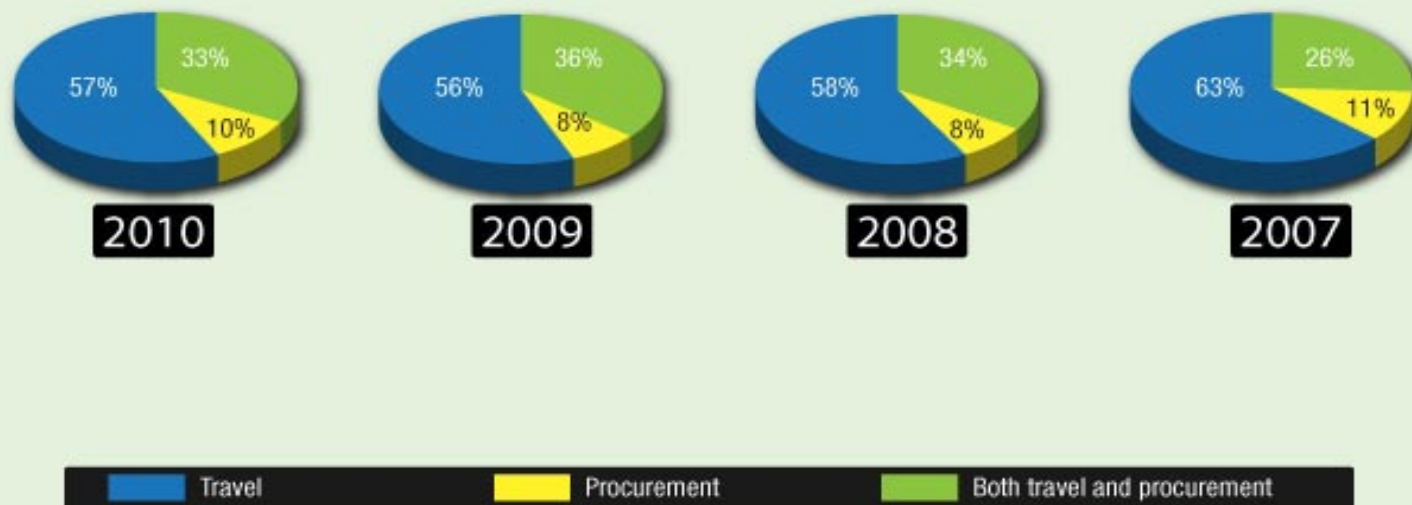


Aligning Travel With Procurement.....a debate over the Pro's & Con's

September 27, 2010
Moderator: Robert J. Zartarian
Director, Travel Services
Yale University

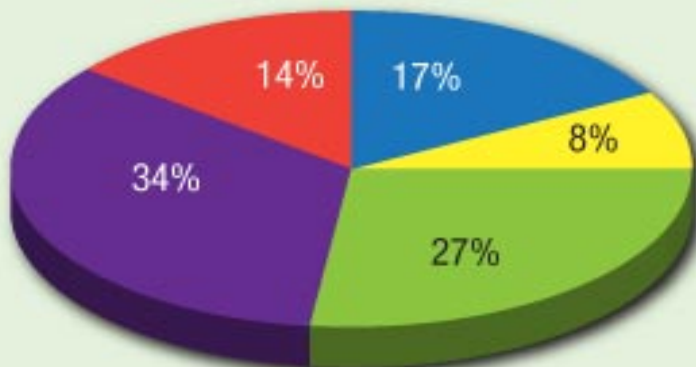


Respondent responsibility for company travel or procurement



Source: BTN survey of 277 travel, procurement buyers

Role of procurement in supplier selection



2010

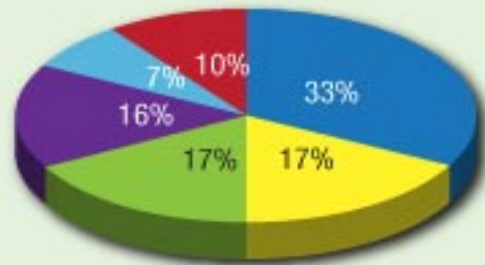


2009

- All conducted by procurement
- All require procurement signoff
- Travel team must follow procurement policy

- Procurement, travel teamed; travel has final decision authority
- Procurement, travel teamed; procurement has final decision authority

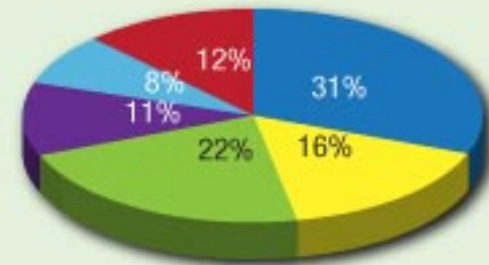
Department that owns the travel policy



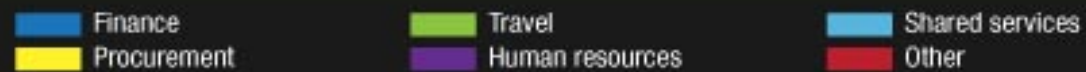
2010



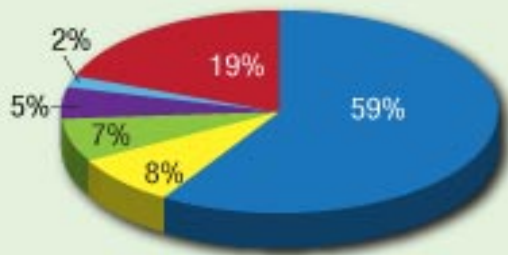
2009



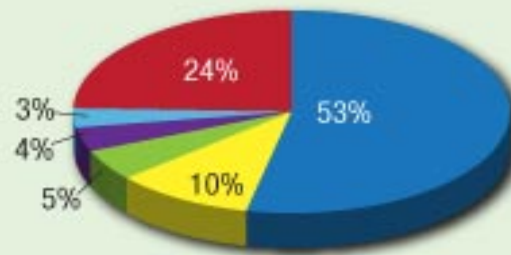
2008



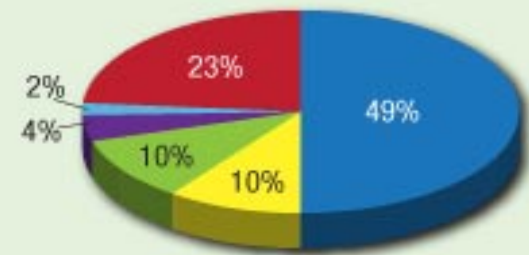
Department that sets yearly business unit budgets for travel



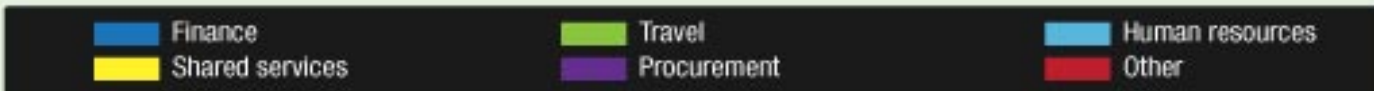
2010



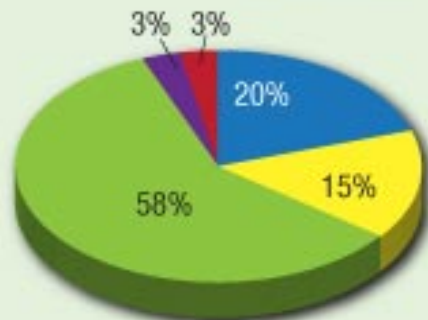
2009



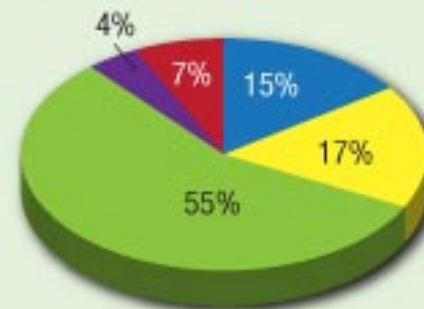
2008



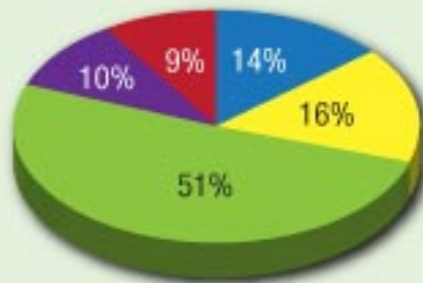
Companies' stand regarding cost versus service



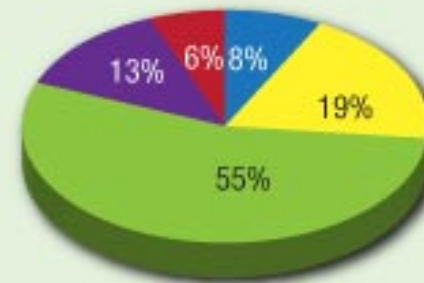
2010



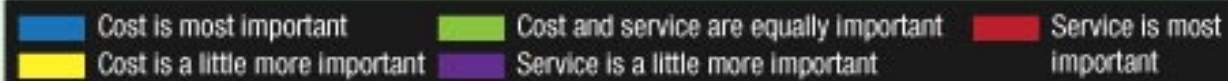
2009



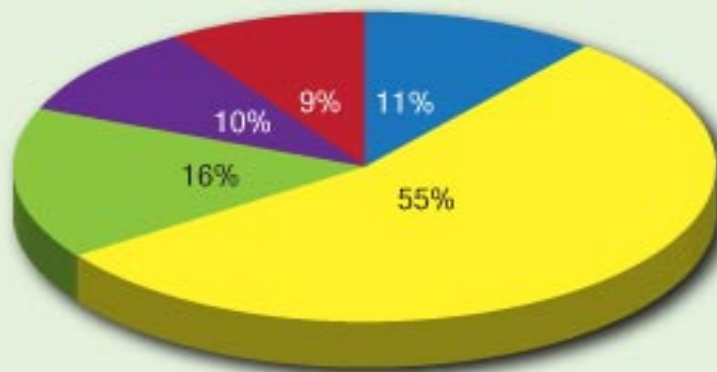
2008



2007

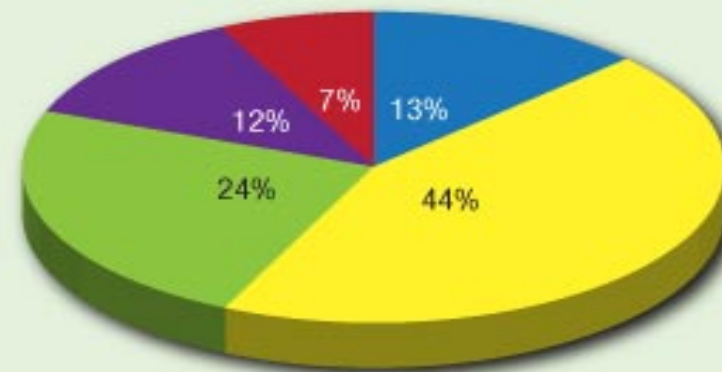


Savings realized through procurement in the past 12 months*



2010

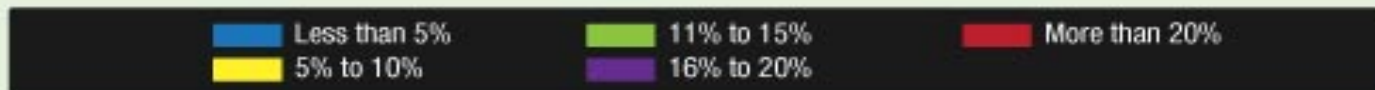
Average: 10%



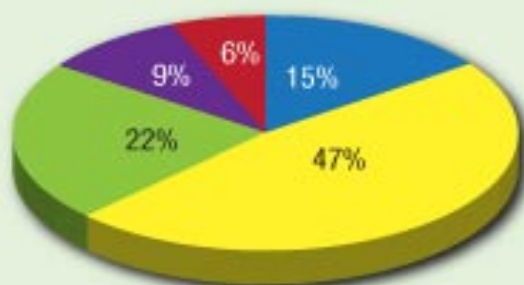
2009

Average: 11%

*As a percentage of total annual travel spending, including cost avoidance

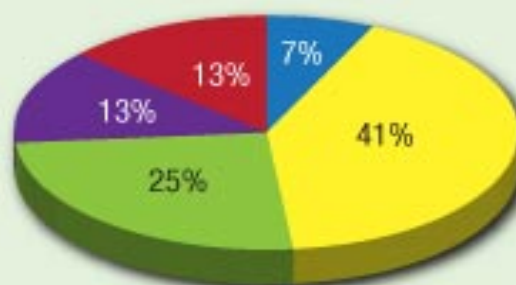


Savings anticipated through procurement in the next 12 months



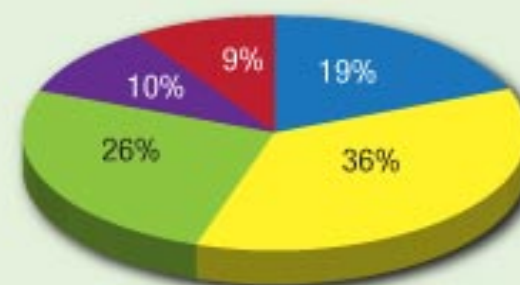
2010

Average: 10%



2009

Average: 12%



2008

Average: N/A

* As a percentage of total annual travel spending, including cost avoidance

Less than 5%

5% to 10%

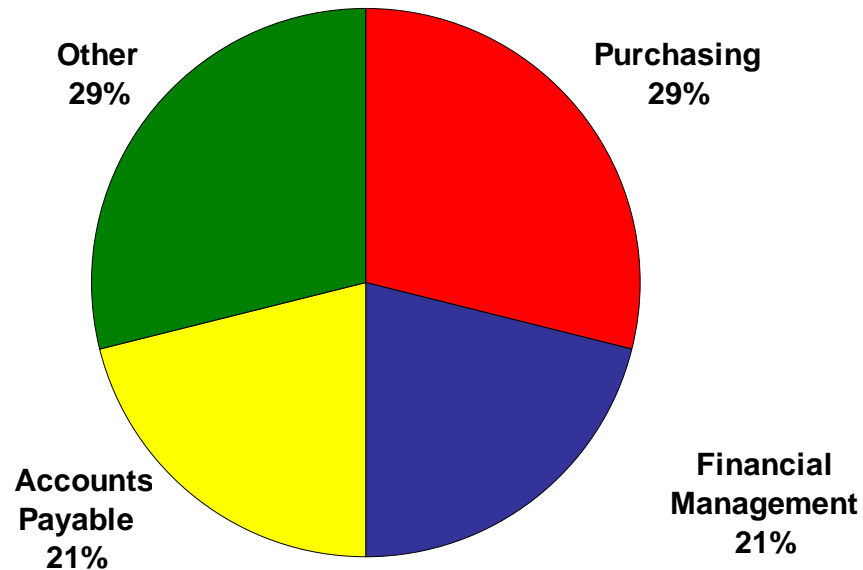
11% to 15%

16% to 20%

More than 20%

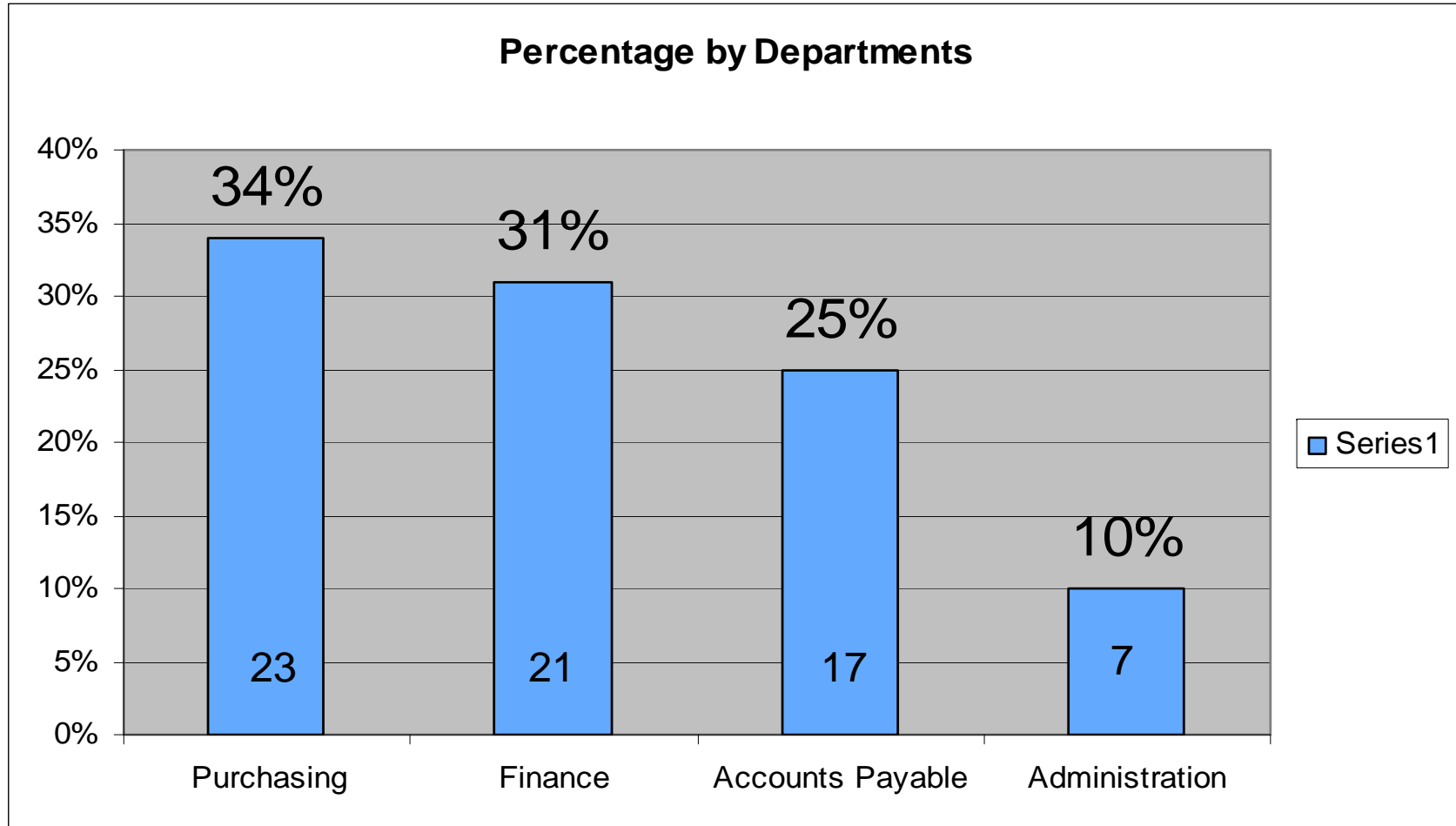


Travel Management Position Reporting

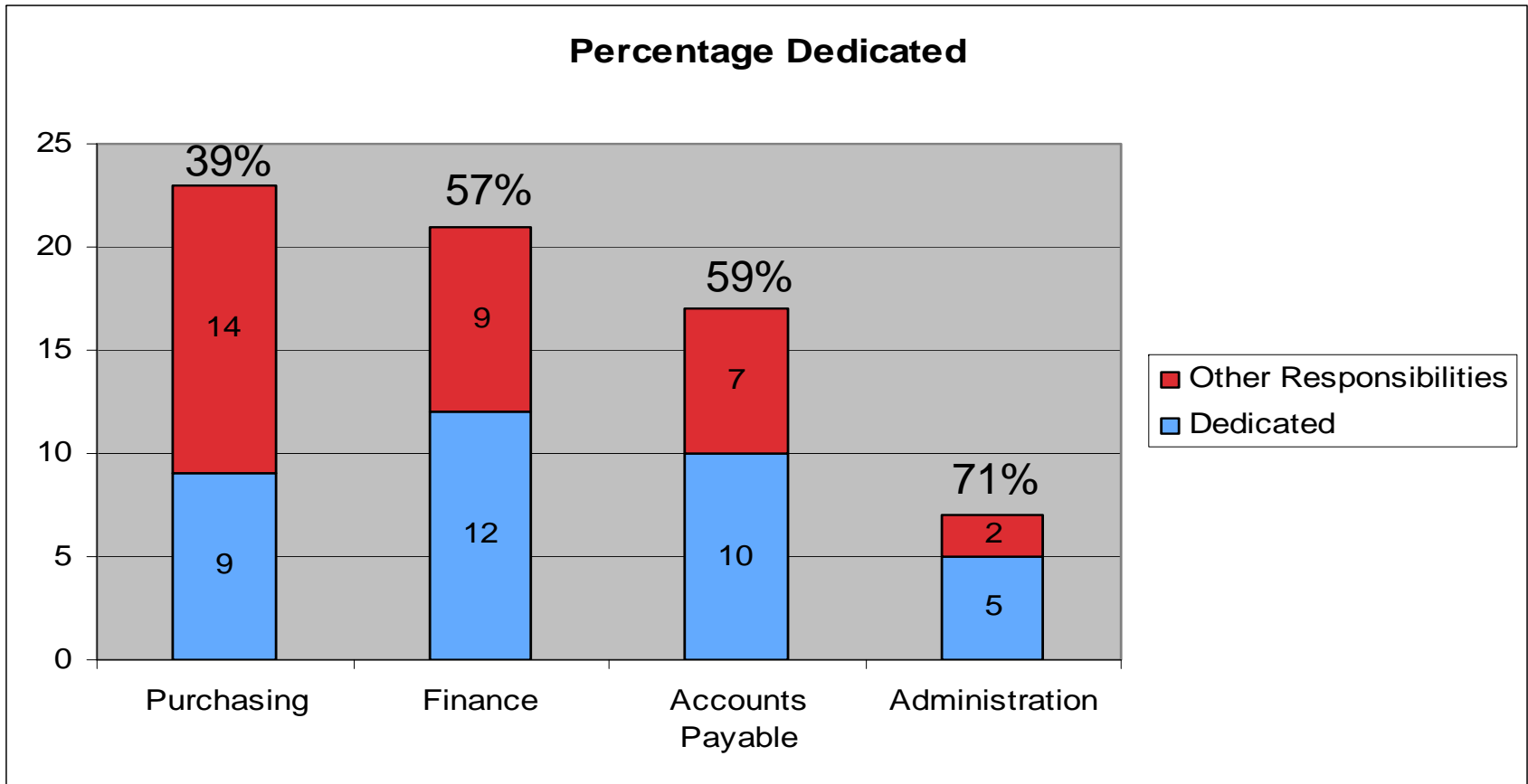


- 2007 Membership Survey
- 68 schools responded
- 80% public/19% private
- 54% dedicated position

2007 Survey Results Breakdown

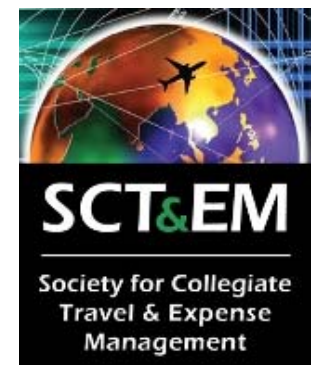


2007 Survey Results Breakdown



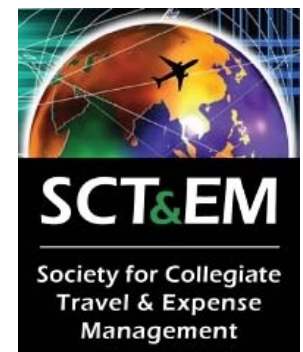


- Kindra Jordan, Willamette University
- Lee Loden, University of Texas at Austin
- Susan Storb, University of Pennsylvania



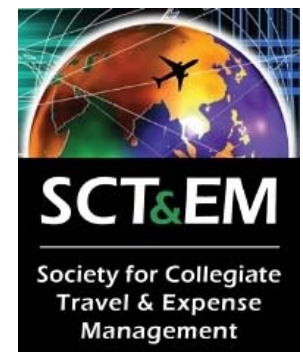
The University of Texas at Austin

- Public institution founded 1883
- Faculty: 2,500 Staff: 14,000
- Graduate students: 11,000
- Undergraduate students: 39,000
- Annual Budget: \$1.7 billion
- Research Funding: \$411 million
- Travel & Expense Budget: \$20 million
- Travel Agency Contracts: 4 TMC's & 1 On-line booking
- Travel card: Individual liability and university liability programs



The University of Texas at Austin Travel Management Services

- **Travel Management & International Risk**
- Vice President of University Operations, Dr. Patricia Clubb (Service and Employee HR units)
- Director reports to Associate Vice President, Marla Martinez
- Director is member of International Oversight Committee under the direction of Vice Provost of International Programs
- ***Office of Accounting Travel Services***
- *Handles travel reimbursements/cash advances*
- *Reports to Vice President & Chief Financial Officer*

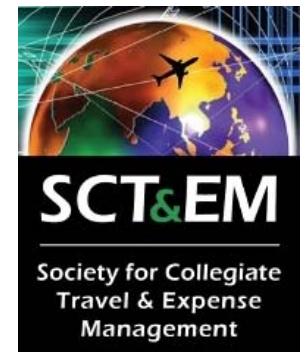


The University of Texas at Austin Travel Management Services

Mission: Providing exceptional travel services and resources to the University community

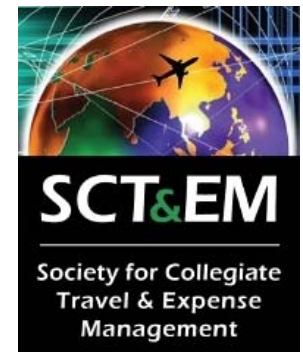
Core Values: Service, leadership, communication, innovation and education

- *Expanded & Efficient Travel Procurement Processes*
- *Cost Effective Travel Options*
- *International Traveler Safety & Tracking*
- *Travel Information & Communication*
- *Leadership Development*
- *Metrics developed for each goal*



The University of Texas at Austin Travel Management Services

- Annual Performance Review
 - ✓ Review of strategic goals which includes service and cost initiatives
 - ✓ Review of the management of TMC's program
 - ✓ Review of any travel related initiatives not already addressed in strategic plan (such as new Charter aircraft program, ground transportation program)
 - ✓ Personal Goals are aligned with departmental strategic goals
- Having solid/living strategic goals can help your department obtain budget \$\$\$\$



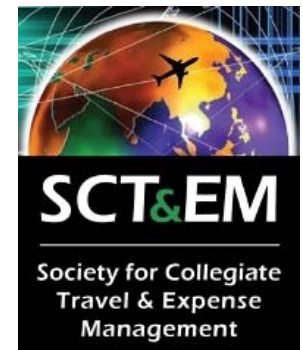
The University of Texas at Austin Travel Management Services

Pro's

- The best part about reporting to Administration is that senior management is **service** oriented.
- They clearly understand the value of service and that quality service drives cost efficiencies
- Support multiple travel agency configuration which gives campus users –choice

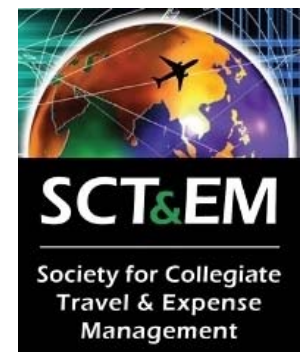
Con's

- Not as willing to mandate services such as travel agency program. Traveler's can also purchase airline tickets off contract and seek reimbursement after trip is completed
- Any initiative that requires accounting office assistance requires that our office be placed on their "project wish list"
- Travelers/departments often become frustrated with the travel process/rules living in 2 different units



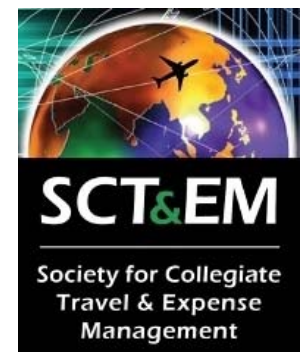


- Founded in 1751
- Large, east coast, private, urban, research institution
 - 16,300 faculty and staff
 - 20,642 students
 - 10,306 graduate/10,337 undergraduate
 - Annual Budget - \$5.667 billion
 - Research funding - \$814 million
 - Strong focus on global engagement



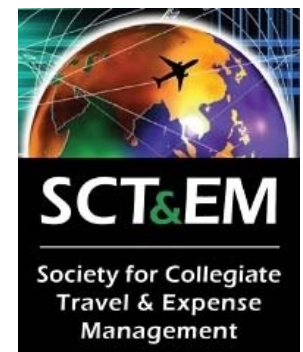
Current Travel Program

- Travel Services at Penn
 - Three Preferred Agencies
 - Airline billing accounts
 - 1 Online booking product
 - Amex corporate card program
 - JPMorgan Chase Purchasing Card program
 - Currently examining electronic expense management systems



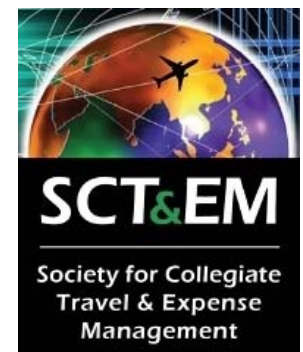
Travel Management Services

- History of Travel Services at Penn
 - Travel fell under the Division of Finance until 2008
 - Travel Services was transferred over to Procurement in 2008
- Program goals are providing information, service, convenience and savings to our travelers



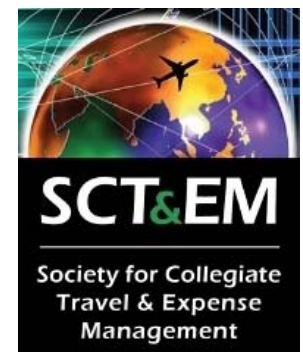
Pros and Cons under Finance

- Responsibilities of travel procurement and T&E reimbursements were housed together
 - Advantages
 - Able to see where people were buying travel related products and services
 - Disadvantages
 - No time to focus on travel procurement
 - No time to work on communications
 - No resources



Pros & Cons under Procurement

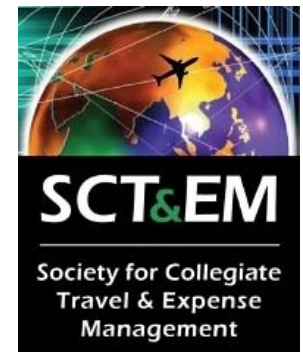
- Advantages
 - Availability of Marketing and Strategic Sourcing resources
 - More time to spend on vendor relationships and communication venues
 - Ability to do more strategic planning
 - More time to focus on the travel needs of the schools and centers
- Disadvantages
 - No longer seeing expense reports



Ongoing Challenges

- Communicating effectively to our travelers
- How to make the payment of travel expenses easier while maintaining fiscal stewardship
 - Reimbursements vs. central pay credit cards
- Capturing total travel spend in a non mandated environment
- How to provide savings reports for each school and center so they can drive compliance
- International Traveler Safety & Tracking
- How to generate savings when savings are on the higher priced airline tickets

****At a university, one size does not fit all****

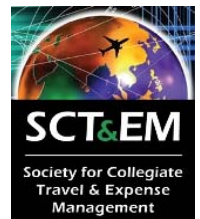


Willamette University Overview



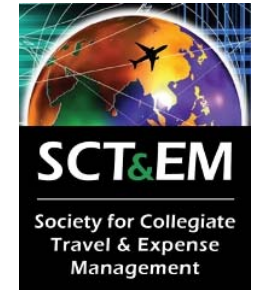
- Private Independent Institution founded in 1842
- Location: Salem, OR. (Across from the State Capital)
- Faculty: 253 Staff: **516**
- Undergraduate Students: **1750**
- Graduate Students: **800**

(Law, Business, & School of Ed.)





Willamette University Budget overview



➤ Budget

Annual Budget:	\$123,542,000
Research Funding:	\$2,133,000
<hr/>	
Travel & Expense Budget:	\$2,125,000
<hr/>	
<2009-2010 Air Travel>	
By University preferred methods:	\$776, 191 (93%)
By individual:	\$56,127 (7%)

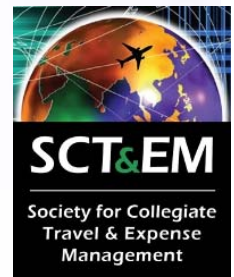
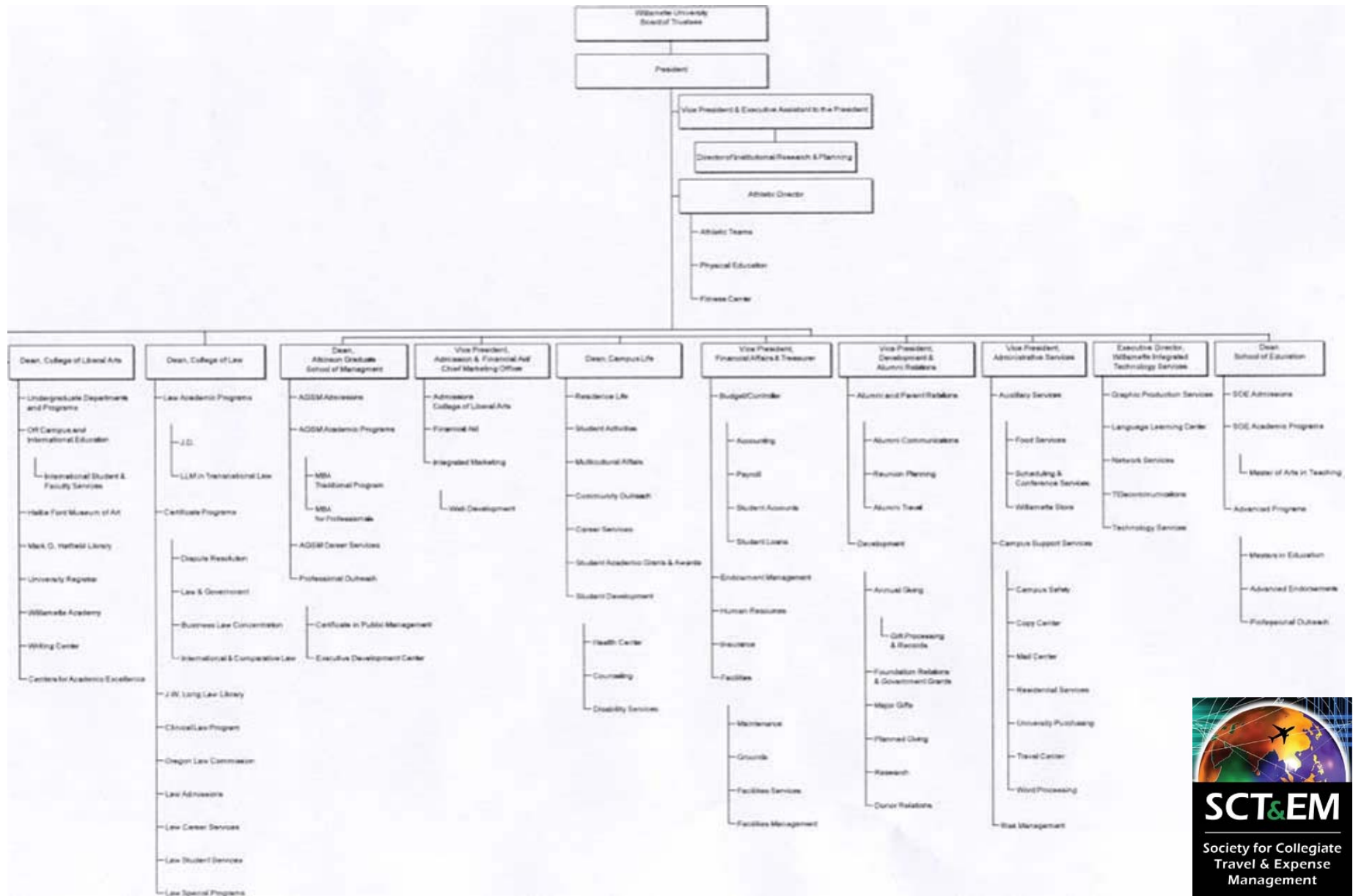
➤ Travel Services:

Two options- Travel center agents or Online booking tool

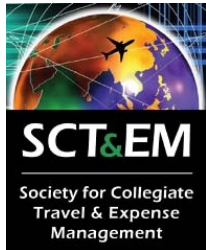
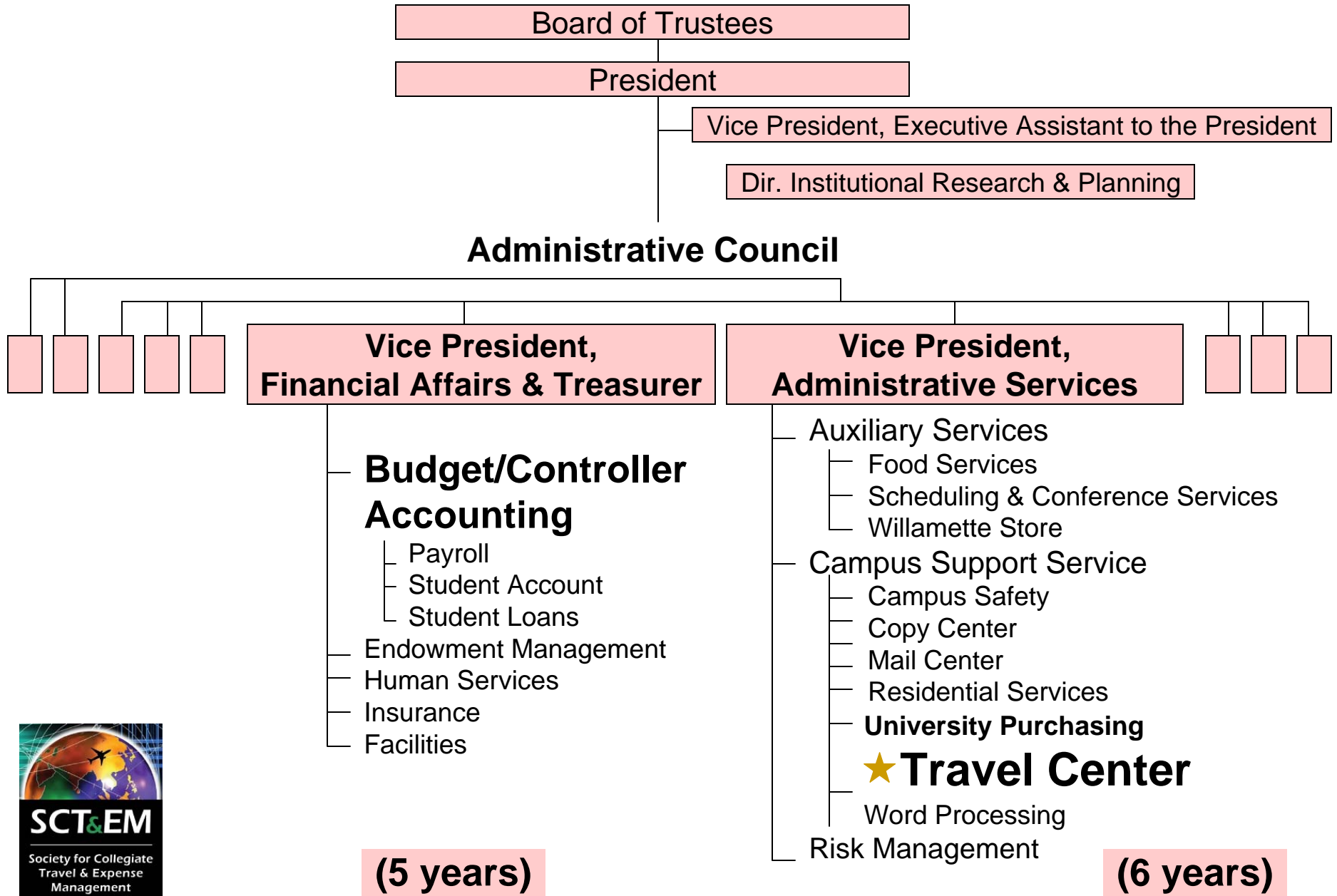
Ghost card (Two)

JP Morgan purchasing card (186 active card holder)

Willamette University Organization Chart



Willamette University Organization Chart



(5 years)

(6 years)

Viewpoint on Willamette University Travel Center

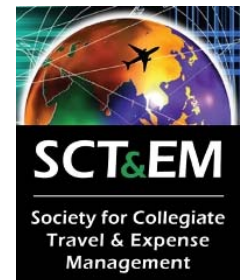
Vice President of Administrative Services

- It is an internal control mechanism for the prudent financial management of the university.
- It is an operational support mechanism that allows faculty and staff to spend more time on work or mission related activities (which they are paid for and experts in), and less time on booking travel (which they are not experts in).
- It is a risk mitigation opportunity to ensure that travel is handled in a safe, responsible and accountable way.
- It supports the image and comfort of the community in its work on prospective student travel, employment search travel, student trips, study abroad.

Reporting to Administrative services

Benefits

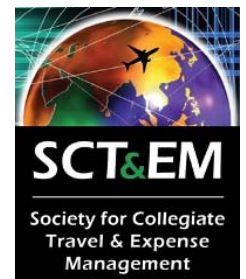
- Focus on customer service
- Feel customer service is slightly more important than cost
- Minimizing reporting process
 - One stop shop
 - Direct access to risk manager
- Contributing to sustainability initiative



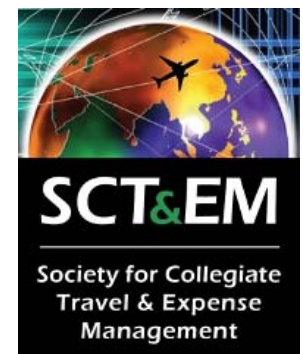
Reporting to Administrative services

Challenges

- Scorecard is measured by financial data and not customer satisfaction
- Achieving a commitment from Deans and Vice Presidents to enforce travel guidelines with subordinates
- Extracting required risk management information from Finance
- Limited staff to report information on air travel emissions and sustainability objectives



Questions?



THANK YOU!

