

Corporate Travel

Holding the line on increasing costs



By Zaher Karp

As companies grow both nationally and internationally, travel becomes a necessity. Some pricing forecasts for corporate travel, such as Egencia, predict drops in air, hotel and group prices, but without a cautious eye, travel costs can easily spiral out of hand. Airlines, while facing lower fuel costs now than just a few months ago, are experiencing a drop in capacity. This is due to reductions in schedules, which is to say that airlines have either chosen or been forced to cancel or eliminate portions of their fleet. Local business travel may be relieved as Dane County Regional Airport is working toward bringing prices in line to compete with Milwaukee and Chicago.

Agency vs. in-house

One way that businesses can rein in costs is by hiring a travel agency to manage their travel needs. Agencies cannot only manage employee travel, but also find fare reductions that may not be available to the general public.

“Businesses can gain greater buying power by getting their needs under one umbrella,” says **Mary Miller**, president,

Middleton Travel. Companies can gain additional savings by pursuing frequent flyer alternatives that may only be available to corporate customers.

There are also other choices for companies looking to watch their travel expenses. **MGE Energy** has elected to choose closer training centers; **Barb Severson** notices that employees have sometimes chosen to drive or stay for a Saturday night, allowing for a break in airfare.

“Most fare pricing has to do with timing,” says Severson, MGE Energy’s manager of administrative support services, “just what day you’re out there looking for. We sometimes rely on a travel agency to help us. For example, if a fare is reduced, we are issued a credit that will be used at a later date when we work with the agency [again]. Agencies can often be more creative and find a different connection or layover, and at times, that’s beneficial if we get stuck.”

Along with the savings that frequent or bulk travel may bring, hotels also can often be found at lower rates. With travel plans growing rare of late, hotels have been

forced to price more aggressively, making accommodations more affordable. One of the strongest assets that a travel agency can provide is advanced planning.

Ways to save

Staying an extra day and noting travel patterns are some ways that your company can cut down on costs.

“What I suggest to my corporate accounts is to oversee travel patterns,” says Miller. “Managing how people travel, we create reports to assist companies on advanced purchase patterns. A lot of companies are choosing to manage a little more in detail as price reflects time greatly. I’ve seen a trend that people are returning to travel agencies for these management capabilities.”

When traveling, the best practice is always to allow some extra time on each end of the trip, as “every little bit of flexibility can save a lot of money.”

“Corporate travel is always going to be a necessity as corporate relations require face-to-face interaction.” ■