

## Strategic Account Management Advance Purchase Savings

### Situation

As part of the consultative account management we provide clients, TravelFocus identifies and implements business plan objectives to further contain costs and drive efficiencies.

As part of one client's business plan, we analyzed the "Days Advance Purchase" report (a standard report for most travel management companies) to determine:

- The optimum advance purchase window given the company's travel patterns and buying history
- Any city pairs where it does not matter how far in advance travel is booked – or where it is better to book closer to departure to take advantage of airlines reducing prices to sell open seats

The data showed the following:

Days Advance Avg.	DEN-DFW	DAL-SAT	DEN-IAH	LAX-SMF	HOU-SAT	PDX-SMF	DEN-MIA	ONT-SMF	DEN-SFO	DEN-SMF
0 to 2	\$570	\$163	\$487	\$141	\$160	\$223	\$648	\$168	\$552	\$593
3 to 6	\$610	\$229	\$496	\$181	\$239	\$242	\$453	\$182	\$444	\$477
7 to 13	\$462	\$158	\$394	\$188	\$183	\$196	\$274	\$188	\$448	\$424
14 to 20	\$367	\$141		\$179	\$86	\$216	\$331	\$154	\$338	\$358
21 +	\$324	\$132	\$380	\$167	\$95	\$128	\$396	\$143	\$315	\$314

### Findings

- Savings / loss if all travel was booked during various advance purchase windows:

If All Travel Booked:	Savings / (Loss)
21+ days in advance	24.14 %
14 - 20 days in advance	16.14 %
7 - 13 days in advance	6.42 %
3 - 6 days in advance	(17.06 %)
0 - 2 days in advance	(14.44 %)

(continued on reverse side)

"Strategic account management can be the cornerstone of a continually improving travel management program. We're proud of the value and savings we deliver on a daily basis."

Kathy Burns, VP Account Management, TravelFocus

# Strategic Account Management (cont'd)

## Advance Purchase Savings

### TravelFocus Recommendations

Given these results, and understanding the client's culture and ability to change travel policy, TravelFocus made the following recommendations:

- Publish the above grid showing potential savings / losses during each advance purchase window to educate travelers
- Educate travelers on the impact of planning and booking in advance – for example, if all travel was booked from 3 -6 days in advance, the resulting \$52,000 loss would equal 177 unneeded trips at our average trip cost of \$298
- Change the recommended advance purchase window to 21 days (from the current seven days) to take advantage of nearly 18 percent in savings
- Require approval for any travel booked fewer than seven days in advance
- Exempt LAX – SMF from the above requirement
- Use a portion of the savings achieved in the first six months to fund a reward program for travelers who most dramatically improved their advance purchase habits
- Publish the savings results and the winners
- Implement TravelAudit to exploit all opportunities when lower fares become available after booking but before travel

### Summary

The client gained this knowledge about their travel trends – and subsequently identified additional savings opportunities – from the consultation of their account manager. Account management continually proves to be a critical part of the service TravelFocus provides clients.