



Cornerstone
information systems®

**5 Strategies to
Help Your Travel
Management
Company
Emerge
Profitable**

**Dominating in a COVID Travel Industry—
5 Strategies to Help Your TMC Emerge Profitable**

You made the painful decisions to furlough or cut back staff and have cut costs to the bone to weather the most significant crisis ever to impact the travel industry.

Now What?

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Administration Option 1, Sales Option 2, Support Option 3

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Hopefully, you were able to get some financial assistance, retained strategic staff, and have been able to continue providing services. And now that more business travelers are returning to the air, you wonder how you will scale the business to meet incredibly fast-growing demand.

The real question you should be asking is: Can you make money running the same plays that made your travel business successful, or do you need a new strategy to showcase your value?

A Better Way Forward



At Cornerstone Information Systems, we're experts in the automation of repetitive and complex travel reservations and information processes. Our solutions provide front-line agents more time to focus on the traveler while delivering cost-effective services.

The return to travel will challenge both buyers and sellers of travel services as they navigate this new world.

55%

of organizational redesigns were focused on streamlining roles, supply chains and workflows to increase efficiency

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Here are five ideas on how travel management companies can emerge as valued partners to their corporate customers and travelers:

#1 – Standardize Operations to the 80/20 Model.

Standardize your operations so that most of your workflow is automated. 80% of your value is based on managing the 20% that is not automated. Don't cheat yourself out of margin by thinking you are better than you are.

Don't deviate from the standard. Each non-standard deviation eats away at your margins. Focus on process vs. people to accomplish the bulk of tasks.

#2 - Consider Outsourcing Your Online Fulfillment.

Are online transactions profitable? It takes scale to profit from online purchases. Should you consider outsourcing your lowest yielding transactions and focusing your value in other areas?

#3 – Broaden Your Value Across the Enterprise.

Customers will have different questions and needs in a post-pandemic world. Prepare your agents and your online resources in anticipation of these changes. Then be sure to communicate to your customers that your team is ready with these insights. You're more than a travel transaction processor, you're an important adviser to help safely return to travel in a very rapidly changing environment.

Travel (and travel data) touches more than just travel management. It helps integrate travel with other areas of the enterprise and engage with stakeholders outside of travel management.

With work-from-home policies shifting dramatically, and online meetings now the norm, stakeholders will scrutinize the ROI of business travel. But research shows that the average dollar spent on business travel returns \$9.50 in revenue for the business

#4 – Build Trust – It’s About Quality vs. Quantity!

The focus has changed from quantity to quality of trips. Travelers will perceive your value on how safe they feel—and if they trust **you** to keep them safe. Travel companies that build trust by providing current, valuable safety information can count on repeat business from businesses and travelers.

The question is, **“Can you provide quality and build trust at scale?”**

Yes, you can. There are plenty of technology and information sources to help you automate these processes. The good news is that these services can help justify price increases and service subscriptions.

The operational changes and training help you solve problems your customers may not know they even have - until you proactively raise them. That's the foundation of increasing their trust. Before COVID, cost was a primary concern. And it still will be really important.

But helping navigate these new challenges builds trust, and trust builds loyalty.

Did you know?....

59% of business travelers have positive sentiment about their next business trip once COVID restrictions lift.

39% say they are worried about the return to travel.

30% express anxiety about it

65% of business traveler put health and safety in top three considerations for a return to travel.

- 55% cite concerns about being infected themselves
- 53% have concerned about infecting their family
- 96% expect at least one measure to

96% of travel managers believe their companies are not fully ready to management the evolving needs and expectations of traveling employees

40% cite determining if it is safe to travel in the absence of government guidelines among top concerns

SAP Concur survey, Phocuswire, 7/29

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#5 – Reposition and Monetize the Value of your People.

Now that you have streamlined your operations, reinvested some of those savings into enhanced services, and developed loyalty strategies based on enhanced trust, it's time to monetize with new pricing frameworks.

Many customers know the transaction model puts all the volume risk on TMCs. Subscription and managed fee arrangements, or a hybrid with a monthly minimum could strike the right balance and reflect the need for high-touch service levels.

As travel resumes, travelers will need help and reassurance in their travel arrangements. They will be hesitant to book their trips online without guidance from an expert.

Now is the time when your company's expertise will have the most value by helping them navigate new regulations and best practices for safe, productive, and fun travel.

Begin speaking to customers about new pricing frameworks such as subscription and managed fee arrangements for customers needing these high-touch service levels. Likely, you won't be able to fully scale your operations to meet this new demand for phone-based reservations, and neither will your competition.

The winners will be travel companies that put their **best people on the front lines** to provide these services and have the courage to compete on **the value of their expertise**.

Building Trust Through Automation

Technology helps build trust. Travel approvals and event-based messaging are available. It is possible to consolidate information related to a trip that comes from disparate data sources. Products like 4site can aggregate on and offline bookings.

Make Cornerstone your **Online-Fulfillment Partner**

Call us today: 1-812-330-4361



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