

Case Study

Kodak restructures European travel program to streamline processes, drive down costs

Challenge

Having recently chosen to streamline and centralize its travel services with the selection of BCD Travel as its global travel management company, Kodak, the world's leading imaging products and services innovator, turned its attention to its European operations. Each of its major European markets ran an independent travel program, resulting in frequent duplication of processes and difficulty in obtaining consolidated information and consensus on initiatives.

In a drive to achieve cost savings, improve policy compliance, consolidate volume for better supplier negotiation, reduce internal workload and simplify internal processes, Kodak wanted a complete restructuring of the European travel program. The restructuring would include: centralization of travel services for their major markets in the region, implementation of an online booking program, launch of a Web-based self-service traveler profile management system and a shift to a new financial model incorporating transaction fees assessed at the point of sale.

Solution

BCD Travel proposed consolidating travel services through its Multinational Service Center in Mechelen, Belgium, where a quadrilingual team of agents would support Kodak travelers. Traveler service was supported by an online profile management system (TripSource™: Profile Manager), which allows travelers to maintain and update their travel profiles online; the profiles are updated automatically in both the agent desktop tool and the self-booking tool.

Kodak and BCD Travel worked together to communicate the change in travel program in the relevant markets, ensuring that new procedures and contact information were in the hands of the travelers in a timely fashion.

When a Kodak traveler needs to make a reservation over the phone, they dial a local toll-free number. The call is routed to an agent speaking the language associated



We wanted to leverage technology to provide optimal service to travelers and ensure that our program performance aligned with our business strategy, and BCD Travel helped us accomplish our goal.

Pascale Pitou | EAMER Corporate Travel & Fleet Manager, **Kodak**

At a Glance

Industry
Imaging products and services

Annual T&E spend
\$46 million

Number of employees
29,000

Results in brief

- Greater program participation and compliance
- Consistent service quality
- Simplified technology integration
- Increased leverage in supplier negotiations
- €25 drop in average ticket price
- 28% reduction in travel agency costs



with the number dialed. Currently, Kodak travelers can book in English, French, German and Dutch. BCD Travel's telephony system also prompts callers to select the nature of their inquiry (online support or offline service prior to being connected).

Traveler safety and security were crucial to Kodak. BCD Travel's DecisionSource®: Security Manager, a key element in the data management component of consolidation, offers the Kodak management team instant access to accurate travel and security information. In the event of a crisis, they can immediately execute a plan to get travelers out of a high-risk area quickly. DecisionSource: Security Manager also provides timely, factual destination information linked to individual traveler itineraries.

The simultaneous implementation of an online solution during the consolidation process could have proven to be a significant challenge. However, after identifying the organization's online needs and criteria for success and the appropriate tool to support those goals (e-Travel by Amadeus), Kodak put its senior management's weight behind the online program. The company focused on obtaining local input to ensure the online tool offered the capabilities and features important to travelers and arrangers in each country and endorsing the online solution at the executive level. Additionally, BCD Travel integrated the online tool within Kodak's existing intranet portal to maximize traveler familiarity and identification with the tool.

Crucial to obtaining good online adoption rates was "finding the focal point" to stimulate behavioral change. Travelers were told that they were required to use the online booking tool for intra-European flights. Kodak also announced that air transaction fees would be charged directly to the traveler's credit card – and that the transaction fee for an online booking would be 75 percent cheaper than for an offline booking. "We definitely found the right combination of carrot and stick. I believe that tiered pricing is by far the best move to obtain good online adoption rates – it's even more effective than mandating usage of the tool," said Pascale Pitou, Kodak's EAMER manager for corporate travel and fleet.

The combination of call center and online tool allows maximum efficiency and minimum cost for simple transactions, together with guaranteed service quality and the agent expertise needed for more complex itineraries. Together, these restructuring elements have led to a decrease in average ticket price of €25 one year after the initiative was launched, and a reduction in agency costs of 27 percent.

Results

Eleven Kodak countries now book exclusively through BCD Travel's Multinational Service Center: Austria, Belgium, France, Germany, the Netherlands, the United Kingdom, Denmark, Norway, Sweden, Finland and Switzerland.

With the consolidated program in place, Kodak has seen positive results, and is confident that they will continue to trend upward as time goes on. Transaction fees have been lowered sharply in previously expensive markets, and redundant processes have been eliminated. This benefitted the Kodak travel team dramatically, improving regional communication and lessening their administrative work load. As a result, the travel team can now devote more time and effort to strategic initiatives such as supplier monitoring and negotiation.

In the United States and Canada, Kodak had achieved 70 percent online usage for domestic flight bookings, and 30 percent online adoption for international flights, and their consolidated European program shows every sign of reaching similarly lofty heights. One year after implementation of the online booking tool, Kodak reached 45 percent adoption for intra-European air bookings, their target segment. The goal for the next year is 55 percent.

Behind the Scenes

Pascale Pitou feels that the solutions BCD Travel provided met Kodak's overarching need for consistent service, cost savings and reliable data: "Consolidating our travel program multinationally required us to draw back rather than zoom in. We had to evaluate the impact certain decisions had on individual markets, but weigh that against the 'big picture' to judge benefits for the company as a whole."

Companies looking to consolidate often wonder what the impact will be on their supplier negotiations. Kodak anticipated better deals if the company could bring some smaller countries to the virtual negotiating table.

But an unexpected challenge arose: the company had an existing deal with a major air carrier, but the deal required that the bookings be made in France. When Kodak informed the airline that ticketing for France would henceforth be done in Belgium, the airline responded that the negotiated fare would no longer be available to Kodak bookers. BCD Travel's account management team, however, quickly negotiated a new contract in Belgium that covered the French routes in question.