

**NBTA Convention
Chicago, Illinois
July 17, 2006**

**Remarks by Ellen Keszler
President, Sabre Corporate Solutions**

Managing the Hotel Blues

- Hello, everyone...and let me start by saying it's great to be with you again.
 - Three years in a row... that I've had the pleasure of addressing NBTA.
 - Clearly, that doesn't put me in Bernard Shaw's league as a "veteran correspondent", but I'm excited to have the chance to share the stage with him today.
 - And what a great town – Chicago! I haven't had my "Oprah sighting" yet...nor have I run into Ditka or Dusty Baker on the street.

- But with or without celebrities, it's still an exciting place to be.
- I hope to add something of value to your time here in Chicago...
 - by giving all of you a break from discussing opt-in programs.

- Instead, I'd like to focus on always-exciting arena of hotel compliance. Sure, it may be a mundane topic, but I believe it is

one of the biggest opportunities for travel savings available to corporations today.

- Let me start by stating the obvious:
 - Online technologies have proven to be a huge win for corporate travel managers in recent years –
 - producing many millions of dollars in savings...
 - and the total grows every year.

- Not only that, but compliance rates have hit impressive levels as well.
 - Online has become the mainstream method for making air reservations –
 - and it's now the preferred method for many of your frequent travelers.

- It's safe to say that enhancements in technology helped to drive that shift.

- Last year, I talked about the importance of convergence – and what a difference it makes when the corporate booking tool has the familiar look-and-feel of a leisure-oriented travel site.

- The value of convergence goes well beyond pretty pictures.
 - As the booking technology improves, we're putting more information in the hands of business travelers.

- That helps them make smarter decisions...in-policy decisions that also help corporate travel managers reach their goals...
 - including some under-appreciated benefits such as traveler safety and security.
- After all, when travelers book online, it makes it that much easier for corporate travel managers to know where their travelers are -- at any given point in time.
- The technology helps you stay ahead of the curve on political hot-spots...and to respond effectively if employees encounter problems from time to time.
- And -- growth of online is not just a North American phenomenon: The latest GetThere Benchmark Survey reveals that corporations with online booking programs in multiple countries have seen adoption leap from 63% to 75% in the past year.
 - And then there is Cisco Systems -- they've rolled out GetThere in more than 80 countries – quite an achievement.
- Meanwhile, increased compliance is helping corporate travel managers negotiate more effectively with travel suppliers – particularly airlines.

- Online technology is delivering required market share to your partners and the information to you that you need to strike better deals.
- But the reality is, for all the progress we've made to date, for many the benefits have largely been limited to the air portion of the trip.
 - PhoCusWright reports that companies are typically achieving about a 70 percent compliance rate with their managed air programs.
- However, when it comes to lodging, the compliance rate averages about half that – 35 percent. Call it “The Hotel Blues,” if you will.
- Of course, that low figure also presents opportunities for travel managers motivated to quickly raise the bar on hotel compliance in their firms.
- It's certainly an area that NBTA recognizes as a hot topic. There's a session on Wednesday that's dedicated entirely to surfacing great ideas for improving compliance on hotel programs and policies.
- Most of you know that garnering hotel savings – even maintaining access to the rates you've negotiated – has never been more challenging than it is today.

- It is a seller's market – and in fact, Smith Travel Research reports that the hotel industry has recorded 36 consecutive months of demand growth, with Revenue per Available Room increasing each month this year.
- So how can you combat the impact of the Hotel Blues on your company's travel program?
- At Sabre Corporate Solutions, we believe the answer lies in the driving increased compliance by your road warriors.
 - In fact, we think it's the one area of focus that's likely to drive the biggest benefits for your corporate travel program in 2006 and beyond.
- But in order to make progress on hotel compliance, you first have to understand the nature of the challenge.
- So, we've put together our version of the Business Traveler's Top Ten Reasons for Non-Compliance with your hotel program. And since we're in Chicago, I've invited two distinguished local icons to help me with this list. Ladies and gentlemen, Jake and Elwood.

(Music quickly comes up - Blues Brothers enter the floor of the room close to the stage...separately moving thru the tables towards the steps...climb on stage)

- **Blues Brother #1:** “Business travelers, huh. **That** sounds **dull**.”
- **Blues Brother #2:** “What the hell is “hotel compliance” anyway? Can I get in trouble for always stealing those little bars of soap?”

(pause)

- Jake, why don't we see if we can liven up the ol' 'Sponsor Speech' here a little...
- *(Music runs underneath talent as they read the Top 10 list)*
- ...Here are the **real** Ten Reasons Why Your travelers blow off preferred hotels:
- “Number 10 – Too many celebrity impersonator lounge acts”
- **Blues Bro # 1:** “Number 9....All night headboard banging doesn't let me get my required beauty sleep.”
- **Blues Bro # 2:** “Number 8....I don't want to stay anywhere that reminds me of my cell at Joliet.”
- **Blues Bro # 1:** “Number 7...My doctor insists I use only Aveda products.”
- **Blues Bro # 2:** “Number 6...No blacklight required to identify stains in my room.”
- **Blues Bro # 1:** “The Number 5 reason why travelers blow off preferred hotels....My preferred hotel is not like a kagillion miles away from the convention center.”
- Blues Bro # 2: “Number 4...Mini-bar items at my hotel are less expensive—hey, I am just trying to save the company money
- **Blues Bro #1:** “Number 3...I really do have a business meeting near Wrigley Field.” *(Blues Bros high five each other)*

- **Blues Bro # 2:** “Number 2...My preferred hotel has hourly rates.”
- **Blues Bro #1:** “And the Number 1 reason why your travelers don’t stay at preferred hotels...The No-Tell Motel doesn’t keep track of the movies I watch.”
- *(Music fades up as Blues Bros wave and depart stage)*
- **Ellen Picks It Up:**
- Thanks – I guess... – to the Blues Brothers for helping me out with that. I have to say that I have not heard any of those reasons at any local BTA meetings.

[pause]

- Oh well. You know, sometimes, you have to laugh to keep from crying at some of the excuses travelers come up with.
- Some don’t even know what the policy is in the first place.
- That’s bad news for corporate travel managers...because the Hotel Blues can add up to big bucks in a hurry. And frankly, your CFO does not care how entertaining the excuses are.
- Research tells us there are two primary categories of out-of-policy hotel spend.
 - The first one is “transient” spend – resulting from the kind of objections and missed opportunities we usually bring up when discussing hotel compliance.

- The second driver is a longstanding problem – getting your arms around “meeting” spend. I’ll get back to that one in a moment.
- One key challenge on transient spend is simply awareness.
 - Employees just don’t understand how much of an impact their hotel purchase decisions can have on the effectiveness of the corporate travel program.
 - And there are technology solutions available to help address this opportunity.
- For example, reporting technologies are getting better. As an industry, we’re starting to get a better handle on where hotel dollars are being spent, the types of dollars being spent, and how corporations are missing opportunities to manage that spend more effectively.
- That’s important, because knowledge is power: We can use this data to negotiate better programs...and then we have to drive compliance higher.
- We know that “visual guilt” techniques work in the “air” arena – we’ve got every reason to believe they can work with hotels as well.

- Recently, some Travelocity Business clients have turned up the dial on hotel compliance. When a traveler books an overnight airline trip without selecting a hotel, the booking tool requires them to provide a reason code explaining why they are not booking a hotel as well.
 - They can quickly choose from multiple options –
 - she’s planning to stay with friends...
 - or will be booking through a conference web site...etc.
 - But a Reason Code must be selected before they can complete the booking. Clients who use this technique report an increase in hotel compliance over 15 points.

- These types of tools work, because most employees really do want to make the right decision. As long as the booking tool provides lots of information – relevant information – you can usually count on travelers to make the right call.

- That’s why the leisure-business convergence has been so important: Your travelers now have the detail they want and need about hotels – whether it’s pictures of the rooms, or amenities, or nearby entertainment options.

- And once you marry that detail...with icons identifying preferred suppliers...you can bet that compliance will start to climb and limit the impact of the Hotel Blues on your managed travel program.

- The second key driver for out-of-policy hotel spend may be a tougher nut to crack. It's all about meetings – and in particular, the *ad hoc* meetings that are typically planned by the company's Administrative Assistants.
- Now, if you've ever tried to suggest a better way to book meetings to an Admin, you know it's not easy...talk about internal politics of the highest order.
- *Ad hoc* meetings are such a hot button, in fact, that I've got a second Top Ten List, in honor of the "meeting planner wannabes" at so many companies.
- And since you enjoyed them so much a few minutes ago, let's bring back the Blues Brothers one more time.
- *(Music comes up....Blues Bros come back onstage...Ellen pauses as Blues Brothers arrive to cheers and music goes under)*
- **Ellen:** Hey – welcome back! I'm sure most of us didn't realize the Blues Brothers were such experts on managed travel!
- **Blues Bro #1:** "That's right, Ellen. You could say 'we're on a mission from God.'
- **Ellen:** Actually, that doesn't sound like something I'd ever say...

- **Blues Bro #2**: Lighten up, Babe...and relax...while we take care of a little business for you. Here ya go: The Top Ten Reasons Top 10 Reasons Admins Don't Use Meetings Programs
- “Number 10...Why should salespeople be the only ones to get paid to go on boondoggles?”
- **Blues Bro #1**: “Number 9....Who doesn't love a Godiva chocolate gift basket?”
- **Blues Bro#2**: “Number 8....Oceanview room for friends. Ice machines for jerks.”
- **Blues Bro#1**: “Number 7...With what they pay me, how do you think I get to vacation in Europe?”
- **Blues Bro#2**: “Number 6..Three words...Stud...hotel...bartender”
- **Blues Bro#1**: “Number 5....Quarterly sales meeting-\$62,450. Buying my holiday presents with those Rewards points – Priceless.”
- **Blues Bro#2**: “Number 4...Guillermo, the hot massage guy at the Four Seasons.”
- **Blues Bro#1**: “Number 3...It's good to be the king....or queen”

- **Blues Bro#2:** “Number 2....Keeping track of who slept in which room equals job security.”
- **Blues Bro#1:** And the number one reason why Admins want to handle all meeting planning – what **happens** on site inspections, **stays** at site inspections!
- *(Music, Blues Bros depart backstage)*
- **Ellen:** Jake and Elwood, I don’t know what we’d do without you guys.
- Thanks for helping us have a little fun with this topic today.
- But laughs or not, the issues are real...and they’re probably costing your corporate travel program a ton of money every year. So how are we going to keep *ad hoc* “meetings” from making us sing the blues?
- An important first step for many companies is getting a meetings policy written and endorsed by senior management.
 - Corporations like Target and Extreme Networks have proven that executive endorsements can drive compliance and significant savings in the meetings space.

- Beyond policy, you can also look to **technologies** for help. Many of you know about DirectMeetings, for example—a GetThere technology that simplifies the meeting planning process for those *ad hoc* events.
- Recent enhancements make DirectMeetings better than ever as a way of controlling costs. The tool uses the same traveler and hotel databases as the GetThere booking tool -- so much of the sign-up process can now be automated to include each traveler's preferences, personal data, billing codes and so forth.
- This eliminates a lot of the potential for input errors – and let me tell you, that's a big help in making Admins look great in the eyes of their bosses!
- For large-scale events, the meeting technologies offered by OnVantage and StarCite can be a big help in managing hotel costs...and driving compliance with your policies.
 - Both of these companies have worked with GetThere for several years, and together we provide a seamless registration and booking experience for your travelers.
- So without question, technology can be an important way to keep the Hotel Blues at bay.

- There is one more piece to this puzzle that impacts both transient and meeting travel - managing your hotel partner's compliance with your agreements.
- As you know, securing hotel discounts is usually not an issue.
- However, getting the hotels to live up to your agreement or contract – that can be another matter altogether.
- For example, I'm sure most of you have dealt with the challenges of getting your negotiated rates loaded
- It's not easy, keeping tabs on all the properties that are part of your corporate program – and who has time or resources to monitor it all?
 - But here again, technology can provide solutions.
 - For example, Travelocity Business has developed a powerful auditing capability. This kind of automation improves compliance and performance – and helps all parties be accountable to each other.
- The bottom line is this: With hotel occupancy and rates at all-time highs – it's more important than ever that corporate travel managers have effective programs in place...and that those programs deliver what they promise.

- It's a complex task, staying one step ahead of the opportunities...in a business as dynamic as the travel industry. That's why it's important that you choose partners who are up to the task...
- You need partners who have the resources to satisfy your travelers, and keep them productive.
- You also need partners with proven capabilities to help you optimize your supplier relationships.
- At Sabre Corporate Solutions, our goal is to be just that kind of partner – someone who can help you escape the Hotel Blues. And we're grateful for the chance you give us – year after year – to add value to your business.
- Thanks again for your time this afternoon – and have a great meeting here in Chicago!
- *(Ellen departs stage to the sound of Blues Brothers music)*

#