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National Business Travel Association  
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**“Return on Invested Collaboration”**

Good afternoon! It's great to see so many of you who have obviously traveled to be here today. Clearly you understand -- and you've been able to convey to your companies -- how valuable travel is for your business! In this economic environment, proving the value of travel is a daily challenge for many of us, and yet I believe these times offer us a unique opportunity to do just that... individually in our respective roles as well as collectively as an industry.

Before I get too far along in my remarks, I must say that I just don't get very excited about celebrities in general... perhaps because I'm getting old. But I have to admit, I'm a little star-struck here today being in close proximity to the five-time Olympic swimming champion, Dara Torres. She impressed the world with her comeback at the Beijing Olympics last summer. Having been a competitive swimmer myself, I have been completely awed by Dara's remarkable swimming career. She has proven that age is no obstacle if you're passionate about what you're doing, and she's written a very motivational book about her experience and

the life lessons she's learned along the way. And I'm as eager as you are to hear her story.

To stay in that kind of competitive shape, even as the forces of nature are taking their toll on your body, well, that takes tremendous discipline and perseverance. And I would venture to say that's something all of us here today know a little something about. No, not Olympic-level swimming... but perseverance in the face of tough competitive conditions and situations not completely within our control. As AOL founder, Steve Case, once said, "Perseverance is no guarantee you'll succeed. But without it, it's almost guaranteed you won't." Those of us in the corporate travel business have had a lot of practice in perseverance over the past 12 to 18 months.

So when Ben Bernanke, the chairman of the Federal Reserve, said last Friday that prospects appear good for a return to economic growth in the near term, that was welcome news. I'm hopeful that we'll see the economy rebound later this year or in early 2010. Still, it appears business travel will take a bit longer to recover. And I think it's unlikely that businesses – and their corporate travel programs – will look the same as before, even when the economy picks back up. And here in lies our opportunities.

Travel has come under close scrutiny as businesses have been forced to examine every expense line. And travel tends to top the list for inspection when we focus on the world's very real need for environmental sustainability. As a CEO, I understand the need for close examination and appropriate actions on both counts. But as a CEO in the travel industry, it's a bit disheartening to see companies slash their travel based on what I believe are misconceptions about the true cost – and the true value – of travel... as well as its relative carbon efficiency. Some would say travel is the Rodney Dangerfield of industries... we can't get no respect!

We need to change those perceptions, and while I suppose I say this with some self-interest for Sabre and for the travel industry, I also think it's vital to turning this economy around and helping all businesses get back on the road to recovery.

All of us here today know... Travel is Good... it's good for the economy and business. It's good for jobs. It's good for nurturing customer relationships and for closing deals. It's good for gaining a better cultural understanding of our colleagues around the world. And perhaps most important, businesses thinking past the recession, are traveling to drive market share. If you're not traveling, your competitors are. Travel is good for so many things, which is what I told a U.S.

Senate subcommittee earlier this year. But I also told them that the state of travel in America, and around the world, is not so good. I hope my comments, and those of other travel industry leaders on the panel testifying that day, will help influence lawmakers to see travel as a true global necessity. Travel has been hit especially hard during this economic downturn... and corporate travel even more so than leisure. Again, where is the respect?

I believe we all share in the responsibility for the misperceptions about travel... as a group, do we fully convey how indispensable travel is to doing business? If we don't articulate our own value, then we can't expect others to understand or embrace it. We need to do better.

Like many other sectors out there, when we come together and collaborate as an industry, we combine our collective voices and strengthen our ability to influence what others think about travel. We did that earlier this year in Washington when airlines, hotels, and trade associations, collaborated to send the message that travel for meetings, events and incentives is a good and meaningful driver for economic recovery. And they heard us... at least they stopped bashing travel. And I think we earned some respect.

And we can keep the momentum going... U.S. Senate leadership has agreed to make the Travel Promotion Act the first order of business... or maybe second... right after healthcare... when they reconvene on September 8th. (Shall we debate healthcare for a few minutes before we move on? Maybe not.) The Travel Promotion Act will deliver \$4 billion annually to the economy by attracting international visitors to the United States. I urge you to join Sabre and the U.S. Travel Association in our support of this bill, and ask you to encourage your business leaders to let their lawmakers know how critical this legislation is for our industry. Now, you may be thinking to yourself... “Yeah, but that’s really a bill focused upon leisure travelers?” And certainly it is, but anything that equates to a healthier travel industry and a healthier economy... is in turn good for business travel and business travelers. And that brings me to my next point...

Collaboration is a powerful means for getting things done, and when you stop and think about it, that’s really the business all of us are in... the Collaboration Business. We bring people together and help our colleagues and customers collaborate with one another. Travel is – and always will be – essential to business. Even though many companies have cut back on travel, some things can only be accomplished when we physically come together, face-to-face.

In a recent survey of business leaders, virtually all agreed that in-person meetings are key to building long-term relationships and 87 percent agreed such face-to-face meetings are essential for “sealing the deal.” That speaks volumes about the value of bringing people together face-to-face. In the same survey, more than two-thirds reported reductions in their travel budgets over the last six months. I’m sure that comes as no surprise to any of you.

Companies have had to make significant adjustments in the way they do business, and in many cases, these adjustments are becoming the new “normal.” Travel is no exception. But the question is, “What can we do to make sure the value of travel is understood?” Again, numbers matter. I know many of you who are corporate travel managers now report into your finance organizations, and you’ve had to start thinking and speaking more like a finance person than a travel person. Many of you may have become familiar with a common financial metric... Return on Invested Capital... or ROIC. Combining our finance hats with the role we play in collaboration... today I propose we all adopt a new definition for ROIC...

Return on Invested Collaboration.

Like any ROI exercise, this requires us to examine both sides of the equation – the true cost and the true value – so we can produce the best Return on our Invested

Collaboration. Travel isn't the only means of collaboration, and as technology has advanced over the years, companies have looked at other ways to support 'virtual' collaboration, such as video-conferencing, audio conferencing and social networking. These all have a role in conducting business; it's a matter of evaluating the best mix that will generate the highest ROIC. We should be asking ourselves, "How best can we accomplish the collaboration we seek?"

Currently, businesses evaluate their options primarily, if not completely, based on cost... but that's only half of the picture. We don't always take into account the opportunities such as revenue growth and retention, process improvement, employee engagement, cultural awareness and all of the intangible benefits an investment in collaboration should realize. That way of thinking will earn respect.

Granted, it's difficult to actually calculate, but when we take these outcomes into account, the value of collaboration – whether it's through travel or a more virtual kind - can far outweigh the financial outlay. We owe it to ourselves and our companies to find ways to estimate the return on invested collaboration. Because conversely, when we decide not to make the investment, do we really know the true value of the missed opportunities?

There are a number of things we can consider to help us determine the best options, and I'll mention just a few...

- First, an easy one... if it's a meeting with a current or future customer, how much revenue does this business represent to our company?
- Or, how much savings could this partnership be worth?
- How much have we already invested in this relationship?
- Are there any cultural considerations or sensitivities that we need to consider?
- There are many other things to take into account, and we need to responsibly ask... how critical is it to meet face-to-face? What are the trade-offs between "in person collaboration" and electronic collaboration?

To be clear, I don't think video-conferencing or other electronic forms of collaboration can ever completely replace travel ... but they play a role in bringing people together and deserve consideration. I think of them more as supplements to travel, not substitutes. And in fact, I believe that greater use of electronic forms of collaboration will actually stimulate more travel... the more "virtual" interaction we have, the more motivated we are to have the real thing... to meet face-to-face and forge deeper and more meaningful relationships. It's a fundamental element of our human nature, and one that applies to both personal and business situations.



If after we do the calculations, travel is deemed to provide the best ROIC, then we should ask ourselves, “How can we be the most efficient with each trip we take?” That’s just best practice in any economy, and many of you already do this today.

And as we focus on efficiency, we have the opportunity to focus on the eco-efficiency of each trip as well. We need to ask ourselves... “What can we do to reduce our carbon footprint within each trip?”... as opposed to... “How can we reduce our total footprint?” ... because at some point the economy will return to growth, and when it does, we’ll see more business travel... and companies that have already made choices toward more environmentally efficient trips will continue to reap the benefits even when their overall travel increases.

Together we must ensure that our industry gains more respect for its solid history of developing innovative solutions to sustainable travel. This is another important message for lawmakers around the world to hear: that the travel industry has already made significant progress in improving its carbon footprint and yet can be even more efficient going forward. Today, air travel is responsible for two percent of global greenhouse gas emissions, which is actually the same level as information technology! No one has suggested that your business survive without

computers, phones, BlackBerries and networks. Yet, many people suggest that you try to do without traveling.

I continue to be passionate about this because I see all of this as a virtuous circle... because now and well into the future, we need to be investing in an industry that's vital to doing business... to commerce itself... and in doing so... make it more efficient... and if it's more efficient... there are the obvious economic benefits... and obvious environmental benefits. And that will lead the industry and governments to invest even more. Again, a virtuous circle.

I'm really pleased to see the room so full today – earlier in the year we may have had our doubts about this and other conference venues. It's a great opportunity for our industry to come together in collaboration... to put our collective voices together to create a loud voice about the value that travel brings, and to drive sensible policies that are good for the economy and the environment. Thomas Edison once said, "Opportunity is missed by most people because it is dressed in overalls and looks like work." I am confident we won't be put off by the appearance of hard work here... as I said earlier, we are a persevering bunch.

If there is one message I hope you take away with you today... it's the need to help build a better understanding of the value of travel... the goodness it brings for the economy, business and the people who travel – that's all of us in this room. And let's keep challenging misconceptions about our industry's green credentials and remind people that the travel and aviation industry only accounts for two percent of global carbon emissions, and that's improving everyday with new technology.

Now, Dara Torres knows something about collaboration, too, having participated on five U.S. Olympic swim teams. Since her first international race at the age of 14, Dara has proven she is far from your average athlete. As a student at the University of Florida, she earned the maximum possible number of NCAA All-American swimming awards. Over the course of her career, Dara has gone on to set numerous World records and earn a host of Olympic medals.

She also knows something about perseverance, having retired twice and then returned to competitive swimming. Dara has also made a name for herself outside of swimming, as a TV commentator and now an author of the book I mentioned earlier, "Age is Just a Number." Six-time Olympic coach Michael Lohberg described Dara's drive as "just amazing." In describing Dara, he said, "To make a run at the Olympics for a 40-year-old mother seems totally out of the question. But

Dara is not measured by normal standards. She is truly an exception, defying several laws of life.” I couldn’t agree more.

Please join me in welcoming Dara Torres...