



Taking control of travel spend in 2022

Introduction

As we enter a new era in business travel post-covid, it's clear that things are a little different. QR codes have replaced paper tickets, face masks are still encouraged on public transport, and pre-booking everything is the new normal. However, the most noticeable change for travel managers is the increased cost of business travel.

With rising [rates of inflation](#), [ongoing industry strikes](#), and [decreasing levels of availability](#), it has never been a more challenging environment to operate in. Even the most seasoned corporate travel management teams are struggling.

However, there are practical ways of taking control of your finances, and acting now will allow you to be prepared for the difficult months ahead. With this in mind, we have put together this eBook with some of the most valuable travel cost reduction strategies to implement today.



Pre-trip

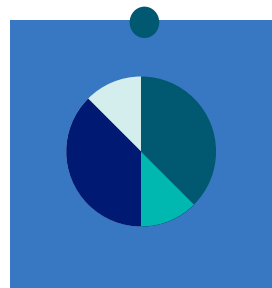
Have a clear and updated travel policy

One of the easiest travel cost reduction strategies is to implement a corporate travel policy. This should provide clear guidance on the booking process, health and safety when travelling, per diems, expenses terms and conditions, and other frequently asked questions that relate to business travel. It's not enough to have a robust corporate travel policy though, it must be frequently updated and easily accessible to colleagues. But most important of all – it must be enforced. So, make your corporate travel policy part of your onboarding process and ensure that every team member refers to it.



It's surprising to note that 40% of companies still don't have a travel policy in 2022, with up to half of all businesses allowing travellers to book trips without any guidelines. This is a huge red flag, and one of the biggest reasons why corporate travel and employee expenses get out of control.

Pre-trip



Allocate a travel budget

As a typical rule, corporate travel budgets should be set annually and reviewed every 3-6 months. Having a set budget that is frequently reviewed is one of the best ways to keep on top of finances. This also means that if overspending occurs, there's time to amend your travel policy and reign in spending where possible. That said, businesses will also need to account for rising costs and reflect this in their travel and expense management. Latest government findings reveal that consumer price inflation is up by 10.1%, which you may need to factor into existing budgets.



Pre-trip

Streamline travel and expense management

There's a wealth of smart technology available that can add great value to your business when it comes to corporate travel. This ranges from expense management software for finance managers, to automated check-in solutions for colleagues. Perhaps the most essential of all is an online booking system that allows colleagues the freedom to book accommodation and travel within a company's budget. This also gives the travel manager greater visibility and oversight of corporate travel at any given time, and can heavily reduce administration too.

Best of all, there's huge cost savings to be enjoyed. Using a travel partner like Roomex can help with up to 30% off travel rates, which ultimately pays for itself.



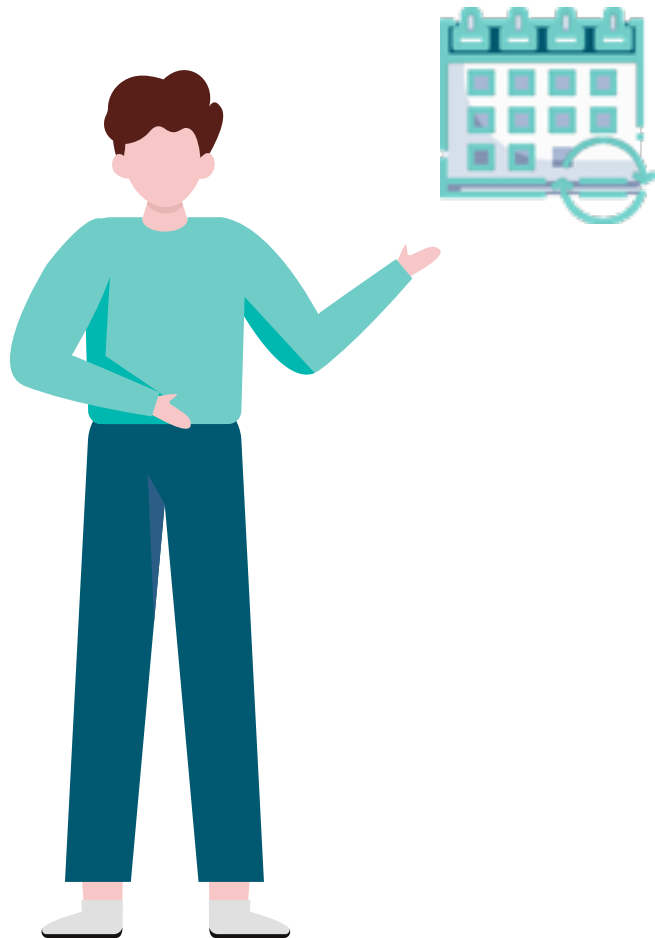
Hotel booking

Play it safe, book early

Once upon a time it was worth waiting for ‘last minute bargains’ and deals. However, this is no longer the case. We’re already witnessing a shift in the economy – take for instance the airline industry where demand currently exceeds availability and capability. The same is true of hotels, trains, taxis, car hire and other hospitality resources. It’s therefore fortuitous to plan business travel arrangements as early as possible. You may even benefit from advance booking discounts. Plus, if you don’t already use an online booking platform, now’s the time. Quite often, the best rates and availability will be allocated to loyal travel partners.



Hotel booking



Book flexible, not cheap

There's a myth that the cheapest booking is the best booking, but that's not quite true. Looking at business travel holistically, a large number of bookings need to be cancelled or amended due to ever-changing schedules, illness, and other valid reasons. Being able to do this with ease and without financial penalty is the best long-term solution. Plus, it means that colleagues are able to switch bookings on the road, rather than take valuable business resources – another cost saving right there. As part of your corporate travel services, do consider flexible accommodation and transport options, and enjoy the overall savings that come with it.



Hotel booking

The right hotel for your needs

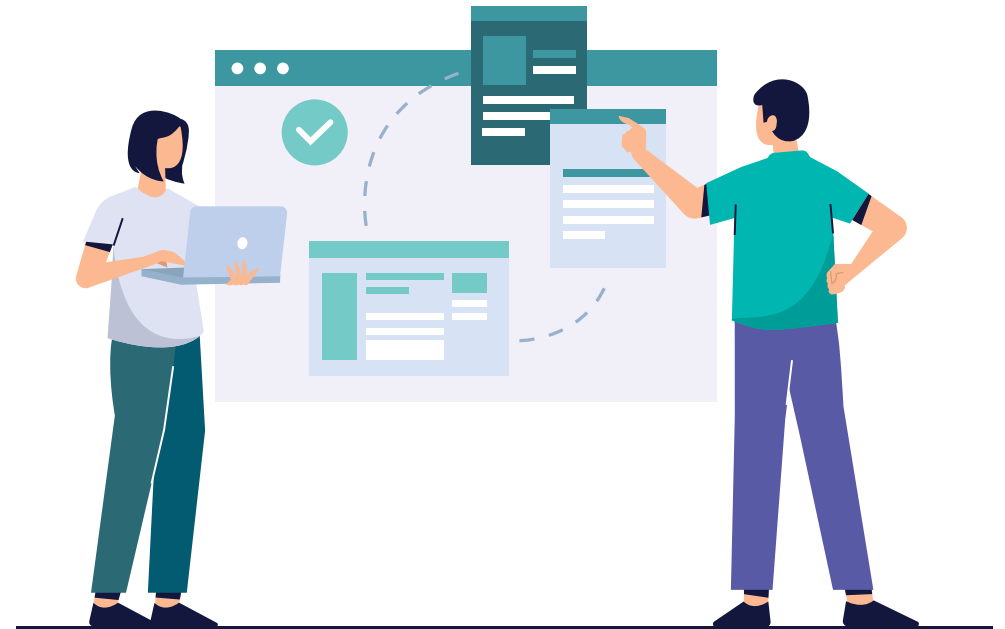
If your travel policy allows colleagues to book their own accommodation, it might be advisable to give them a steer on appropriate hotels or Airbnb options. Colleagues should be encouraged to find the right hotel for their needs. This means **staying within budget**, being **closely located** to their place of work to reduce unnecessary taxi journeys, and opting for **flexible bookings** should their travel plans change. Even adding these considerations to your travel policy can help make sizeable savings.



Travel expenses

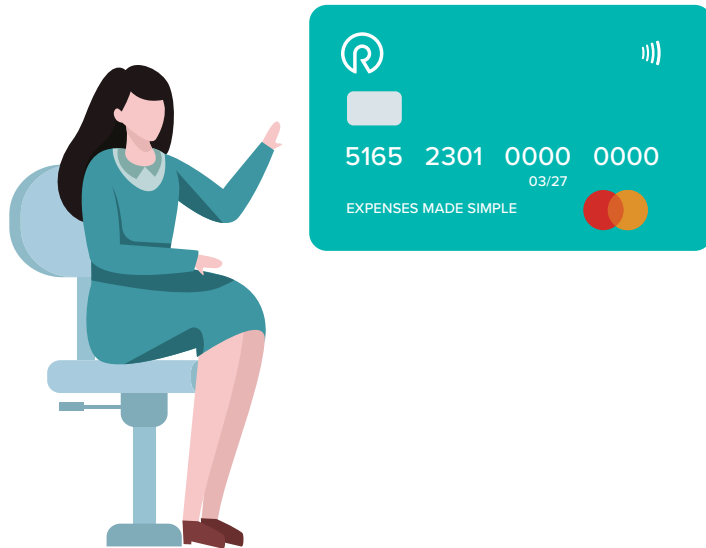
Automated expenses

Speaking of expenses, this is a good time to review the way your expenses system operates. Is it easy to use and transparent? Do colleagues respect your policy and submit their expenses in a timely fashion, or do they claim for all and sundry and submit whenever they feel like it? If not already, now is the time to introduce an automated digital expense reporting system. This is especially easy for colleagues to use on-the-go, and is often received with great enthusiasm.



As if you need further convincing to adopt an automated digital expense reporting system, most companies already use an automated process and 55% of business travellers expect to go completely cashless on trips in the next decade.

Travel expenses



Pre-paid cards

It goes without saying that colleagues should not be inconvenienced or out of pocket for work related travel. Not only is it best practice to look after your workforce, but it can also financially benefit your company too. The best solution is pre-paid business cards – to no surprise, it's the big trend in corporate travel management right now. Not only does it mean that expenses can be tracked, but it also avoids the need for petty cash, and can help reduce fraudulent claims. Plus they're safer than credit cards, since they can be closely monitored and hold limited funds.



Post-trip

Reclaim credit where it's due

If you've read the latest business travel news, you'll know that train strikes and short-staffed airlines have all impacted the way we travel. However, businesses should not have to absorb these knock-on costs, and can claim back where appropriate. For instance, colleagues can claim for a full refund if trains are cancelled, and a partial refund for trains delayed by more than half an hour. When you consider that train prices have increased by a staggering 3.8% this year – the highest rise in nearly a decade – it's entirely sensible to claim back where credit is due. When it comes to flying, airlines have a number of legal obligations to uphold as well. In short, business travellers (and travel managers) need to be vigilant about delays and become more savvy when it comes to refunds. This also means having the right travel insurance in place, to protect your business against unnecessary costs.



Post-trip



Reward your workforce


So then, how do you ensure that colleagues are vigilant and care enough to manage their travel budget like it's their own money? With incentives of course. A number of businesses incorporate 'employee reward programmes' as part of their travel management process. This means recognising and rewarding staff for keeping within budget and being efficient with their expenses. It could be awarded in extra time off, financial compensation, or other associated benefits. And even though it's a great cost-saving benefit for your business, it positions you as a caring and thoughtful employer too. Win-win!



Summary

The travel management process is complex, demanding, and ever-changing. However, even with a cost-of-living crisis looming, there are still many ways that finance and travel managers can curtail unnecessary spending and implement better budget management. It all starts with a robust corporate travel policy, and better oversight of your workforce using technology and software solutions, along with some tweaks here and there. Implementing the above strategies is one way to futureproof your travel budget and ensure that colleagues continue to succeed in their jobs and enjoy the business benefits that only come with face-to-face interaction and business travel.





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