

CONSULTING

*Fresh thinking that
delivers results*

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Agenda

- ▶ Introduction
- ▶ HRG Consulting Overview
- ▶ What the Suppliers Predicted for 2009
- ▶ Latest Industry Trends
- ▶ Dynamic Pricing Trending by City
- ▶ What Corporations are doing
- ▶ Recommended RFP Process
- ▶ Hotel Services (Rate Analysis / Benchmarking / GDS Audit / Compliance)
- ▶ Case Study
- ▶ Questions

A Special Kind of Specialist

- **Experts in the industry**
- **Experience, contacts and know-how**
- **Expertise in supplier programmes, process and analysis**



**WE UNDERSTAND THE MARKET
AND CAN DELIVER ENHANCED
VALUE AS A RESULT.**



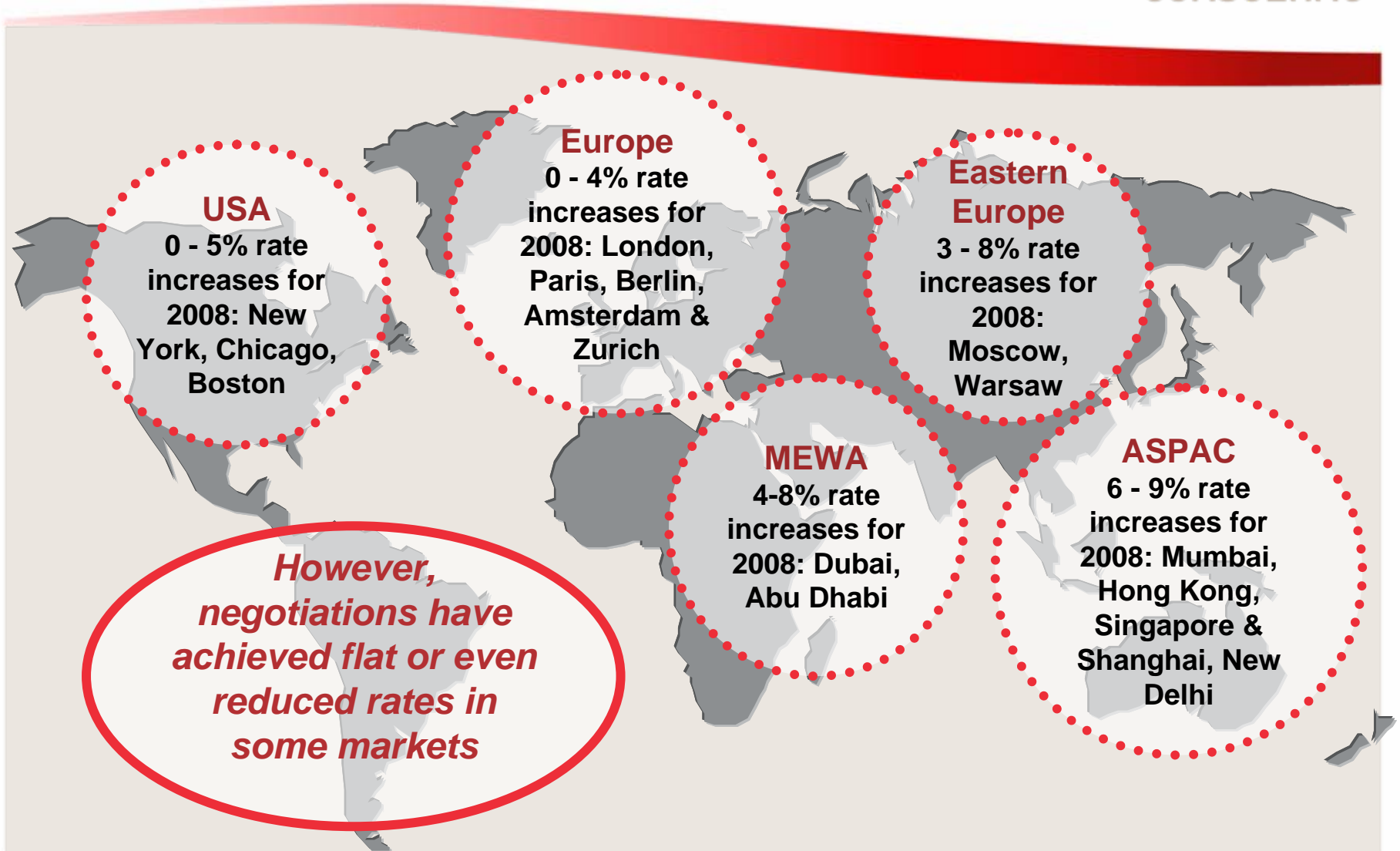
Consulting Services

- Airline
- Hotel
- Credit Card
- Car Hire
- Online Booking Tool



- Meetings
- Expenditure
- Travel Policy
- Process

What the Suppliers predicted for 2009.....



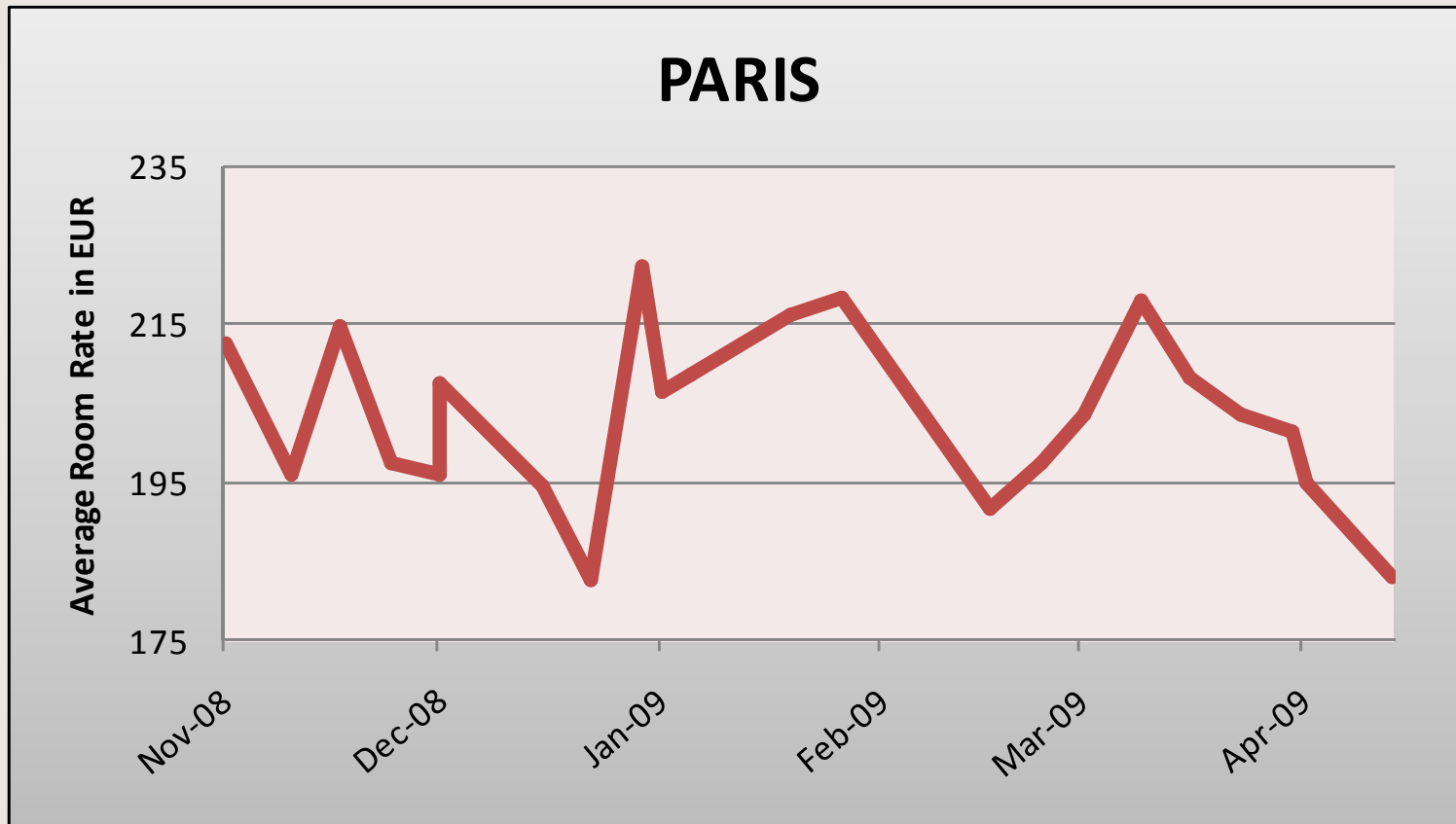
Industry Trends

- ▶ 2009 is a year of change with average rates falling and hotel occupancy levels declining
- ▶ Rates no longer valid for 12 months
- ▶ Corporations reducing number of suppliers and reviewing preferred programmes
- ▶ Suppliers uncertain of year ahead

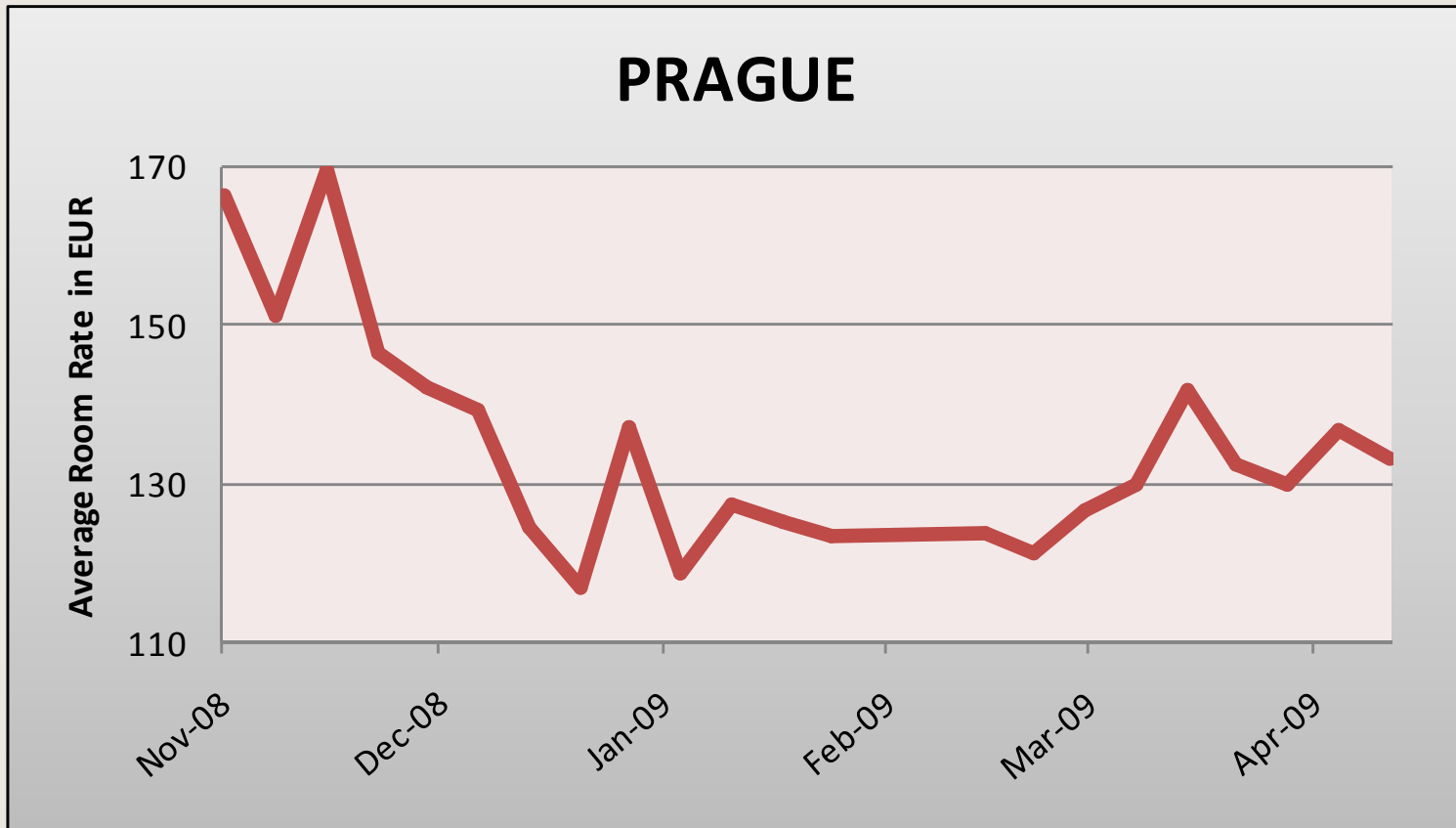


**NOW IS THE TIME MANY
CLIENTS ARE REVIEWING
THEIR HOTEL PROGRAMMES**

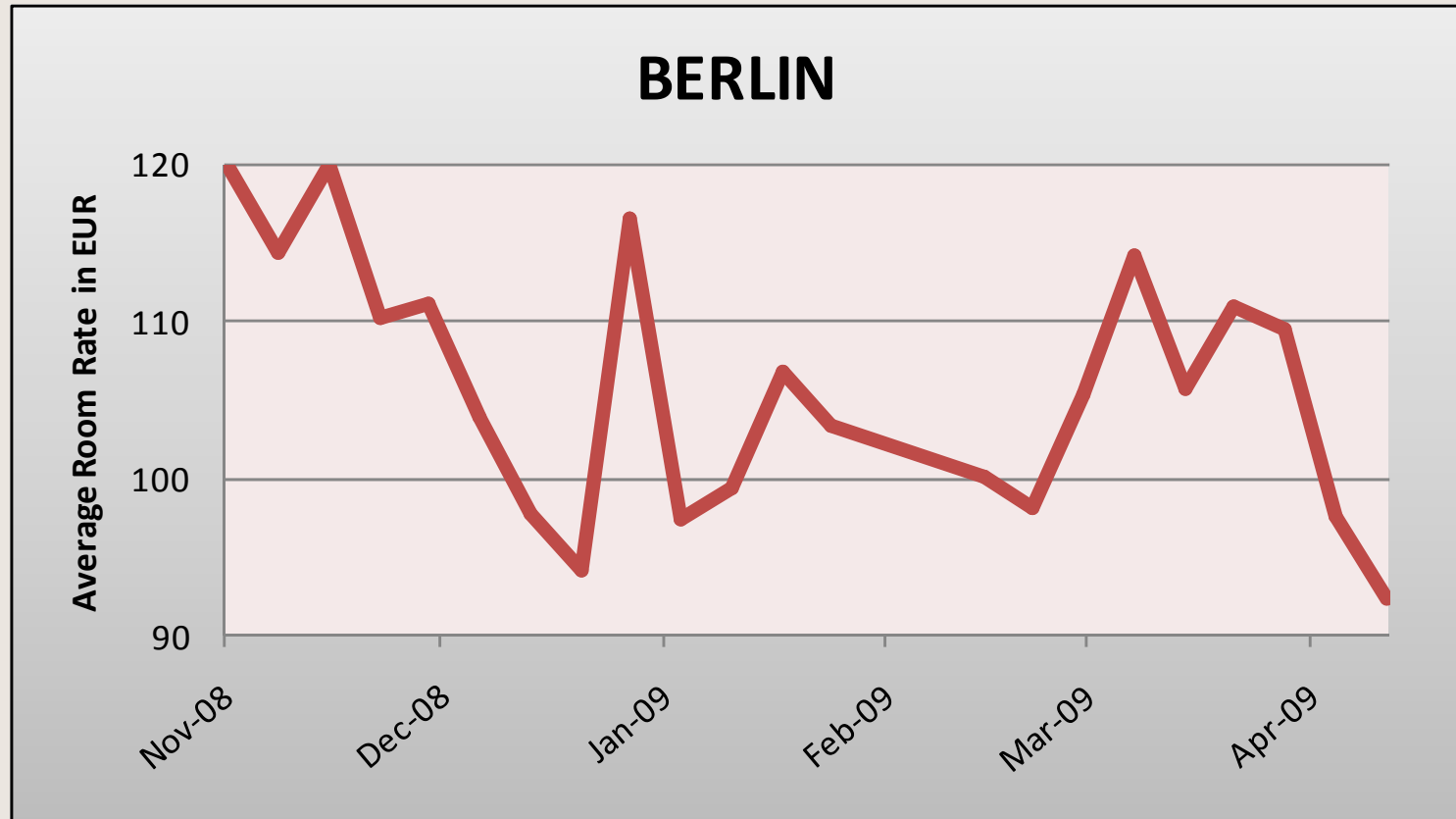
Dynamic Pricing Trending by City



Dynamic Pricing Trending by City



Dynamic Pricing Trending by City



What Corporations are doing....

- ▶ **Introducing Global / Regional Hotel RFP**
- ▶ **Programme Consolidation**
- ▶ **Benchmarking rates against the market**
- ▶ **Renegotiating on Value adds (LRA / Internet / Breakfast)**
- ▶ **Implementing Allocations in high volume areas**
- ▶ **Tracking Exception Reporting on a regular basis**
- ▶ **Ensuring Cancellation Policies are same day**
- ▶ **Removing Early Check- out fees**
- ▶ **Rate Audits**

Recommended RFP Process



Rate Analysis and Benchmarking

- ▶ **Hotel benchmarking allows clients to compare key hotel rates against other similar sized corporations**
- ▶ **Enables clients to compare existing rates at Property level & City level**
- ▶ **Identifies savings opportunities**
- ▶ **Rate & Market Intelligence**
- ▶ **Strengthen supplier negotiations**



Reservation System Rate Audit



Reservation system rate auditing ensures that contracted hotel rates are loaded and accessible within the system. This will verify that the rate is loaded as per expectations and in line with all contractual stipulations

- ▶ **Cost saving**
- ▶ **Increased traveller and agent booking satisfaction**
- ▶ **As most clients will have only approximately 60-70% loaded correctly by the suppliers prior to this audit this process guarantees significant savings opportunities.**

Compliance Reporting

Compliance reporting assists clients in monitoring Compliance to their programme and also the negotiated rates

Primary benefits of compliance to policy lie in two areas:

- ▶ **Control**

- ▶ **Purchasing**

- ▶ Ability to control and direct its expenditure
- ▶ Ability to deliver volume room night production
- ▶ Ability to command the most preferential rates in the market
- ▶ Move business where suppliers are reluctant to offer good rates

Case Study - Hotel



Major Investment Bank global RFP delivers 31 times ROI

BACKGROUND

- Mature travel programme
- Regional travel management structure with global lead
- Over €40 million of global annual hotel spend

SCOPE

- Data consolidation, RFP management, benchmark, negotiation, audit
- 51 countries, 850 solicitations and 500 acceptances
- Client had access to online RFP tool and led direct negotiations

RESULTS

- 4.9% level of cost avoidance

Thank you



Questions.....