Key Performance Indicators for Managing Corporate Travel
A reference guide developed for the Global Travel Business Association (GBTA)

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GBTA Europe would like to thank the four authors of this toolkit and the additional participant members of GBTA who have worked tirelessly to create such a useful tool for GBTA members globally.

Introduction
Suggested Key Performance Indicators
Selected Key Programme Metrics
Created By
Introduction

Motivation and Limitations

The importance of key performance indicators (KPIs) for managing corporate travel programmes was featured in a session at the GBTA Europe conference, Inicio, in 2010 in Lisbon. Some of the authors of this document presented their views on this subject and recommended that there should be a standard set of KPIs for use by travel category managers.

The conference delegates received this idea with enthusiasm. Subsequently, Paul Tilstone, European Managing Director for GBTA Europe, asked the four consultants noted as the authors of this document to build such a set of KPIs to benefit the managed travel industry. The authors readily agreed to the challenge.

The authors of this paper are:

- Nicolas Borel, CEO, opTmo. Nicolas has served many years as Corporate Sales Manager at AIR FRANCE – KLM before becoming Travel Manager at SITA. He is now providing organisations with consultancy and operational tools to better manage their travel programs

- Scott Gillespie, Author of Gillespie’s Guide to Travel+Procurement. Scott is an expert in the field of analysing travel data. He founded Travel Analytics, and is based in Cleveland (USA).

- Torsten Kriedt, Vice President, BCD Travel. Torsten leads the team responsible for BCD Travel’s global product portfolio and research practice. He serves on Advito’s executive team and is an expert in programme strategy, security and performance management.

- James Westgarth, Director, SCS Corporate Travel. Formerly head of travel process optimisation at EADS/Airbus, James is now an independent consultant specialising in reporting, data consolidation and KPI management for travel management and procurement.

The authors benefited greatly from feedback by leading practitioners in GBTA Europe’s Benchmarking Group during this paper’s evolution; however, the views presented here are the authors’ personal views, and not necessarily those of any organisation.

The intended audience for these KPIs is the key stakeholders of corporate travel programmes. This includes the travel category manager and procurement, finance and corporate social responsibility managers, as well as the travel program’s suppliers. These KPIs focus solely on the transient travel component; KPIs for Groups and Meetings are outside the scope of this paper.

The authors assume that the buyer’s organisation has access to sufficient data from these key sources: travel management company (Travel Management Company, TMC), self-booking tool (Self Booking Tool, SBT), corporate credit card, and Expense Reporting System.

This reference guide complements the Advito white paper “From numbers to action - Improving travel program management through strategic KPIs and meaningful savings measurements”, which provides useful tips on building an effective KPI programme. The white paper is included in the full GBTA toolkit.

Tips on building a strategic KPI program

Step 1 – Take it seriously

It is a straightforward task for companies with mature travel programs but it does take time and manpower.

Step 2 – Map out your corporate strategic goals

Simplified examples include: cost containment, sustainability, duty of care and governance/compliance, employee productivity and employee satisfaction.

Step 3 – Map your travel goals to your corporate strategic goals

E.g., cost containment – reduced travel purchasing costs, reduced travel processing costs, reduced trip volumes (travel program goals: savings/cost avoidance, demand management, negotiation/sourcing)

Step 4 – Define the appropriate KPIs to measure your progress

Then create a matrix to grade the relevance of each KPI to each travel goal.

Step 5 – Identify master data sources

For each KPI, map suggested data sources, frequency of reporting, who has responsibility and the process owner.

Step 6 – Act on the data

Investigate and take action on results which fall outside anticipated KPI ranges.

Source: Advito, “From numbers to action,” 2010
This reference guide goes beyond that white paper by providing a practical guide to defining and using KPIs, including a detailed assessment for selected KPIs that the creators deemed most relevant.

**Key Performance Indicators (Dials) vs. Key Program Metrics (Gauges)**

The authors quickly agreed to distinguish KPIs from Key Program Metrics (KPMs).

A KPI must be significant and actionable. By actionable, we mean a manager should be able to influence the direction of the indicator. KPIs can be viewed as dials that, when changed by proactive behaviours, result in desired outcomes.

In contrast, Key Program Metrics are simply gauges, not dials. KPMs describe attributes of a travel program, such as Total Spend, or Average Ticket Price, or Year over Year changes. KPMs are statistics of a travel program, but they are not on an actionable level.

In short, the authors have gone beyond the traditional view of being able to measure in order to manage; they have sought to measure actionable indicators to manage more effectively.

**KPIs and Their Categories**

Most travel programmes have a variety of goals and focus areas. While some companies may focus heavily on one area, e.g., “Spend and Savings” the authors have followed the principles of a balanced scorecard and promote selecting KPIs from various relevant areas albeit with different weighting. This approach reflects the diverse needs of travel programme stakeholders and the realities of running an employee-facing service function.

The authors have developed KPIs that correspond to generic key categories that are important for most programmes:

- Spend and Savings
- Traveler Behavior and Policy
- Suppliers
- Process
- Traveler Safety
- Corporate Social Responsibility
- Data Quality

**Understanding your travel program profile with Key Programme Metrics**

The decision to focus on KPIs by no means implies that Key Programme Metrics are not important; they simply play a different role. Key programme metrics help describe a company’s travel profile, which is influenced by its company locations, industry sector, client mix, supply chain, etc.

Typical programme metrics describing a company’s profile include:

- **Travel spend**: How much do we spend on travel and related expenses by business unit/region, etc?
- **Destinations**: Where are we travelling?
- **Trip purpose**: Why are we travelling?
- **Travel expense productivity**: What is our travel spend compared to the output of our core business (e.g., revenue, sales)?
- **Spend concentration**: How concentrated is our travel spend on specific routes/cities...?
- **Prices**: What is the trend of spend and pricing per category (e.g. Average Ticket Price, Average Daily Rate) and against the industry?
- **Business travel intensity**: How much are our employees travelling to conduct business (number of trips, duration, distance, frequency, ...)?
- **Number of (frequent) travellers**: How many (frequent) travellers do we have?
- **Travel risk exposure**: How risky are our destinations (security/health/extreme weather)?

In short, Key Programme Metrics help to explain why travel is a category that deserves to be managed and provide a baseline from which to define programme strategies. The authors have expanded on the above selection in a section following the Key Performance Indicators.
Below is an overview of the KPIs the authors have determined for each of the above categories. Note that several of these KPIs could be associated with more than one category; for the sake of simplicity, the authors have assigned them to their primary category.

<table>
<thead>
<tr>
<th>Spend and Savings</th>
<th>Behavior and Policy</th>
<th>Suppliers</th>
<th>Process</th>
<th>Traveler Safety</th>
<th>CSR</th>
<th>Data Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Spend Under Contract</td>
<td>• Cabin Non-Compliance</td>
<td>• Traveler Satisfaction</td>
<td>• Re-Booking Rate</td>
<td>• Location Insights</td>
<td>• Carbon Visibility</td>
<td>• Data Quality</td>
</tr>
<tr>
<td>• Booking Visibility</td>
<td>• Lowest Logical Airfare (LLA) Non-Compliance</td>
<td>• Contract Support</td>
<td>• Reimbursement Days</td>
<td>• Profile Completion</td>
<td>• Rail vs. Air</td>
<td></td>
</tr>
<tr>
<td>• Payment Visibility</td>
<td>• Advance Booking Non-Compliance</td>
<td>• Online Adoption Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Realized Negotiated Savings</td>
<td>• Hotel Visibility</td>
<td>• Hotel Quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Definitions as Guidelines, not Standards

It is important to note that while the authors have provided definitions for each of these KPIs, they are not promoting these KPIs or their definitions as definitive standards. It is beyond the scope of this paper to attempt to produce an industry-vetted set of KPIs and their definitions.

GBTA realises that there are many good KPIs beyond what the authors have nominated here, just as there are many ways to measure the issues related to these KPIs. Readers are encouraged to view these KPIs as thought-starters, and not an attempt to dictate what every organisation should adopt.

Emphasis on Savings Implications

The creators of this tool constructed several KPIs as measures of non-compliance, rather than the more traditional method of measuring rates of compliance. Similarly, they often chose to use amount of spend, rather than number of units (e.g., tickets, room nights, travellers, etc.) as the basis for a KPI’s definition.

GBTA believes that these definitions create KPIs that are more closely aligned with the key question of savings associated with improving the KPI. For example, it is preferred to measure the amount of spend associated with non-compliant cabin usage, rather than the percent of trips complying with cabin policy. The former does a better job of anticipating the question, “How much can we save through tighter compliance?”

Using These KPIs

As each KPI was developed, the authors rated it as either Simple or Complex to reflect the likely level of effort needed to produce the KPI. Each KPI is also graded as either Priority 1 or Priority 2 to help users in focusing their efforts for the KPI adoption. These ratings and prioritisations are mere guidelines; each buyer’s mileage will vary.

Practitioners are encouraged to use whichever KPIs they find valuable and to modify the definitions as they see fit. The goal of this paper is to provide a thoughtful starting point for those interested in the issue of productively using KPIs to manage travel. Managers new to the industry may prefer to use some of the KPIs classed as Simple, while experienced travel industry professionals could be more interested in the Complex KPIs.

Cooperation with the owners of various data sources is strongly recommended. In fact, a combination of data sources is required in a number of the KPIs presented in this white paper, and practitioners may require professional advice and/or a robust consolidation tool to fully develop the KPIs. While there is a desire for benchmarks for each KPI or at least guidance in terms of ranges, the authors resisted the temptation as the ideal range depends on any given’s programme objective, current maturity level and travel pattern.

As a starting point, there is an Excel-based tool that demonstrates how these KPIs might be used. This tool uses each of the KPIs nominated here, but these could be modified or deleted, and others could easily be added.

In the spreadsheet, the user can enter current values for each KPI, set a goal, and set a weight. By weighting each KPI, a user can prioritise the programme drivers which matter most. The result is a single score, aggregated across all the KPIs in scope. The creators hope users find this tool useful, and welcome any feedback you may offer.

Users may assemble a group of KPIs in the format of a dashboard or balanced scorecard. Creating those prototypes is beyond the scope of this paper.
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Suggested Key Performance Indicators

- Spend Under Contract
- Booking Visibility
- Payment Visibility
- Realized Negotiated Savings
- Contract Competitiveness
- Cost of Managed Travel
- Cabin Non-Compliance
- Lowest Logical Airfare Non-Compliance
- Advance Booking Non-Compliance
- Online Adoption

- Hotel Visibility
- Re-Booking Rate
- Hotel Quality
- Traveler Satisfaction
- Contract Support
- Reimbursement Days
- Location Insight
- Profile Completion
- Carbon Visibility
- Rail vs. Air
- Data Quality
Spend Under Contract
Spend and Savings

Priority 1, Simple
KPI ID: 1

Key Question: What percentage of our travel spend is under contract? (By category, e.g., air, hotel, car rental)

Why this KPI: Spend Under Contract provides visibility of the influence Procurement has for a given category. Buyers can create a more detailed and accurate answer by looking at the specific airfares and room types covered under each supplier’s contract. A simpler form of this KPI is offered here as a good starting point.

Definition: Contracted Spend divided by Total Travel Spend.

By category, identify suppliers as either Contracted (a.k.a. Preferred), or Non-Contracted.

Divide the total spend on Contracted suppliers into the category’s Total Travel Spend, including Non-Contracted suppliers.

Total Travel Spend may be obtained via the general ledger, or the Expense Reporting System.

Example: 60 percent of our airline spend is with Contracted airlines.

Desired Direction: Higher is better. However, putting too much spend under contract may not be optimal.

Considerations: Buyers need to choose appropriate levels of granularity.

For example, assume a buyer has a single contracted fare for one city pair on a major airline, and uses many non-contracted fares on that airline in other markets: Should all the spend on that carrier, including non-contracted fares and other city pairs served by the carrier, count toward the Spend Under Contract KPI?

Buyers may use booked spend as a suitable alternative to ticketed or expensed spend.

Likely Data Sources: Buyer’s contracts with suppliers, Travel Management Company back office data, and corporate credit cards for centrally billed air spend and hotel spend. Manually entered expense reports are a last resort.
Booking Visibility
Spend and Savings; Behaviour/Policy

Priority 1, Complex

KPI ID 2

Key Question: What share of our travel is booked via the approved Travel Management Company and self-booking tool (Self Booking Tool)?

Why this KPI: Booking Visibility measures the degree to which travellers are using the approved booking channels. It also measures the degree of data visibility one has, as bookings made through approved channels are captured for reporting. Data from bookings made through non-approved channels is not captured and so weakens a managed travel program.

Definition: (Ticketed and Booked Spend) divided by Total Travel Spend.

Buyer must capture the ticketed airfare and rail spend, and the booked hotel and rental car spend (booked rate * room nights or rental days), as reported by the approved Travel Management Company, hotel booking agencies, and Self Booking Tool.

Buyers may choose as the denominator the total travel spend as captured either by their general ledger or by their Expense Reporting System.

Example: 60 percent of our travel spend is booked through the approved Travel Management Companies or our corporate self booking tool. This means 40 percent of our travel spend is booked in a way that gives us no visibility to that data.

Desired Direction: Higher is better. 100 percent is ideal.

Considerations: Obtaining the numerator should not be difficult. It is the denominator that can get messy due to the noisy and inconsistent data often included in the general ledger and expense reporting data sources.

An alternative form of this KPI is to measure the amount of travel spend booked via approved channels, and ignore the need to calculate a percentage.

Likely Data Sources: General ledger, Expense Reporting System, Travel Management Company, Self Booking Tool
Payment Visibility
Spend and Savings; Behaviour/Policy

Priority 1, Complex

KPI ID 3

Key Question: What share of our travel spend is paid via the Corporate Card?

Why this KPI: Payment Visibility measures the extent to which travellers are using the approved form of payment, presumably a Corporate Credit Card, to settle their payments for travel expenses.

For travel managers, credit card data is a key source of information on hotel data, ancillary fees, meals and miscellaneous expenses.

Definition: (Travel-related spend on Corporate Credit Card) divided by Total Travel Spend.

Total Travel Spend may be obtained via the general ledger or the Expense Reporting System.

Example: 60 percent of our travel spend is paid via our corporate credit card.

Desired Direction: Higher is better.

Considerations: The numerator should not be difficult. It is the denominator that can get messy due to the noisy and inconsistent data often included in the general ledger and expense reporting data sources.

An alternative form of this KPI is to measure the amount of travel spend paid via the corporate card, and ignore the need to calculate a percentage.

Likely Data Sources: General ledger, Expense Reporting System, corporate credit card.
Realised Negotiated Savings
Spend and Savings

Priority 1, Complex

KPI ID 4

Key Question: How much have we saved through the negotiation and adoption of our preferred supplier contracts?

Why this KPI: Realised Negotiated Savings quantifies the benefit obtained through travel procurement and policy compliance.

Definition: \((\text{Market rate} - \text{Negotiated rate}) \times \text{Units purchased using the negotiated fare or rate.}\)

A supplier’s contracted prices need to be compared to the relevant undiscounted fares or rates. Multiply the difference between the market rate and the negotiated rate (the price savings) by the unit volume (e.g. number of room nights) purchased. Sum this amount across all purchases made with the supplier. This is the contract’s savings for the organisation.

Sum each contract’s savings to obtain the travel program’s Realised Negotiated Savings.

Example: Our airline program contracts have saved us €500K. Our total managed travel program has saved us €900K.

Desired Direction: Higher is generally better.

Considerations: This KPI requires a careful choice of market rate. Do not use artificially high fares and room rates. Instead, use fares and rates that travellers would likely choose in the absence of a negotiated rate.

This KPI requires the buyer to choose an appropriate level of granularity: Do you measure the market rate at the time of booking, or do you use a less-specific market rate, such as the average published fare in the market over the last X weeks?

Capturing a reasonable market rate at the time of booking is recommended. Buyers should understand the specific method their Travel Management Company uses to obtain this number.

Note that this KPI serves as the numerator for the calculation of the Contract Competitiveness KPI.

Likely Data Sources: Contracts, Travel Management Company, Self Booking Tool, suppliers (e.g., rental cars)
Contract Competitiveness
Suppliers

Priority 1, Complex
KPI ID 5

**Key Question:** How good are our negotiated contracts (air, hotel, car, Travel Management Company)?

**Why this KPI:** Key stakeholders want to know how cost-effective their company’s negotiated prices are.

**Definition:** A supplier’s contracted prices need to be compared to the relevant undiscounted fares or rates. Multiply the difference (the price savings) by the unit volume purchased. Sum this amount across all purchases made with the supplier. This is the contract’s savings.

Convert all purchases made with the supplier to the supplier’s undiscounted (a.k.a., pre-discounted, or gross) spend. This quantifies the amount of pre-discounted spend.

Divide the contract’s savings by the supplier’s undiscounted spend. This is the contract’s savings rate.

Construct a ratio by placing the buyer’s savings rate in the numerator, and the benchmarked peer group’s average savings rate in the denominator. The result is the Contract Competitiveness Ratio.

**Example:** Our airline contract produces a 12 percent overall savings rate, compared to our peer group’s benchmarked average of 20 percent. Our Contract Competitiveness for this airline contract is 12/20, or 60 percent.

Our airline contract delivers 60 percent of the savings rate achieved by our benchmarked peer group.

**Desired Direction:** Higher is better.

**Considerations:** It is very difficult to obtain apples-to-apples price benchmark data. Any such data provided by Travel Management Companies or third parties should be viewed as very rough indicators. Care must be taken to properly calculate the undiscounted (a.k.a. pre-discounted, or gross) spend.

**Likely Data Sources:** Supplier contracts, Travel Management Company, Self Booking Tool, suppliers (e.g., rental cars)
Cost of Managed Travel
Spend and Savings

Priority 2, Simple
KPI ID 6

Key Question: What percentage of our travel spend goes to managing it?

Why this KPI: Cost of Managed Travel measures the cost side of the cost-benefit ratio of managing a travel program.

Definition: (Travel Program Costs) divided by (Total Travel Spend).

Include the buyer’s FTE labor costs, data reporting, consulting and other third-party fees, and all fees paid to Travel Management Companies. Include security-related costs, if those costs primarily benefit travellers.

For the denominator, use either the general ledger or the Expense Reporting System to obtain total travel spend.

Example: 6 percent of our travel spend goes for managing the travel program.

Desired Direction: Lower is generally better, but driving this KPI too low may result in harming the overall travel program.

Considerations: The denominator can get messy due to the noisy and inconsistent data often included in the general ledger and expense reporting data sources.

An alternative form of this KPI is to consistently measure the costs associated with managing the travel program, and ignore the need to calculate a percentage.

Likely Data Sources: General ledger, Expense Reporting System, travel program’s expense details.
Cabin Non-Compliance
Behaviour/Policy

Priority 1, Simple
KPI ID 7

Key Question: To what degree are travelers not complying with our cabin policy?

Why this KPI: Tickets issued in higher-class cabins are generally more expensive than those issued in lower-class cabins. Cabin Non-Compliance is an indicator of potential savings from tighter compliance to the current travel policy.

Definition: \((\text{Air and Rail spend in cabins that are higher than policy allowed}) \div \text{(Air and Rail spend in all cabins)}\).

Example: 60 percent of our Air and Rail spend exceeds our cabin travel policies.

Desired Direction: Lower is better. Zero percent is ideal.

Considerations: This KPI requires careful treatment of the data. It must be built to match the travel policy language, e.g., “Business class on all trips exceeding eight hours.”

Does the time limit include stopover time, or does it apply to only the longest leg? Does the policy segregate trips by geography, such as “Domestic and Short-haul” or “Intra-Europe”?

Buyers may wish to use Cabin Non-Compliance metrics for Air separate from Rail.

This definition does not provide credit for travelers who may book in a lower cabin class than their travel policy authorizes.

Likely Data Sources: Travel policy, TMC, SBT
Lowest Logical Airfare Non-Compliance

Behaviour/Policy

Priority 1, Complex

KPI ID 8

Key Question: To what extent are we spending more than our lowest logical airfare policy suggests?

Why this KPI: This KPI measures lost savings, as defined by the travel policy and measured by actual availability.

Definition: (Sum of (Ticket Price minus Lowest Logical Airfare)) divided by All Ticketed Air Spend

Example: 60 percent of our air spend exceeded our lowest logical airfare policies.

Desired Direction: Lower is better. Zero percent is ideal.

Considerations: This KPI requires careful treatment of the data. The lowest logical airfare is determined by the Travel Management Company or Self Booking Tool at the time of booking, according to rules based on parameters such as connections, time window, preferred carriers, city/airport, rail/airfare, etc.

The Travel Management Company and self-booking tool rules must be fully understood, and the data must be captured consistently at the time of booking.

Likely Data Sources: Travel Policy, Travel Management Company, Self Booking Tool
Advance Booking Non-Compliance
Behaviour/Policy

Priority 1, Simple
KPI ID 9

Key Question: To what extent are our travellers not complying with our advance booking travel policy?

Why this KPI: Booking far enough in advance of travel is generally recognised as resulting in lower airfares.

Definition: (Ticketed Air Spend booked less than X days in advance) divided by (All Ticketed Air Spend), where X is the number of days in advance specified by the travel policy.

Example: 60 percent of our Air Spend is booked too close to the departure date.

Desired Direction: Lower is better.

Considerations: It may be useful to break this KPI out by a trip’s geography (e.g., Domestic, Short-Haul or Long-Haul), or by flight duration (e.g., less than 4 hours, 4-8 hours, etc.), or by trip duration (e.g., day trip, 1-2 nights, 3-5 nights, etc.).

Likely Data Sources: Travel Policy, Travel Management Company, Self Booking Tool
Online Adoption
Behaviour/Policy

Priority 1, Simple

KPI ID 10

Key Question: How much are our travellers using the self-booking tool (Self Booking Tool)?

Why this KPI: Booking travel by a corporate-designated Self Booking Tool is generally recognised as an effective way to reduce transaction costs and reduce the average cost of airline tickets.

Definition: (Number of tickets issued through Self Booking Tool) divided by (All Tickets issued by the buyer’s Travel Management Company and Self Booking Tool). Alternatively, use Amount of Ticketed Spend instead of Number of Tickets.

Example: We have a 60 percent online adoption rate or, in the alternative form, 60% of our air spend is self-booked.

Desired Direction: Higher is generally better for simple trips.

Considerations: The method of booking may be classified in two ways: Initiated Online (via the Self Booking Tool) or Offline (via a Travel Management Company’s agent); or three ways: No Touch (booked via the Self Booking Tool with no agent involved), Assisted (initiated in the Self Booking Tool but required some help from an agent), or Agent (booked entirely with the Travel Management Company’s agent).

The denominator in this KPI, “All Tickets” or “All Ticketed Spend,” may be restricted to those trips suitable for online booking, such as Domestic or Short-Haul trips, or those limited to out-and-back destinations, or those limited to four or fewer sectors.

Travel managers are encouraged to compare ticket prices achieved between self-booked transactions and agency-based transactions to observe the price differentials.

Likely Data Sources: Travel Management Company, Self Booking Tool
## Hotel Visibility
### Behaviour/Policy

**Priority 1, Complex**

**KPI ID 11**

**Key Question:** How much visibility do we have into our travellers’ hotel destinations?

**Why this KPI:** Booking hotels via the designated Travel Management Company or Self Booking Tool improves traveller security, and increases the buyer’s ability to direct travellers to preferred hotels.

**Definition:** (Sum of Travel Management Company and Self Booking Tool hotel room nights booked) divided by (Sum of Travel Management Company and Self Booking Tool nights away, as measured by air and rail PNR departure and return dates)

**Example:** We have hotel visibility for 60 percent of all nights away.

**Desired Direction:** Higher is better. 100 percent is ideal.

**Considerations:** Be sure to count room nights captured in hotel-only bookings.

The number of nights away is generally based on air PNRs by comparing departure and return dates. Some inaccuracy in the nights away number is due to overnight flights and International Dateline issues.

This KPI’s quality is tied to the extent that the travellers book their air reservations through the designated Travel Management Company and Self Booking Tool. Air bookings outside approved channels cannot be used to calculate nights away.

**Likely Data Sources:** Travel Management Company, Self Booking Tool
Re-Booking Rate
Behavior / Policy

Priority 2, Simple
KPI ID 12

Key Question: How often do we change bookings after ticketing?

Why this KPI: Many airlines charge fees to change tickets. Knowing this ratio can help shape the buyer’s policy about how far in advance to purchase a ticket, and whether the traveller should purchase a non-refundable fare.

Definition: (Sum of number of changes made to each ticket) divided by (Total number of tickets issued)

Example: Our re-booking rate (a.k.a. change rate) on issued tickets is 60 percent.

Desired Direction: Lower is generally better.

Considerations: Buyers may wish to segregate this KPI by airline, or by days booked in advance (e.g., 0-2 days, 3-6 days, etc.), or by refundable or non-refundable ticket status.

Buyers may also wish to calculate the average cost of a changed ticket. Be careful to not include the amount for the Fare Difference, if any. Travel Management Companies may also charge additional fees to handle a re-booked ticket.

Likely Data Sources: Travel Management Company, Self Booking Tool
Hotel Quality
Behaviour/Policy

Priority 2, Complex
KPI ID 13

**Key Question:** What is the average quality of hotels we are booking?

**Why this KPI:** A key driver of a hotel’s room rate is the hotel’s quality rating (aka “market tier”). By knowing the average quality of hotels booked, travel managers can better understand changes in their program’s average daily rates and overall hotel costs.

**Definition:** (Sum of (room nights booked in each hotel quality band) multiplied by the quality band’s numeric value)) divided by (sum of all room nights booked in all quality bands).

Requires each hotel property to be assigned to a quality band, e.g., 3 Star, or 4 Crown, or Upper Upscale, etc. Each quality band is assigned a numeric value, such as 3 Star = 3, 4 Crowns = 4, Upper Upscale = 4, etc.

**Example:** Our travellers are booking hotels with an average quality index of 3.2, down from an average of 3.5 last year.

**Desired Direction:** Lower scores are consistent with companies trying to contain their hotel expenses.

**Considerations:** This KPI requires the ability to match a hotel reservation with an appropriate quality value.

Some buyers may be comfortable with assuming that all properties within a given brand, e.g., Sofitel by Accor, can be assigned the same quality rating. Other buyers may wish to use property-specific ratings.

Capturing and applying these ratings is probably not a simple task for most Travel Management Companies.

**Likely Data Sources:** Travel Management Company, Self Booking Tool, hotel booking agencies
Traveller Satisfaction
Suppliers

Priority 1, Simple
KPI ID 14

Key Question: How satisfied are our travellers with our managed travel program?

Why this KPI: Travel managers need feedback on how well their program is working for travellers.

Definition: Traveller satisfaction survey results, often expressed in percentage form as (Average Score from all travellers) divided by (Highest Potential Score).

An alternative is the Net Promoter Score. See http://www.netpromoter.com/np/index.jsp

Example: Our average traveller satisfaction level is 4.2 on a five-point scale, or 84 percent.

Desired Direction: Higher is better.

Considerations: Measuring traveller satisfaction should not be limited to suppliers, but should include Travel Management Companies and the travel program’s staff, policies and practices.

Likely Data Sources: Travellers
Contract Support
Suppliers

Priority 2, Complex

KPI ID 15

Key Question: How well are we supporting our preferred suppliers?

Why this KPI: The premise of negotiated pricing agreements is that the buyer will deliver significant spend to the supplier. It is essential for the travel manager to understand how well travellers are supporting each contracted supplier.

Definition: (Booked or Ticketed spend (or units) with the preferred supplier) divided by (Contracted or Targeted spend (or units) with the preferred supplier).

Example: We are giving Supplier Z 60 percent of what we contracted.

Desired Direction: Higher is better. Should be at least 100 percent.

Considerations: This metric should be category-specific, e.g., for air, hotel and car. Units other than spend, such as room nights, or sectors, or market share, may be used.

If more than 100 percent of the contract’s goal is achieved, the buyer should be aware of the opportunity to re-negotiate for more favourable pricing, or to steer additional business to another supplier.

Measuring hotel contract support probably requires the aggregation of Travel Management Company and Self Booking Tool bookings and credit card spend, then a de-duplication based on traveller name and date.

Likely Data Sources: Supplier contracts, Travel Management Company, Self Booking Tool, credit card
Reimbursement Days
Process

Priority 2, Simple
KPI ID 16

**Key Question:** How fast is our reimbursement process?

**Why this KPI:** Reimbursing travellers in a timely manner is important for maintaining good traveller morale. This KPI provides visibility into this part of the travel experience.

**Definition:** Average number of days between submission of an expense report by the traveller and the date of funds disbursement.

**Example:** On average, our travellers receive reimbursement 60 days after they submit their expense reports.

**Desired Direction:** Lower (faster) is better.

**Considerations:** This KPI can be produced over time to measure the evolution of the process, and also to compare different departments/divisions within an organisation.

Furthermore, this KPI can be used as objective proof that the risk that expenses are reimbursed after the traveller is debited is low or non-existent. It can also be used as part of an SLA with internal expense processing teams or an external provider.

**Likely Data Sources:** Expense reporting system
Location Insight
Process

Priority 2, Complex
KPI ID 17

**Key Question:** For what share of travellers do we have information about their location?

*Why this KPI:* Travel managers are expected to know where their travellers are. This KPI provides a measure of readiness to react to incident alerts based on travellers’ location.

**Definition:** (Number of travellers for whom at least one piece of location-related data is known) divided by (Number of all travellers). Must be measured as a snapshot in time, e.g., on specific dates.

Location-related data includes:

- Airline ticket
- Hotel booking
- Car rental booking
- Itinerary as entered in the corporate risk management or traveller security system
- Traveller’s mobile phone location via GPS
- Corporate credit card transaction activity

**Example:** We had at least one location indicator for 60 percent of our travellers on Oct. 25.

**Desired Direction:** Higher is better. 100 percent is ideal.

**Considerations:** Travel managers are encouraged to work with their risk and security colleagues to establish effective means for quickly locating travellers.

Workers Councils should be involved in this issue, especially regarding concerns about mobile phone GPS and employee privacy.

**Likely Data Sources:** Travel Management Company, Self Booking Tool, risk management system, telecommunications provider, corporate card provider
Profile Completion
Traveller Safety

Priority 1, Simple
KPI ID 18

**Key Question:** How complete are our travellers’ profiles?

**Why this KPI:** Having current contact information for each traveller is vital for traveller security. Travel managers can reduce traveller security risks by ensuring their profiles are complete and current.

**Definition:** Designate selected fields in the traveller profile as “Essential,” such as the mobile telephone number.

Create for each profile a completion score by counting the number of essential fields that are complete, then dividing that number into the total number of essential fields. Then aggregate by creating the average completion score for all profiles in scope.

**Example:** Our traveller profiles have 60 percent of their essential fields complete.

**Desired Direction:** Higher is better. 100% is ideal.

**Considerations:** Beyond being complete, a traveller’s profile must be current. Consider methods to ensure that travellers update their profiles regularly. Consider testing profile information for its ability to reach travellers.

**Likely Data Sources:** Travellers and their profiles
Carbon Visibility
Sustainability

Priority 2, Simple
KPI ID 19

Key Question: How well do we measure our travel program’s carbon impact?

Why this KPI: Travel managers are often asked about the carbon impact of their travel program. This measure indicates the ability to do that.

Definition: For each category, rate the current quality of measuring CO2 emissions associated with corporate travel. Use a standard scale across each category, such as:

- Excellent – We use a leading-edge carbon calculator designed for the relevant travel category and we collect sufficient data; score of 5 points
- Adequate—We use a GHG Protocol-approved method for estimating the category’s emissions (see http://www.ghgprotocol.org/) and we collect sufficient data; score of 3 points
- Inadequate – We don’t capture sufficient data or don’t have a method in place to estimate carbon emissions for this category; score of 1 point

Example: Our carbon visibility for air travel is excellent (5 points); for hotel stays, car and rail it is inadequate (1 point for each category). We chose to weight air at 70 percent, hotel at 10 percent, car at 10 percent and rail at 10 percent, so our overall score is 3.8 out of possible 5.0, or 76 percent.

Desired Direction: Higher ratings are better.

Considerations: Travel managers should seek guidance from their corporate social responsibility colleagues about how to best estimate a travel program’s carbon impact. The Icarus Project is a source of excellent information on this topic. See http://www.icarus.itm.org.uk/

Likely Data Sources: Travel Management Company, Self Booking Tool, car rental suppliers
Rail vs. Air
Sustainability

Priority 2, Simple
KPI ID 20

Key Question: How often are our travellers using rail over air in markets that offer both options?

Why this KPI: Rail travel causes generally less carbon emission per passenger than air travel. This KPI helps show the extent to which travellers are choosing rail over air in markets where both are options.

Definition: Identify a set of airline city pairs for which there exists viable rail alternatives, e.g., LON-PAR, PAR-BRU, etc. This set becomes the Dual Mode Markets.

For each city pair in the Dual Mode Markets, count the number of tickets issued for travel by rail, and for travel by air.

Calculate (Number of rail tickets) divided by (Number of rail and air tickets).

Example: 60 percent of our trips in the Dual Mode Markets are done by rail.

Desired Direction: Higher is better.

Considerations: This KPI does not, in this form, take into account the trips that are made by car in the Dual Mode Markets. If that information is available, it may be added into the numerator and the denominator.

The data should be adjusted to account for one-way and return journeys.

Likely Data Sources: Travel Management Company, Self Booking Tool, Expense Reporting System, Rail Suppliers
Data Quality

Priority 2, Complex  
KPI ID 21

Key Question: What percentage of our travel data appears usable?

Why this KPI: Good data is an essential element for managing a travel program. This KPI helps travel managers understand some basic attributes of their data.

Definition: (Number of travel data records that pass the data quality definitions) divided by (Total number of all travel data records).

Data quality definitions may vary, but are expected to be very basic. Examples include:

- Presence or absence of data in a field which is expected to contain data
- Data values that fall within acceptable ranges
- Data that is received in a timely manner
- Data that conforms to the expected format

Example: 60 percent of our Travel Management Company’s data records passed our data quality standards last month.

Desired Direction: Higher is better. 100 percent is ideal.

Considerations: This KPI requires significant work.

Travel managers will need to establish their data quality definitions, or rely on their Travel Management Company or travel data reporting provider to do so. Then the data quality definitions must be applied to the relevant in-bound data streams, and automatically scored.

Data quality scores should be established for each in-bound data feed, such as each office location of a Travel Management Company, each bank’s credit card transaction file, and any other data stream on which the travel program relies.

Be aware that the act of integrating two or more data feeds into an integrated data set can create data quality problems. Therefore, travel managers may want to apply data quality scoring to these types of integrated, or derived, data sets.

Likely Data Sources: Travel Management Company, Self Booking Tool, corporate credit card Issuer, supplier
### Key Performance Indicators for Managing Corporate Travel

*A reference guide developed for the Global Travel Business Association (GBTA)*

**Selected Key Programme Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Spend</td>
</tr>
<tr>
<td>Destinations</td>
</tr>
<tr>
<td>Trip Purpose</td>
</tr>
<tr>
<td>Travel Expense Productivity</td>
</tr>
<tr>
<td>Spend Concentration</td>
</tr>
<tr>
<td>Prices</td>
</tr>
</tbody>
</table>
Travel Spend
Programme Profile

KPM ID 1

Key Question: How much do we spend on travel and related expenses by business unit/region, etc?

Why this KPM: It is crucial to understand the total baseline spend and the units or regions that generate the demand in order to develop a category strategy.

Definition: Amount paid for travel and travel related expenses in a certain period. This should be done for the entire company but also broken down by relevant region, business unit, cost centre, etc.

Considerations: Often travel programmes are defined through their annual air spend. While this is a number that is fairly reliable as most companies know the actual number it drastically under represents the importance of the total travel related spend.

Likely Data Sources: Expense Management System, General Ledger

Destinations
Programme Profile

KPM ID 2

Key Question: Where are we travelling to (and where are we travelling from)?

Why this KPM: Knowing the origin and destinations of business trips allows companies to assess their programme needs from a sourcing, traveller comfort, demand management and security perspective.

Definition: Number of trips taken between two locations. This can be done on a country to country or city to city level.

Considerations: Many companies will not be able to map out the full trips that use different modes of transport (e.g. trips that combine rail and/or car and air) and might need to use air tickets as proxy.

Likely Data Sources: Travel Management Company, Self Booking Tool, Expense Management System
Trip Purpose
Programme Profile

KPM ID 3

Key Question: Why are we travelling?

Why this KPM: Knowing the reason for travel helps to understand the needs of the travellers and the company's ability to influence demand and behaviour.

Definition: Reason for trip

Considerations: Pre-define few, easy to understand trip reason categories and do not allow free text

 Likely Data Sources: Travel Approval System, Travel Management Company, Trip Logging System, Expense Management System

Travel Expense Productivity
Programme Profile

KPM ID 4

Key Question: What is our travel spend compared to the output of our core business (e.g., revenue, sales)?

Why this KPM: This links the travel programme with the "real" company business and puts it into perspective. This is useful to understand whether relative to the core business the company pays more or less for travel

Definition: (Company sales, aka Turnover) divided by (Total Travel Spend)

Considerations: By combining turnover and sales this metric views travel as enabler of existing business and important to generate new business

Likely Data Sources: Expense Management System, Annual/Quarterly Company Report
### Spend Concentration

**Programme Profile**

**KPM ID 5**

**Key Question:** How concentrated is our travel spend on specific routes/cities...??

**Why this KPM:** The level of concentration provides an indicator for the diversity of the travel programme and the travel procurement ability to get meaningful results even by focusing on the top markets.

**Definition:** Needs to be done by category: e.g. Air spend concentration = (Air spend on top routes) divided by (Total Air Spend)

**Considerations:** There are two competing tactics in programme management: either focus on realizing the best prices for the top spend areas (mainly from a saving perspective) or provide a comprehensive programme that covers the majority of the destinations and routes (mainly from a security and/or business unit buy-in).

**Likely Data Sources:** Travel Management Company, Self Booking Tool, corporate credit card Issuer

### Prices

**Programme Profile**

**KPM ID 6**

**Key Question:** What is the trend of spend and pricing per category (eg. Average Ticket Price, Average Daily Rate) and against the industry?

**Why this KPM:** This is typically one of the key questions asked to anyone managing a travel programme

**Definition:** Needs to be done by category: e.g. Hotel Prices: [Current period (Total hotel spend / total room nights)] divided by [Previous Period (Total hotel spend / total room nights)] multiplied by 100

**Considerations:** Price developments (especially for hotel and rental car) might be heavily influenced by exchange rates so programmes with a high share of international travel might want to track the price development in the consolidation currency as well as in local currency.

When comparing against the industry the major challenge is to find the appropriate market index (i.e. business travel related, based on a large sample data pool of comparable companies)

**Likely Data Sources:** Travel Management Company, Self Booking Tool, corporate credit card Issuer, Research firms, Industry Associations
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