THE GROWING SKILL SET OF THE SUCCESSFUL TRAVEL MANAGER

An ACTE Research Study Sponsored by Radius Travel

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INTRODUCTION

New skills for a fast-changing world
The travel management landscape is evolving quickly. More and more companies are globalizing their travel programs, while technology is accelerating through another phase of rapid development thanks to growing mobile device adoption and big data.

With so much in flux, we at Radius Travel decided to ask travel managers themselves what skills they need to gain and keep their edge. We commissioned a global online survey of Association of Corporate Travel Executives (ACTE) buyer members and event attendees to tell us which skills are important today and which will be important tomorrow.

Their answers tell a very clear story. This whitepaper reveals the challenges that lie ahead and how you as a travel manager can grow professionally by meeting them head-on.

ABOUT THE SURVEY
In May 2013, ACTE conducted a survey of its travel buyer members and event attendees to provide insight into the evolution of the travel manager role. The survey included several multiple-choice and two free-response questions.

ACTE received 164 responses from individuals from 28 countries across all regions. These charts depict respondents’ company travel spend and program configuration:

Company’s Annual Global Transient Travel Spend in USD [n=160]

- Less than $15 million: 18%
- $15–50 million: 9%
- $51–$100 million: 14%
- $101–250 million: 26%
- Over $250 million: 31%
- Does not apply: 1%

Note: Percentages total 99 due to rounding.

Travel Program Configuration [n=161]

- My travel program is consolidated globally (i.e., the program is managed from one central location): 13%
- My travel program is consolidated regionally (i.e., the program is managed from several regional locations): 28%
- My travel program is not consolidated (i.e., the program is independently managed by each market): 59%
Essential Skills and Expertise

Travel managers rated the importance of 16 different types of skills and experience ("qualifications") to be successful in their job role today. These qualifications were:

- Change Management Experience
- Cross-Border Collaboration Skills
- Cross-Functional Collaboration Skills
- Data Analytics Experience
- Financial and Budgeting Proficiencies
- Innovative Mindset
- Knowledge of Travel Industry Technology
- Leadership Experience
- Managing Alternatives to Travel

- Marketing and Social Media Skills
- Multicultural and Multigenerational Communication Skills
- Negotiation Expertise
- Procurement (Sourcing) Experience
- Relationship Management Expertise
- Strategic Planning Competencies
- Technologically Savvy

Rating choices included:
- Essential
- Basic Understanding Necessary
- Not Relevant

More than 60 percent of respondents considered the following five qualifications "Essential":

- Negotiation Expertise: 80%
- Knowledge of Travel Industry Technology: 64%
- Relationship Management Expertise: 63%
- Cross-Functional Collaboration Skills: 62%
- Leadership Experience: 59%

Percentage of survey respondents who indicated this qualification is essential

[n=161]
"Negotiation Expertise" is the most important qualification for a travel manager regardless of whether the manager is responsible for a single market or for a consolidated program across markets. However, consolidated program managers place a larger emphasis on "Cross-Functional Collaboration Skills" and "Change Management Experience" than do their single-market counterparts:

<table>
<thead>
<tr>
<th>Top Five Essential Qualifications by Travel Program Configuration*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO CONSOLIDATION</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>80% Negotiation Expertise</td>
</tr>
<tr>
<td>70% Knowledge of Travel Industry Technology</td>
</tr>
<tr>
<td>65% Relationship Management Expertise</td>
</tr>
<tr>
<td>65% Leadership Experience</td>
</tr>
<tr>
<td>60% Cross-Border Collaboration Skills</td>
</tr>
</tbody>
</table>

*Defined by percentage of survey respondents who indicated qualification is essential.

**The Other End of the Spectrum**

Only 11 percent and 19 percent of travel managers considered "Marketing and Social Media Skills" and "Managing Alternatives to Travel", respectively, to be essential qualifications today.

<table>
<thead>
<tr>
<th>Bottom Two Essential Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>11% Marketing and Social Media Skills</td>
</tr>
<tr>
<td>19% Managing Alternatives to Travel</td>
</tr>
</tbody>
</table>

Percentage of survey respondents who indicated this qualification is essential
Implications: People Skills Dominate

As a whole, the 16 qualifications can loosely be labeled as either people skills or functional skills. Travel managers believe that people skills are most critical to their success today.

In short, while travel management is often located within process-driven functions these days, such as finance or procurement, the human touch remains essential.

In this context, negotiation skills may be understood as critical to working effectively with not only suppliers but also internal stakeholders. Answers to open-response questions confirm that some of the most significant negotiations for travel managers are with other corporate functions. Indeed, even the functional skill of understanding travel industry technology may be interpreted as an important element of relationship management with technology professionals both inside and outside the organization.
MANAGING A TRAVEL PROGRAM TOMORROW

In an industry where the only constant is change, travel managers addressed the question: In three years, will each of these 16 qualifications be “More Important”, “Equally Important”, or “Less Important” than today to your success as a travel manager?

A plurality of respondents predicted that the following seven qualifications will be *more important* three years from now than they are today:

<table>
<thead>
<tr>
<th>RANK</th>
<th>QUALIFICATION</th>
<th>% RATING “More Important than Today”</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Technologically Savvy</td>
<td>62%</td>
</tr>
<tr>
<td>2</td>
<td>Innovative Mindset</td>
<td>59%</td>
</tr>
<tr>
<td>3</td>
<td>Marketing and Social Media Skills</td>
<td>55%</td>
</tr>
<tr>
<td>4*</td>
<td>Change Management Experience</td>
<td>53%</td>
</tr>
<tr>
<td>4*</td>
<td>Knowledge of Travel Industry Technology</td>
<td>53%</td>
</tr>
<tr>
<td>6</td>
<td>Managing Alternatives to Travel</td>
<td>51%</td>
</tr>
<tr>
<td>7</td>
<td>Knowledge of Travel Industry Technology</td>
<td>49%</td>
</tr>
</tbody>
</table>

*Denotes a tie

Travel Managers Will Need Functional and People Skills

Few respondents suggested that the people skills identified as essential to today’s job will diminish in importance. But, it is the functional — and specifically technical — skills that are seen as growing most in importance.
Travel Management Requirements Will Evolve
The inclusion of “Marketing and Social Media Skills” and “Managing Alternatives to Travel” as two of the seven increasingly important skills is particularly noteworthy.

Fewer than one in five respondents considered these qualifications essential to success for travel managers today. But more than half of respondents predicted these qualifications will become more important moving forward. This suggests travel managers believe their role is evolving in two important ways:

1 / Driving collaboration
Fifty-one percent of travel managers cite managing alternatives to travel (such as video-conferencing) as a qualification that will grow in importance. This may mean that travel managers could expand their role to what has variously been described as collaboration management, interaction management, meetings management, or even communication management. This may include not only sourcing virtual alternatives, but also giving employees the tools to decide whether travel or a virtual alternative is more appropriate for their intended interaction.

2 / Persuading vs. requiring
There is ongoing debate about “Managed Travel 2.0”, the theory that business travelers will, in the future, book what they want and how they want. Travel managers and other experts are divided over the degree to which this theory will become reality. However, there is general agreement that travel managers will increasingly achieve better compliance by persuading travelers to follow the company travel program instead of forcing them to do so through rigid policy mandates. For this reason, travel managers will need to improve and expand their communications skills by applying professional marketing techniques, including engaging travelers through social media.

More Hands-On with Technology
Survey findings also indicate that travel managers believe understanding travel technology — a critical qualification today — will become even more important to their success. Yet, understanding will not be enough: 62 percent of respondents say that being technically savvy will be more important three years from now.

In other words, travel managers will not only require a working understanding of technology, but also must become capable technology thinkers and users themselves.
WHAT SKILLS MUST TRAVEL MANAGERS IMPROVE?

Identifying Shortcomings
Travel managers know they must be ready for a world in which a wide range of both people skills and functional skills is required for professional success. Are they ready? From the list of 16 qualifications, we asked travel managers to select the five qualifications that they believe they need to improve most. The following six qualifications appeared most frequently across these selections:

<table>
<thead>
<tr>
<th>RANK</th>
<th>QUALIFICATION</th>
<th>NEED TO IMPROVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Data Analytics</td>
<td>51%</td>
</tr>
<tr>
<td>2</td>
<td>Marketing and Social Media Skills</td>
<td>49%</td>
</tr>
<tr>
<td>3*</td>
<td>Technologically Savvy</td>
<td>40%</td>
</tr>
<tr>
<td>3*</td>
<td>Strategic Planning Competencies</td>
<td>40%</td>
</tr>
<tr>
<td>5</td>
<td>Financial/Budgeting Proficiencies</td>
<td>39%</td>
</tr>
<tr>
<td>6</td>
<td>Managing Alternatives to Travel</td>
<td>37%</td>
</tr>
</tbody>
</table>

*Denotes a tie

Focus for Improvement is Functional Skills
All six qualifications are functional skills. However, one — “Marketing and Social Media Skills” — bridges the two skill categories.
Travel managers appear confident of their people skills. For example, fewer than one in five respondents included "Relationship Management Expertise", "Negotiation Expertise", or "Cross-Functional Collaboration Skills" in their list of the five qualifications they believe they need to improve most.

Improving non-technical functional skills emerges as a need for travel managers. Respondents identified "Strategic Planning Competencies", "Financial and Budgeting Proficiencies", and "Data Analytics" as key areas for improvement. Planning, as well as finance and budgeting skills, when added to traditional strengths in personnel and purchasing, can help travel managers exploit opportunities and resist challenges for the travel program from within the organization.

"Data Analytics", which 62 percent of respondents included as a top-five qualification for improvement, highlights the emergence of "big data". Corporations are increasingly setting and refining strategies through improved interaction with rapidly growing data sets. Travel managers recognize they need to become more expert in gathering, analyzing, and acting on data.

More broadly, the appearance of planning, finance, budgeting, and data analytics on travel managers’ skills wish list also indicates that travel management is starting to play a more strategic role within corporations. Travel spend has become more critical not only to strategy but also to financial performance, and travel managers need to develop the tools, processes, and language to interact with executives at the highest levels within their organization.

Data Analytics and Travel Program Consolidation

Data analytics skills are identified as the skill most needing improvement by travel managers at companies that have consolidated their travel programs, whether globally or regionally. Data analytics ranks fifth on the list for travel managers with unconsolidated programs. Why might this be?

> Looking for the next challenge

Companies that have consolidated often have mature travel programs. Their travel managers may be looking for the next challenge to take the program to a higher, strategic level with data analytics. For travel managers with unconsolidated programs, in contrast, their most immediate challenge may, in fact, be consolidation.

> More complex data needs

Companies with regional or global travel programs often have larger, more complex data needs, including aggregating and integrating reporting from a wider range of sources. Analytics grow in importance as a result.

> Big companies have big data

Generally, though by no means always, the world’s largest corporations are more likely to have consolidated travel across markets, and they are also the ones with the largest sets of data and capacity to manage and leverage this data.
Amidst a changing travel management landscape and a recognized need to enhance qualifications, respondents addressed whether they could rely on third parties to execute the skills examined throughout this study. (Two qualifications were excluded from this path of questioning: “Knowledge of Travel Industry Technology” and “Technological Savvy”.)

More than 75 percent of respondents said they could rely on third parties to perform 11 of the 14 functions at least “A Little” (the choices were “A Lot”, “Moderately”, “A Little”, and “None”). The three exceptions were:

- Leadership (53 percent indicated they could rely on third parties at least a little),
- Relationship management (32 percent), and
- Finance/budgeting (28 percent).

At the same time, there was only one function for which more than 25 percent of respondents said they could rely on third parties “A Lot”. This was “Data Analytics” (47 percent). Given that travel managers identified data analytics as a gap in their own qualifications, as well as the complexity of this area especially for regional and global programs, travel managers’ reliance on third parties is understandable.

Data Analytics

#1 Skill travel managers need to improve most
#1 Function travel managers believe they could rely on third parties to perform

The story is similar for marketing and social media skills:

Marketing and Social Media Skills

#2 Skill travel managers need to improve most
#3 Function travel managers believe they could rely on third parties to perform
In an open-ended question, we asked respondents to comment specifically on what they believe will be the single most important qualification to be a successful global travel manager three years from now.

In their answers, a majority of respondents pointed to the importance of a mindset and skill set that enables managing across diverse functions, geographies, and cultures in order to accomplish global travel management objectives. References to “communication”, “engagement”, “adaptability”, “open-mindedness”, “understanding cultural differences”, and “change management” appear throughout these answers. Fewer than 15 percent of replies focus on functional strengths related to technology and data as the single most important skill for the global travel manager of tomorrow.

Overall, a picture emerges of the global travel manager as a highly complex and intensive management position that requires capabilities captured by a blend of several archetypes.

Archetypes of the Global Travel Manager Role

**Anthropologist** “Get out of your office and familiarize with the local cultures — the world is different!”

**Expatriate** “Global leaders MUST have had several years’ experience living in and managing other markets.”

**Persuader** “Influencing and persuasion skills.”

**Tightrope walker** “Ability to gather all requirements that meet the needs of employees outside the US while achieving corporate goals/objectives.”

“Ability to think globally but be flexible enough to adapt to regional market opportunities or constraints.”

“Making allowances for differences between geographies without sacrificing overarching outcomes.”

**Organizer** “Change management is the most important qualification to implement one standard process/tool in the entire company.”

**Geek** “Data analytics to strategically set policy.”

**Delegator** “Ability to understand the big picture and a willingness to allow third parties to do their jobs.”

**Enforcer** “The single most important qualification in a global role is the ability to drive results. Other regions/countries do not aggressively tackle change like we do in the US. It is critical that individuals can leverage relationships and upsell ideas in order to see them implement within a reasonable amount of time. Many deliverables, if left to the region to implement, simply would not happen or would take 24 months to see traction.”

**Elephant** “Thick Skin.”
The results of this survey make it clear that travel managers perceive that the demands of their position are growing to include an even more challenging mix of people and functional skills. Travel spend is subject to unprecedented scrutiny in these difficult economic times, and the ability of the travel manager to manage effectively down, up, and across the company to create, advance, and protect the travel program has never been more important.

The travel manager must demonstrate expertise in an increasingly technology-heavy environment with important data and financial implications while nurturing relationships with the executives and employees who influence the success of the program. When the program encompasses multiple offices across multiple geographies, the challenge of effective travel management becomes only more daunting.

The survey did not explore directly how travel managers intend to prepare themselves to enhance their skill sets to succeed in the years to come. However, the survey findings, amplified by the open-ended question responses, do suggest a number of takeaways that travel managers may want to remember as they chart their paths forward.

With special, but not exclusive, attention to the particular requirements of the global travel manager, here are ten tips for preparing for and thriving in tomorrow’s travel management environment:

1. Travel, meet, listen.
2. Develop marketing communications skills — and create a multinational communications plan.
3. Reach out to your travelers worldwide — form a global travel advisory board and appoint country champions.
4. Investigate using social media both for listening and talking to travelers.
5. Build up your ability to work with data analytics.
6. Be willing to use third parties to complement your own strengths.
7. Gain understanding into the mindset of your younger travelers; attitudes are changing fast.
8. Get involved in virtual alternatives to travel; you may soon be responsible for managing them.
9. Keep up to date with technology — in the travel industry and in the systems used within your own business.
10. As always, cultivate and maintain C-level support for your program.
**About Radius Travel**
Radius Travel is a global travel management company that designs and delivers programs for multinational companies through a network of best-in-market agencies. The network operates across more than 80 countries and manages more than USD 23 billion of annual corporate travel spending. The Radius Global Hotel Program, featuring the world’s leading hotel brands, is one of the largest in the corporate travel market. Radius corporate offices are in Washington, DC, London, Sao Paulo and Singapore. To learn more about how Radius Travel can help your company address its regional and global travel management challenges, please visit [www.radiustravel.com](http://www.radiustravel.com).

**About ACTE**
The Association of Corporate Travel Executives (ACTE), founded in 1988, is a leading non-profit organization that serves and advances the global business travel industry in 102 different countries. For more than 20 years, ACTE has continued to fulfill its vision of uniting travel executives around the world, providing them with education, research findings and networking opportunities. The education of ACTE members infiltrates to more than 12 million business travellers worldwide. From corporate buyers to agencies and suppliers, all sectors of the industry are granted equal membership. ACTE has representatives in Africa, Asia, Australasia, Canada, Europe, Latin America, Mexico, Middle East and the United States. Visit [www.acte.org](http://www.acte.org).