

Time for Change

The RFP Process



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Introduction

The purpose of this paper is to help support the industry in getting the best from their Travel Management Company (TMC) RFP process.

A universal truth is that nobody, not buyers or suppliers enjoy the TMC RFP process. It is oftentimes seen as onerous, lengthy, never really getting to the heart of the service delivery and not fit for purpose. So, we will aim to explore these components within this paper and offer some best practice guidelines about the why's and how's involved in running a successful TMC RFP.

What has changed in the industry?

Since the onset of the global COVID pandemic, a lot has changed within the travel industry. All communities within the industry, have had to learn to pivot and do it quickly. Whereas previously it was always good practice to have a plan B, it quickly became the only practice to have a plan C, D & E!

The impact of COVID on corporate travel practices has been significant, long lasting and in some cases, permanent. As businesses look to slowly return to travel, there are key impacts and challenges to their business requirements and objectives. Some of those requirements may have changed and adapted throughout this period shifting from savings and cost driven priorities to approval processes, traveller safety and duty of care priorities.

There are likely to be more complex approval processes than there were pre COVID for example. Additionally, in order to support a sustainable return to travel, it may be important to provide visible pointers to travellers and bookers at point of purchase about more sustainable or non-travel options when looking to book a trip.

Essentially, whatever each corporations' objectives, it has become more important than ever to ensure to match TMC services to business requirements.



The ability to being able to adapt and be flexible has now become a standard within the corporate travel industry.

As mentioned before, the TMC RFP process has long been a pain point for most. Certainly, the pressures around business continuity, changes in the market, mergers and acquisitions serve only to add to the complexity of procurement in this industry sector. It is time for an overhaul to the RFPs – to try to simplify the process and adapt it so that the process is supporting the business requirements and not dictating or driving them.

This document is aimed to provide a guide for running a successful RFP. To be a support in selecting the right partners for your travel programme. You can use it as a guide or a companion throughout the process to keep you on track to meet the RFP objectives.



Why go to market and engage a TMC

Reasons for considering change

There are many reasons that will prompt a company to go to market for their TMC services:



Governance

It may be that Company policy says that an organisation needs to go to market at the end of each contract period. Although to go through the full RFP process just for governance purposes would be unusual. It is more common that company governance dictates that the contract get reviewed and the market assessed before renewal. This does not necessarily equate with going to market. It can be as simple as a market scan or an RFI process without going to RFP.

Changes in (or different) requirements

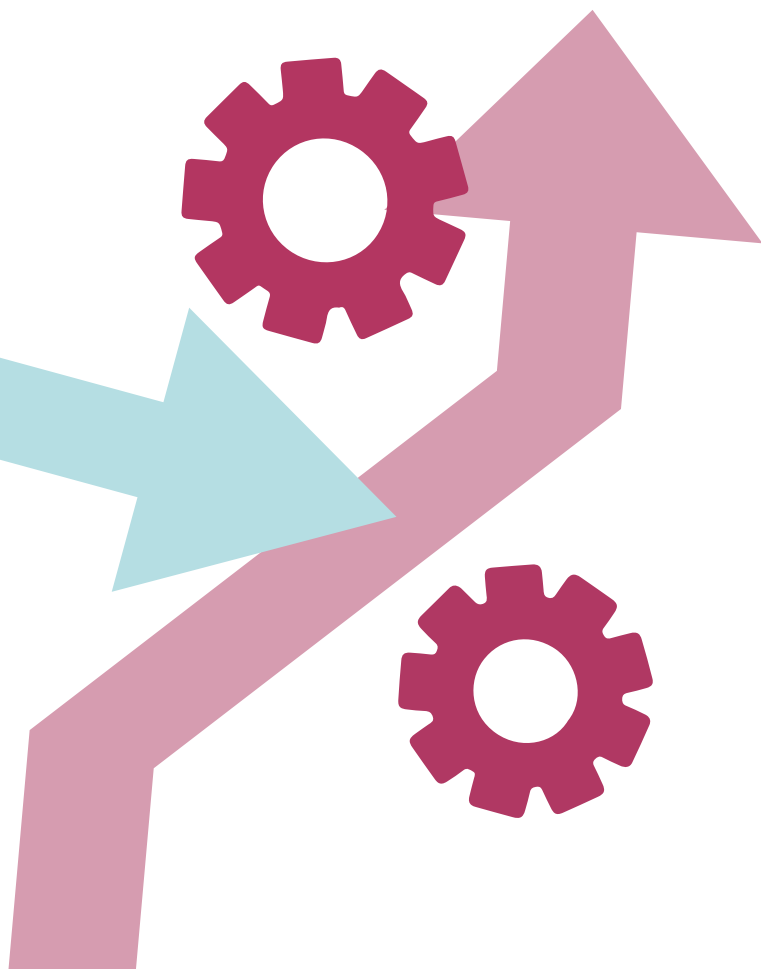
Over the course of a contract period, it may be that the business requirements change. It could be a new direction, an acquisition (or having been acquired), both in a corporation but also their TMC. In situations like the COVID pandemic, requirements such as duty of care, approval processes or lack of data may be driving the need for a more consolidated solution. Essentially anything that impacts the requirements of the business that has changed since last being out in the market may necessitate a look at change.



Service

The most obvious reason for change being that a company is not happy with its current provider. This may be as a result of changes in requirements where the contracted services have not been updated accordingly. More than likely though, it will be willingness to explore new entrants to market, new technology that may be available or exploring new pricing models.

Of course, there is always the chance that it is simply bad service. More often though, this happens as a result of a mismatch of service expectations and what service solutions have been contracted. This is

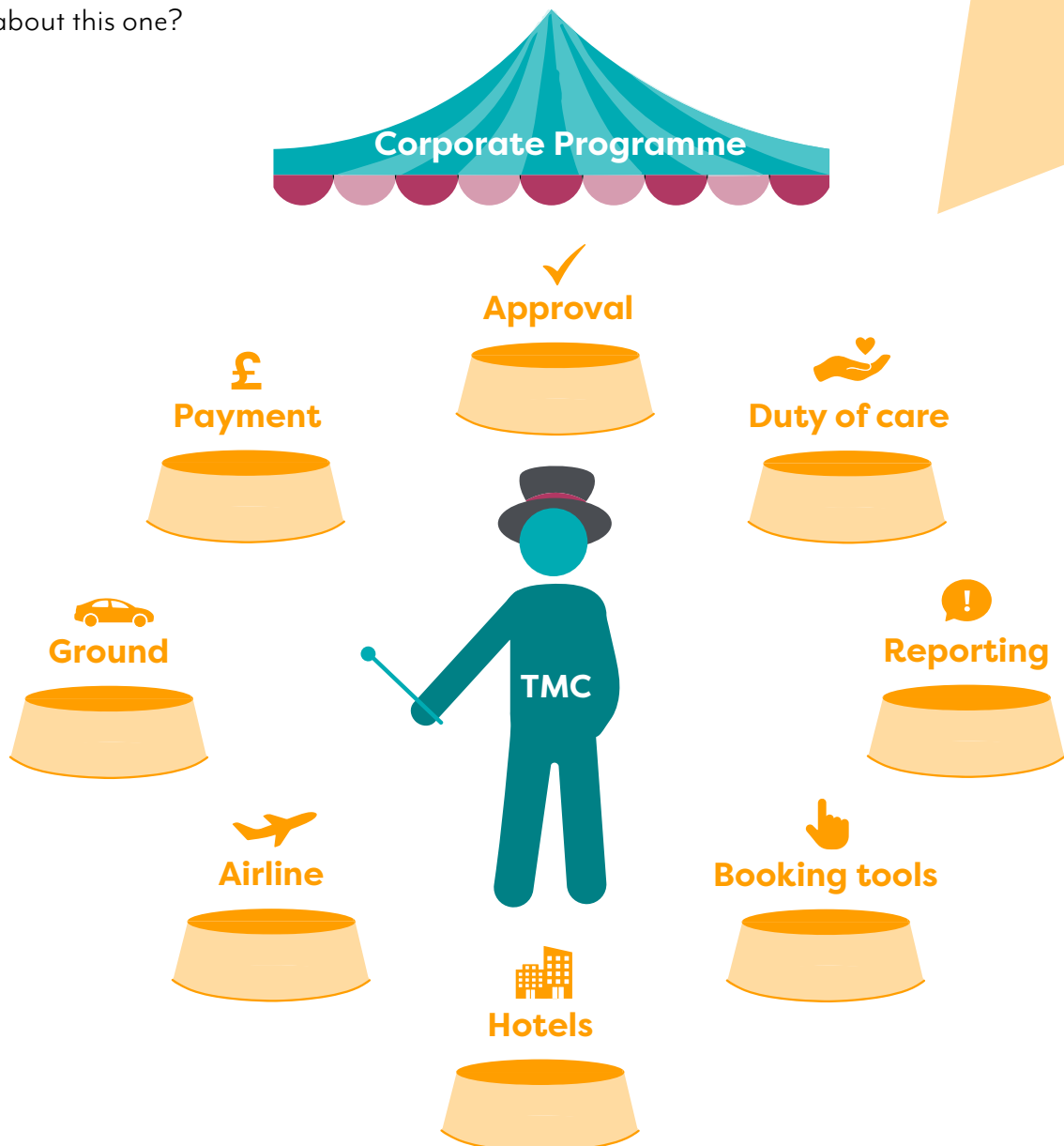


Understanding the business requirements and objectives of the RFP for TMC Services

Very often in the travel industry, we hear comments along the lines of “a TMC RFP is different” “You can’t purchase TMC services in a typically procurement manner”, but is this really true?

At the end of the day, a Travel Management Company is providing a service and procurement purchases lots of service contracts – so what’s so different about this one?

Well, the answer to this lies in the service that the TMC provides. There are not too many service contracts where the role of that service provider is to manage multiple other service providers on behalf of their customer and extricating their own services and value proposition from the services that they procure on behalf of their customers can be a tricky business as it can often all be confused in one big murky pool of service providers.



It is really important therefore for a corporation to know when going to market to know what it is that is actually required from a TMC partner in regard to their specifications.

But does that mean that there needs to be a special or unique process for procuring TMC services or that the governance, structure and process that is so important within the purchasing process doesn't apply here? Not necessarily.

Whether the procuring of TMC services is a transactional or a strategic purchase very much depends on the business requirements of the corporation and nature of their business.

Like any relationship, in order to get the best match – you need to know what you are looking for.

Let's compare this to dating apps. Are your requirements more transactional (thinking about simple distribution and data consolidation) which could be more of a Tinder requirement or are you looking more for a long term strategic partner? In which case you may be better suited with match.com – other dating apps may apply.

If you want to find the perfect TMC partner, you need to know what good looks like for you!

This will very much depend on the role that travel; plays within the business.

Is travel critical for the business to function or is it less strategic in the great scheme of things?

What is the culture of the travel programme?

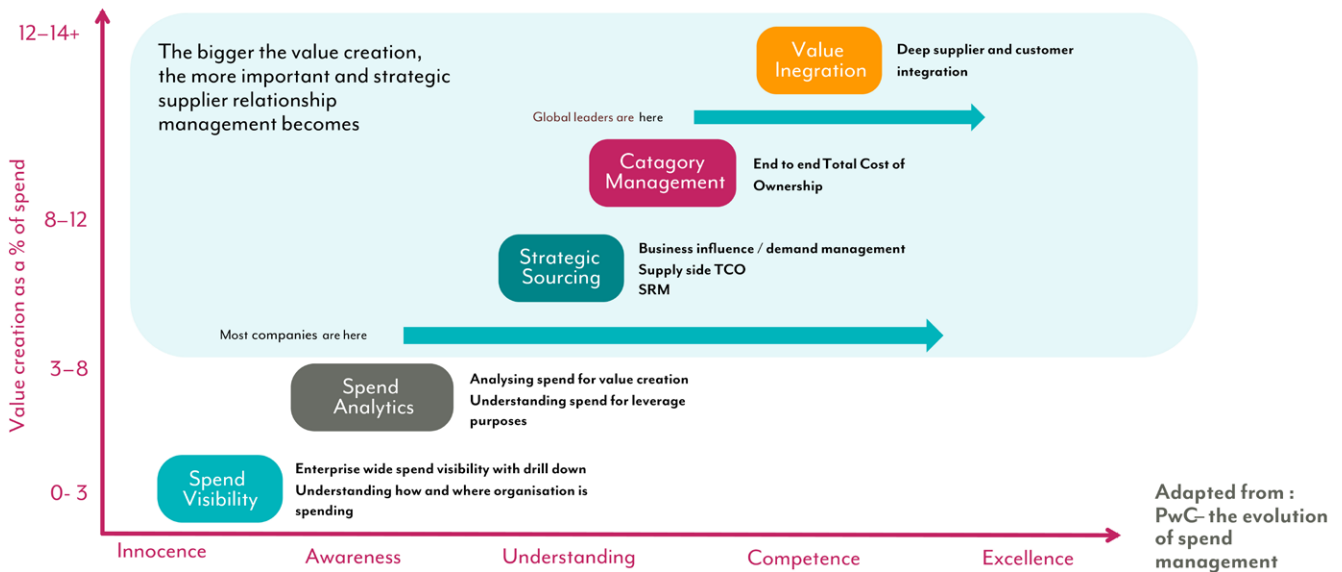
Is the company looking for a great platform that allows their travellers to book everything online, or due to complexity of typical trip (multi leg, multi country) does the company culture lean more towards a consultative offline approach where travellers and bookers would like to talk to an experienced travel consultant who knows the business and understands the complexities of ticket requirements and fare rules to make recommendations and suggestions on routes and prices?

Are these things mutually exclusive? No they're absolutely not, but it is important to know where the business requirements sit on the scale of these requirements.

To help do this, buyers who are procuring the services of a TMC should understand how travel should be managed within the business.

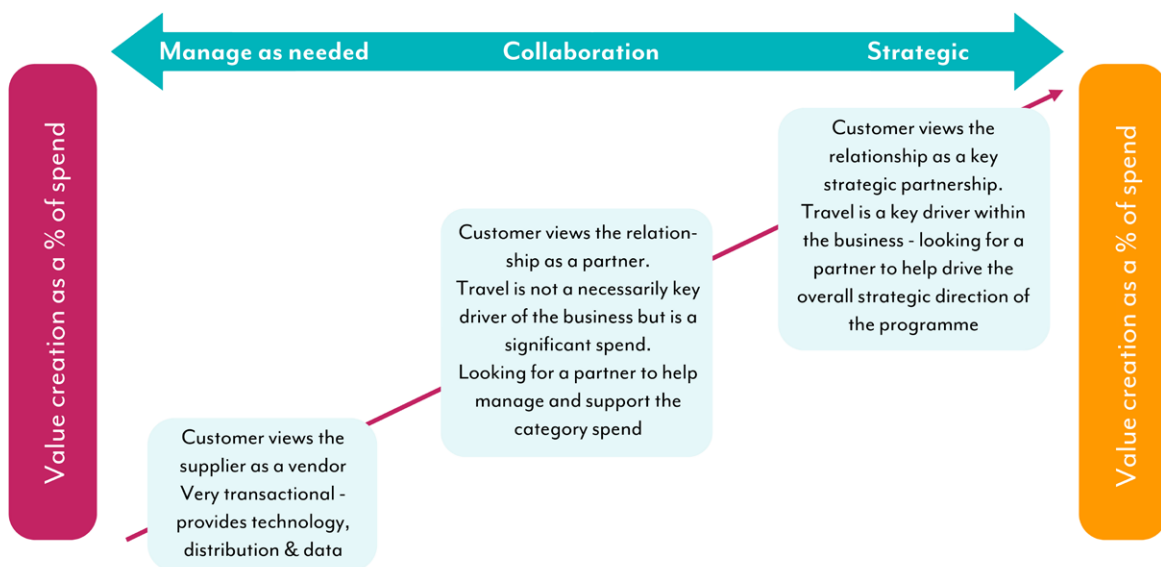


How important is travel to the organisation?



Once you have calculated the value of travel within the organisation, it is helpful to think about how you view the relationship with the TMC as these two factors will help to decide and drive what is needed from a TMC in regard to their services and help to match services to requirements.

How do you view the partnership with the TMC?



Top Tips for Buyers

Spend time within the business to understand the impact that travel has and what matters in terms of TMC service requirements.

Engage with the relevant stakeholders and have those conversations:

Budget Holders

Finance & Audit Teams

IT Department

C Suite

HR/People & Culture Department

Risk Management/Security Department

Frequent travellers

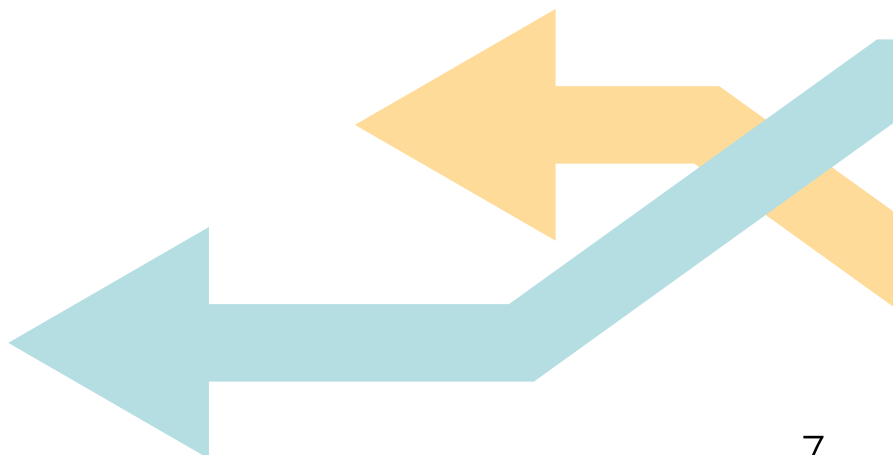
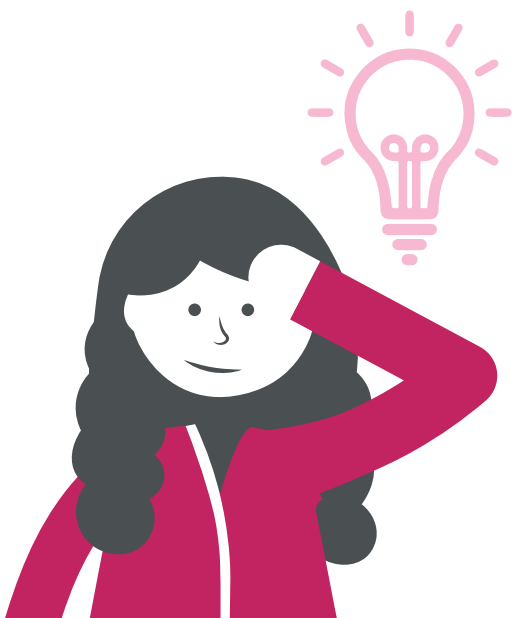
Travel bookers/Executive Assistants

Going through this process in the early stages will help to understand which stakeholders should (or want to) be involved in the process. It will also really help to inform the buyer of the varying business requirements for the TMC partner throughout the organisation.

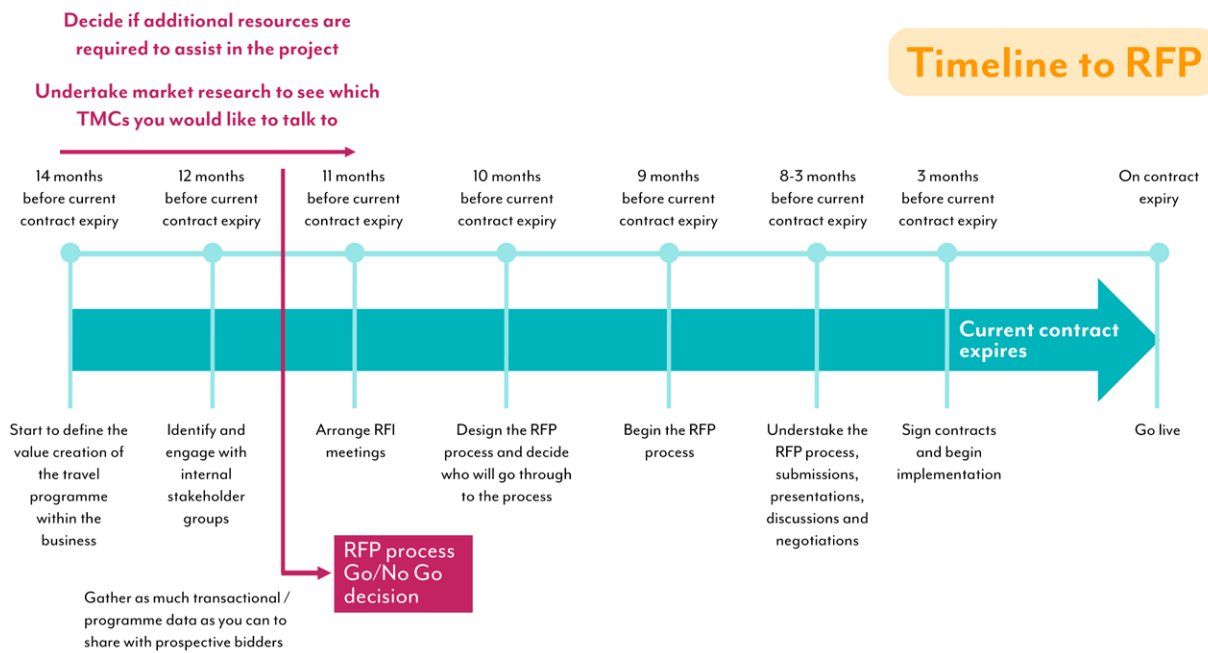
Even something as simple as engaging with the IT department ahead of time will help to understand just how simple (or not) it is to implement 3rd party technology such as booking tools, mobile technology, single sign on for hubs and TMC platforms etc. Oftentimes, the blocker to implement some of the new technology from a TMC will be around IT specifications and requirement from within the corporation itself.

Having a detailed understanding on the company position regarding data security, requirements and protocols will be hugely beneficial in understanding what is or isn't possible.

This information will be critical at the stages of implementation!



Deciding to go to market



The timeline of the RFP process will vary considerably based on the size and scope of the RFP. Be sure to allow enough time for the process as it will inevitably take longer than you think.

► Identifying business requirements

Divide the requirements up in 2 clear camps:

What do you need in regard to the overall management of the travel programme?

What do your travellers need/want in the management of their travel?

Where are the pain points in the current programme?

Are there solutions to these pain points in the market?

Throughout the process, it's important to understand what is already working well and what's not.



► **Be realistic about what is possible within the programme**

Even if there is an ambitious agenda for change or you would like to embrace new processes or technologies it's important to be realistic about how quickly this type of change can be driven into an organisation and knowing how the company adapts to change is an important consideration.

If you are looking at substantial service changes, change management is critical and this would be an influencing factor in finding the right TMC partner.

As such, it should be factored in as a key requirement.

Draw up a list of top 10 requirements from the TMC for your travel programme and decide what would be a nice to have vs. a must have.

Each organisation is different and has their own priorities, but some possible areas to consider are identified in the **Appendix Table 1 (service requirements)**¹ and **Table 2 (programme requirements)**².

Once the business requirements have been identified, rank them in order of priority from 1 -10. It is important to share this with prospective bidders so that they can realistically see if their service offering is a good fit to the identified business requirements.

Refer back to the PWC matrix when looking at your requirements to identify the value creation of the travel programme within the business. At the end of the process you should have a very clear set of objectives from your RFP.



Deciding on who to invite to RFP

Market Research

In some ways the corporate travel industry is one that is not known for their fast pace of change, but in others the pace of change is rapid, so keeping abreast of the market landscape is key!

Significant and fast paced change is typically related to the technology and tools that are developed, third party tools and integration, reporting, global footprint and reporting but in the COVID era, it also relates quite significantly to mergers and acquisitions within the TMC space.

It is a good idea therefore, to keep in touch with the market throughout the life cycle of the incumbent contract. This can be done through the trade press, trade shows or simply meeting with other TMCs on a regular basis to learn more about their services and get a feel for who they are as an organisation.

This is a practice that most Travel Managers will engage in to ensure that they have their finger on the pulse of what is happening within the travel industry and what technology advancements there are. It also gives the Travel Manager the opportunity to view any relevant tools and

technology in person in a non-pressured environment where once in an RFP process, governance dictates giving all bidders the same access and opportunity!

Note to TMCs: It is a well documented fact that by the time any organisation goes to market with an RFP, over 50% of the buying decision has been made through market research (Ref: The Challenger Sale) and they already have a fairly good idea as to who will win the business.

This may well change throughout the process of course, but it is very important that you get to know the buyer within a prospect organisation prior to the RFP process. When reaching out, make it personal – don't just send a mailer and be practical about what you can and cannot do.

This will help them to get to know your TMC and the scope of your services but will also ensure that you are on the bid list!



The Key question – Are all TMCs the same?

This is a common assertion. All TMCs can do the same thing and it's very difficult to differentiate their services in the RFP process. Some of this is true, TMCs all do the same thing. They help to support and manage travel programmes within organisations. They can all book flights and hotels, produce reports and have some form of technology to support the booking process.

But HOW they do this, actually differs substantially.

It is important therefore to put the services that everyone can do to one side and focus on the definitive success markers that an organisation is looking for from the process and ultimately, their TMC partner.

In order to establish this, the business requirements, objectives and current programme pain points become the key drivers as to what the successful outcome of the RFP process looks like and this is really where the RFP process should be focussed in order to achieve the goal.

The more generalised and directive the RFP process, the less opportunity the TMC has to differentiate themselves. The more focussed towards the business requirements and latitude a TMC has to reveal their character and service propositions within the RFP process, the less similar they become. The degree to which this matters to an organisation once again comes down to defining the requirements from the TMC.

To RFI or not to RFI – that is the question...

The answer to this question depends on a number of factors, namely how big the programme is and the number of potential bidders involved.

The purpose of the request for information (RFI) is for each side (the organisation and potential bidders) to really get to know each other. It's important for the buyer to get to know more about the potential TMC bidders but just as importantly it is an opportunity for the TMCs to learn more about the company and the programme they would be bidding for. This really gives everyone a chance to see if this would be a good fit.

In order to do this – a good mutual NDA is important prior to kicking off the process.



Conditioning the TMCs

To get the most out of this process (RFI & RFP), it is key for the organisation to share as much information as they can in regard to their programme.

This would include things like:

The geographic footprint of services required

Spend levels

Travel policy and compliance

Online adoption (if relevant)

Payment solutions – Corporate cards, Business Travel Accounts, Invoice, Billbacks etc.

Which technology is used and the nature of the relationship (direct contract for example)

Company culture

It is also helpful to share current pain points and the identified Top 10 list of requirements/priorities of the RFP process. There is no point for a corporation to be shy about any of this at this point. For a TMC to really put their best proposition forward, they need to understand what they are getting into.

It also helps them to think a little more creatively about what solutions could be a good fit for fulfilling the company's requirement.

It helps shape the TMC understanding about whether they are a good fit for the business and perhaps most importantly for any contract – how they can and should build and price their service offering.

Without this key information, a TMC is left feeling around in the dark making too many assumptions and won't understand any of the nuances of the programme and how they can support or where they should price.

It is also fair to say that a lot of organisations (especially if they are consolidating for the first time) won't have all of this information to hand. If this is the case, just share what you can and what you know.

In this instance the chances are that reporting is going to be making an appearance in the top 10 list of requirements!

This seems like a good juncture to talk about trust. Trust is an important consideration within the process. An organisation and their stakeholders such as the buyer, travel manager, traveller and booker must trust the TMC to have their back. It is the most vital aspect in establishing if this will be a good and productive relationship.

Like any relationship, trust is built (and lost) on relationships and chemistry – it is impossible to establish trust in a purely documented process. This is why it is so important to engage with and get to know the bidding TMCs. Not just the sales people, but the management, the account management and the operations team that you would be working with.



Accreditations
Financial status of the potential bidders
A technology roadmap for the next 5 years

The RFI Document

The RFI document should really start to shape the base platform of the decision making process. So the needs (as opposed to the wants) from your requirements list should be factored within the RFI process. If a TMC is unable to fulfil those, they can then be excluded right at the start of the process saving time and investment on both sides.

Some thoughts of what to include in RFI document sharing could be:



A copy of the T&Cs – both from the organisation and a copy of the standard contract of the TMC. (Looking at these now can prevent misunderstandings and simplify contract negotiations down the line. Check for any dealbreakers or areas of concern!)

Current programme pain points
Current pricing structure (not fees)
Current payment structure – corporate cards, Business travel account, invoices, billbacks etc.
Programme spend data
The Top 10 requirements
Security risk assessments
Code of conduct and minimum wage requirements (bribery & corruption)
Objectives for supplier relationship management

It is important at this stage to try and take as much of this process as possible off the page and get to know each other. Talk about the travel programme, the company culture and share the pain points. Try to make the engagement as 3 dimensional as possible to avoid dull responses. Don't ask for ticket prices – assume they can do it!

In order to achieve this, the majority of the RFI process should be a face or face (or virtual meeting) and form part of a discussion. There are certainly aspects that will need to be documented, but a Buyer will get much more out of the process by engaging in a dialogue with the TMCs at this point.

At the end of the RFI process, an organisation will ideally be able to strip down the bidders to the final selection to take through to the RFP process. Ideally, you would want this to be between 3-5 bidders.

Remember for each bidder you take through – that is an RFP submission that not only needs to be written by the TMCs but also for the buyers is a submission that you need to read, score and assess. So it really is common sense to only take those bidders through the RFP that have a realistic chance to win the business.

The RFP Process

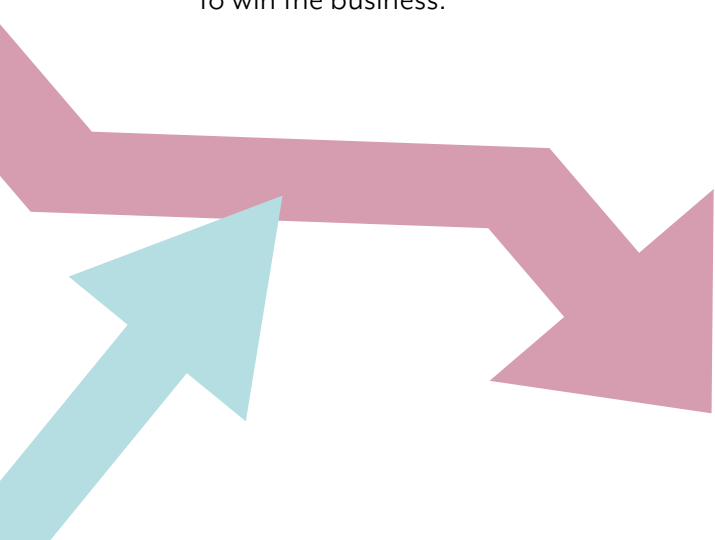
Whilst the optimal RFP process is to be as face to face and engaging as possible, there comes a time when an RFP document needs to be written, completed, scored and assessed.

The RFP document should be written to the top 10 requirements as the key focus with the majority of weighted scoring being in those key areas. There are a number of TMC RFP templates in the market and whilst they will give a good structure and guideline to the document, they should always be customised so that the buyer is focussing on what matters most to their travel programme.

Things to consider

Decide on how you would like to see responses formulated.

If you lock answers down to fixed text in a spreadsheet, you can certainly ensure that there is more consistency across the submissions– but you also narrow the opportunity for creativity. By keeping the format open, there is a risk of long and rambling answers for sure, but it will also allow for more creativity give the evaluators more of sense of the TMC and who they are as an organisation.



A top tip is to take a position on attachments! There are occasions when evaluating responses where it can be akin to a treasure hunt with large numbers of attachments involved.

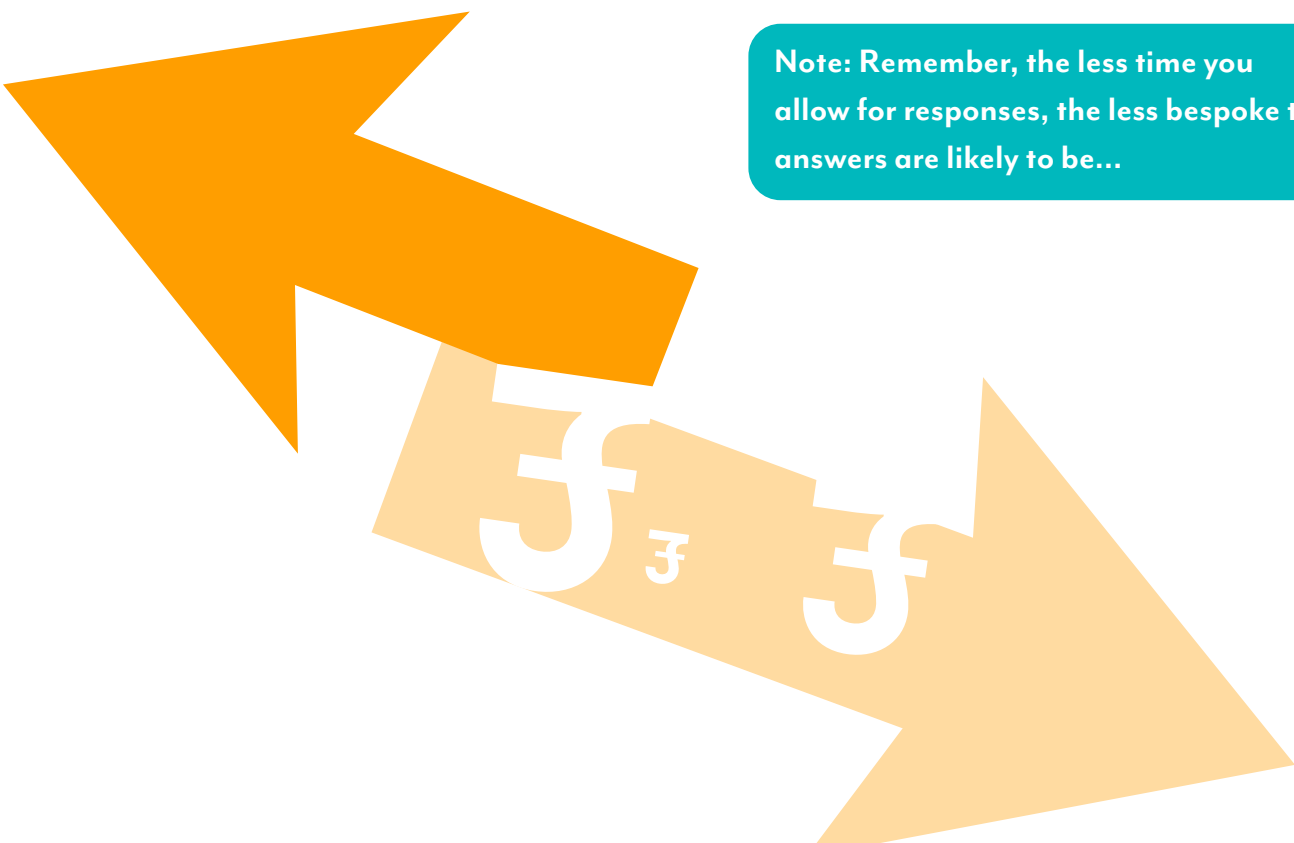
Decide what you will accept attachments for. Most things like org charts, references and case studies can be included within the main document.

A note here on the use of e-auction/reverse auction tools. These tools can be effective if the focus of the travel programme is cost driven and transactional in nature. If the requirements are dictating other priorities, then these tools are unlikely to be the best mechanism for a positive outcome. The more strategic the nature of travel is within the organisation, the more important the face to face engagement becomes.

Video is also a useful tool throughout the process. Perhaps ask for executive summaries or a compelling “why us” submission by video. This again will assist in understanding the TMC culture and help a buyer get to know them. It is also an easy measure to demonstrate how much the TMC has understood what the organisation is looking for from their TMC. Finally, it can be a useful tool for sharing amongst a wider stakeholder group of an organisation that is not part of the core process.

Also consider how long you will allow bidders to respond. This will be driven by the complexity and scale of the bid. For example, the more countries that the TMCs need to coordinate, the longer they should be given to respond. A typical response time would be around 4 weeks. Working within a window of between 3-6 weeks would be a reasonable approach based on the complexity of the programme and scale of the RFP.

Note: Remember, the less time you allow for responses, the less bespoke the answers are likely to be...



Weighting the RFP responses

Based on your requirements, each question should be able to relate back to a key requirement. This will shape a scoring methodology that will allow a buyer to weight the varying requirements to build a clear picture of how the submissions compare.

For example taking from some of our previously identified requirements, these could be:

1. Cultural fit **8%**
2. User friendly booking platform **15%**
3. Mobile technology **10%**
4. Approval Processes **8%**
5. Reporting Data –savings, compliance, booking data Account Management **12%**
6. Innovation and approach to technology **5%**
7. Risk Management -Traveller security **10%**
8. Sustainability **5%**
9. Re-shopping tools **7%**
10. Pricing **20%**

TOTAL 100%

Each question asked within the RFP document then refers directly back to 1 of the key requirements for the programme and starts to form a clear scoring methodology.

If using a number of different evaluators, it is also a good idea to give some guidance as to what should be scored where. This avoids scoring being “subjective” and enthusiastic scorers give 4’s and 5’s for every answer and the more cautious giving 2’s and 3’s.

An example of this guidance for example could be:

- 1** Meets few expectations, not very good
- 2** Meets most expectations, it’s okay
- 3** Meets all of my expectations – I like it
- 4** Meets all of my expectations and even exceeds some – I really like it
- 5** Exceeds all expectations – I love it

This methodology can also be deployed for any discussions, presentations and workshops with prospective bidders throughout the process building a clear structure and governance.

Point to note on pricing: The overall value creation of the travel programme in the business will influence the priority weighting of price!

If the requirements and priorities are more service oriented, then price will form part of the overall solution (as illustrated above). If the requirement is more transactional by nature, then price will typically be weighted over 50% of the scoring.

Presentations and engagement

Typically there are at least a couple of presentations that come after the RFP submission and subsequent evaluation. These can be focussed on clarifications of what has been submitted or can also take the form of workshops.

When evaluating the RFP submissions, it is a good idea to have a questions bank where the evaluators can lodge their questions and what they would like to know more about. This will help to inform what presentations and workshops are going to be required.

Typical presentations would include:

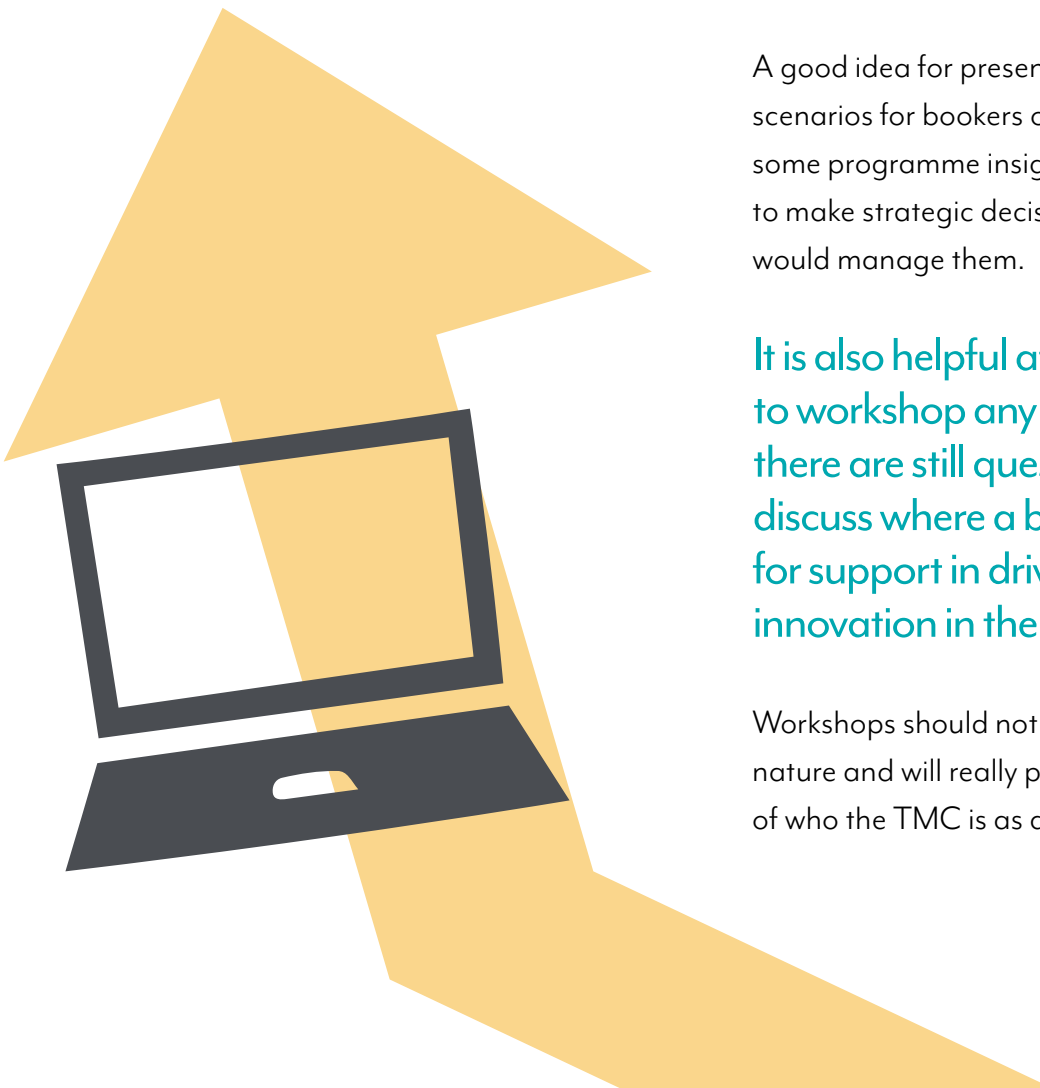
- Bookers presentations – focussed on the operational aspect of the service. This can include technology demos of booking platforms and mobile technology. They will focus on the front end of the service and can include the core RFP stakeholders or be widened to include bookers or travellers. This type of presentation can also be repeated based on the geographic coverage required.

- Technology demonstrations – This is the opportunity to really understand the tech platform of the bidders and see demonstrations of systems that are of key interest. This could range from centralised hubs/platforms, security systems to booking tools and reporting dashboards depending on what is priority.

A good idea for presentations is to create scenarios for bookers or travellers or create some programme insight that is required to make strategic decisions to see how they would manage them.

It is also helpful at this stage to workshop any areas where there are still questions or to discuss where a buyer is looking for support in driving change or innovation in their programme.

Workshops should not be too descriptive in nature and will really provide a good sense of who the TMC is as a business.



Throughout the presentation process however detailed or simple it may be, try to involve a wider community within the TMC than just the sales leads. The more exposure a buyer has to the people within the TMC business, the easier it is to ascertain their value proposition and what they would be like to work with post award!

Our new practices of working in a virtual environment also supports the ability for more engagement through the RFP process. The ability to have workshops and discussions in a face-to-face virtual environment promotes and allows the buyer to have more engagement with potential vendors.

Now buyers are able to “jump on a zoom” with people from all over the world whether it is their team or the bidders’ team to discuss or workshop any aspect of the RFP. Previously when presentations were face to face and more formally structured and timebound the ability to do this was much more challenging!

The RFP process for TMC services is a very personal one to each organisation and the size, scope and strategic importance of the TMC services will often dictate the length of the process.

There are no hard and fast rules about the sizes of the documents or how often you engage in face-to-face meetings and discussions with the bidders through the process. The key is confidence. Engage where you need to and ask whatever questions you have until you have what you need and the full confidence to make your appointment.

The only key thing is to ensure that all bidders get equal access, information and face time to ensure that the process itself is fair and equitable for all.



References

It's good to take a view on references early in the process. Think about what you are looking for from a reference as no TMC is going to put forward a reference that doesn't think their service is great overall.

However, depending on what it is you want to know, references can be a great source of intel on potential potholes, things to look out for and advice. If you decide to engage in reference calls, decide when in the process you are going to undertake the process. Undertaking reference calls can be a lengthy process, so decide on who you will involve on the calls and how many you will engage.

Pricing

Pricing is a hugely important aspect to the RFP process and often one of the most confusing as every TMC has their own pricing methodology over what is included and where.

Therefore, it is extremely important that any buyer understand the full details of what is being costed and procured to ensure that they are able to compare like for like pricing and establish the total cost of contract.

The first step in the process is to decide which pricing model is going to be used. It could be transaction pricing, subscription pricing, management fee or a hybrid solution. Please refer to the white papers **Time for change – Looking at the TMC pricing model in 2020** and **Guidance on baseline standards TMC fee models 2021** for more information on what each of these fee models represent.

It is also a good idea to discuss what fee models might be suitable to the business at the initial RFI stages with the TMC prospective bidders.



Call out Note: If a buyer is not familiar with TMC pricing, it is a good idea to bring in some subject matter expertise to guide and assist. An industry consultant can be very helpful in supporting through the process and most will work with their own pricing templates that will ensure that the pricing submissions can be compared accurately whilst spotting areas that may have been missed.

A consultant does not need to run the whole process for a customer if they have the resource in house, but they can be called upon to support certain stages of the process. Pricing is a common area where consultants will be called upon to support.

Top tip – Pricing negotiations can be challenging, detailed and extremely time consuming. Therefore it is really only worth undertaking with any real viable contenders for the business. Consequently, price negotiations should be one of the final stages of the process when a buyer has a clearer picture of what a good outcome for their programme would be.

Further negotiations should include the contract terms although any potential dealbreakers for this will have been identified during the RFI stage. At this stage, the negotiations will be around service level agreements and contracting what has been agreed throughout the process.

It's a good idea to ensure that any technology stacks, implementation timelines, pricing and service deliverables are included within the contract. This may be a simple reference to a living services document, account development plan < key performance indicators or service level agreement that should be regularly updated throughout the life of the contract, but is referenced and included within the main terms of the legally binding contract.

Areas to be considered should also include contract extension and termination terms.

Remember, contracting is arguably the start to the process and not the end of it! As part of the final stages of the RFP, getting to know the implementation teams is key. The change management process can make or break the success of the contract, so it is of vital importance that the phased handover between sales, implementation and account management is handled effectively.

Be sure that everyone is aligned with what has been contracted and committed to both internally within the buying organisation and externally within the TMC partner and that the timelines are realistic.



Implementation

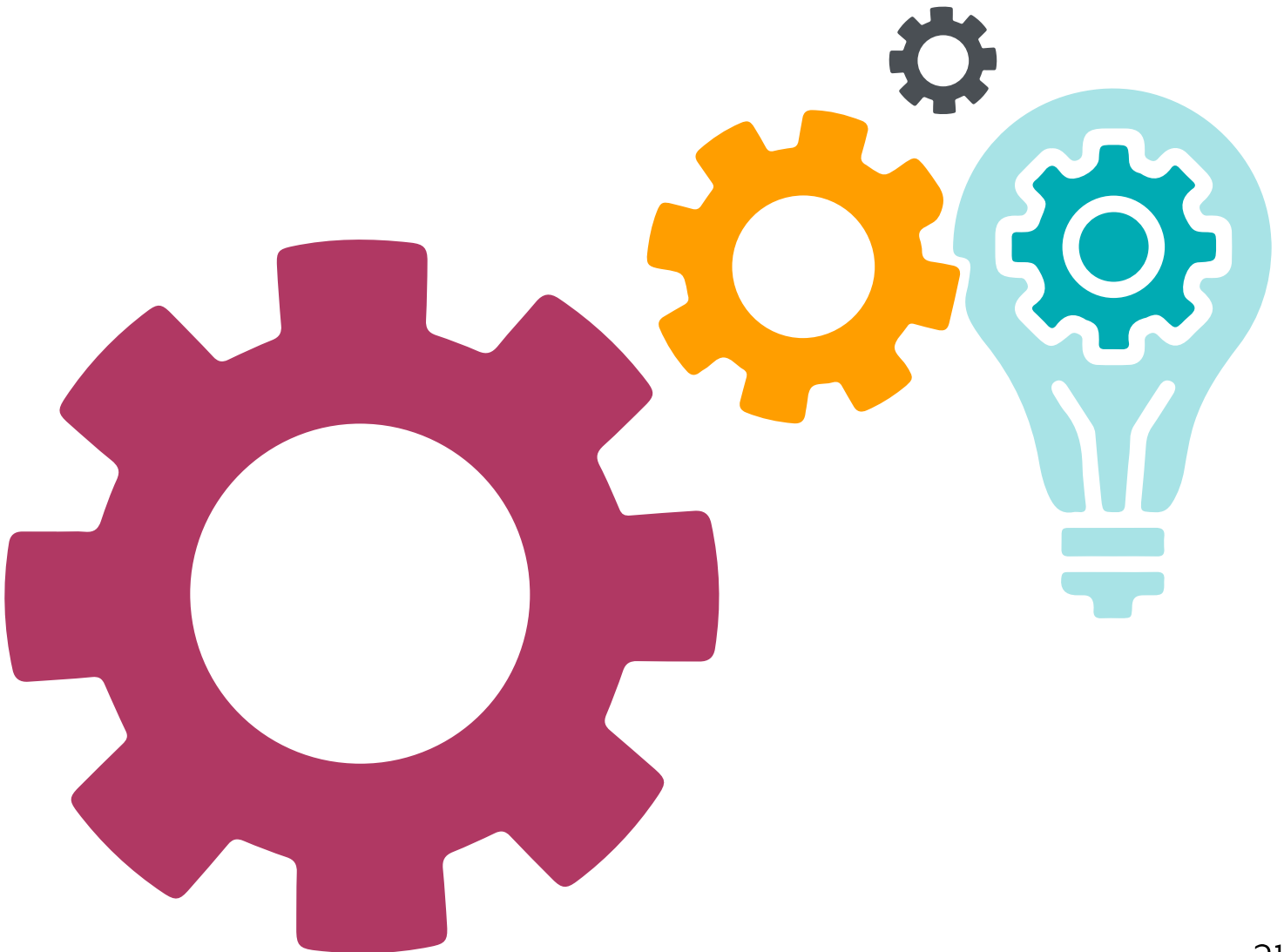
Be sure to allow enough time for implementation. Three months will be a good guideline for implementation but this will vary considerably on the size and scope of the implementation. If you are working on a global implementation, it can take up to a year! Make sure that you have considered existing contracts and the transition period.

It's a good idea to ask about implementation times throughout the process, so that you can get a good sense of how much time should be allowed.

Debriefing the bidders

Once a decision has been made and you have appointed your chosen provider, it is important to offer to undertake a debrief with the unsuccessful bidders.

In this process, you can share their scoring with them and discuss where they were not the strongest in the process. It may be that they were very strong in certain areas but these were not your priorities. This information is important for them too. A bidder can and will learn a lot from an unsuccessful process, so it is important to be able to share this information with them.



Non TMC RFP - Airline/Hotel/ Ground Transportation

Whilst the vast majority of this paper has been focussed on the TMC relationship and RFP process, most of the same principles will apply to other supplier vendors within an organisation.

However, whilst the relationships between airlines, hotels and ground transportation may still be of high strategic importance within an organisation, the sourcing and RFP process is likely to be much more transactional being geographically and network led.

With that said, all market indicators are that the way in which we have historically sourced our airlines, hotels and ground transportation is no longer fit for purpose and we see seismic shifts in the process throughout the market.

Coming out of the pandemic, the indicators are that the airline networks will be smaller, the capacity less and the success markers of the relationship may be very different going forward.

Therefore, the question becomes more about whether there is value in the proposition to run a 6 month hotel RFP process moving forward? Will it deliver the return on investment of the process? The answer from all in the market indicates that no, this is a process that needs to change.

We are also likely to see different types of RFPs coming through as a result of the pandemic – serviced apartments for example are all tipped to see a rise in popularity as travellers feel more confident in an environment where they can cater for themselves.



New market distribution tactics

The key for the buyers within the process is to think about how they will combat and manage the new distribution tactics and practices. There is an established travel ecosystem which their programme is built on and whilst these new access points and fares can operate within this framework, it also has the potential to operate outside of it.

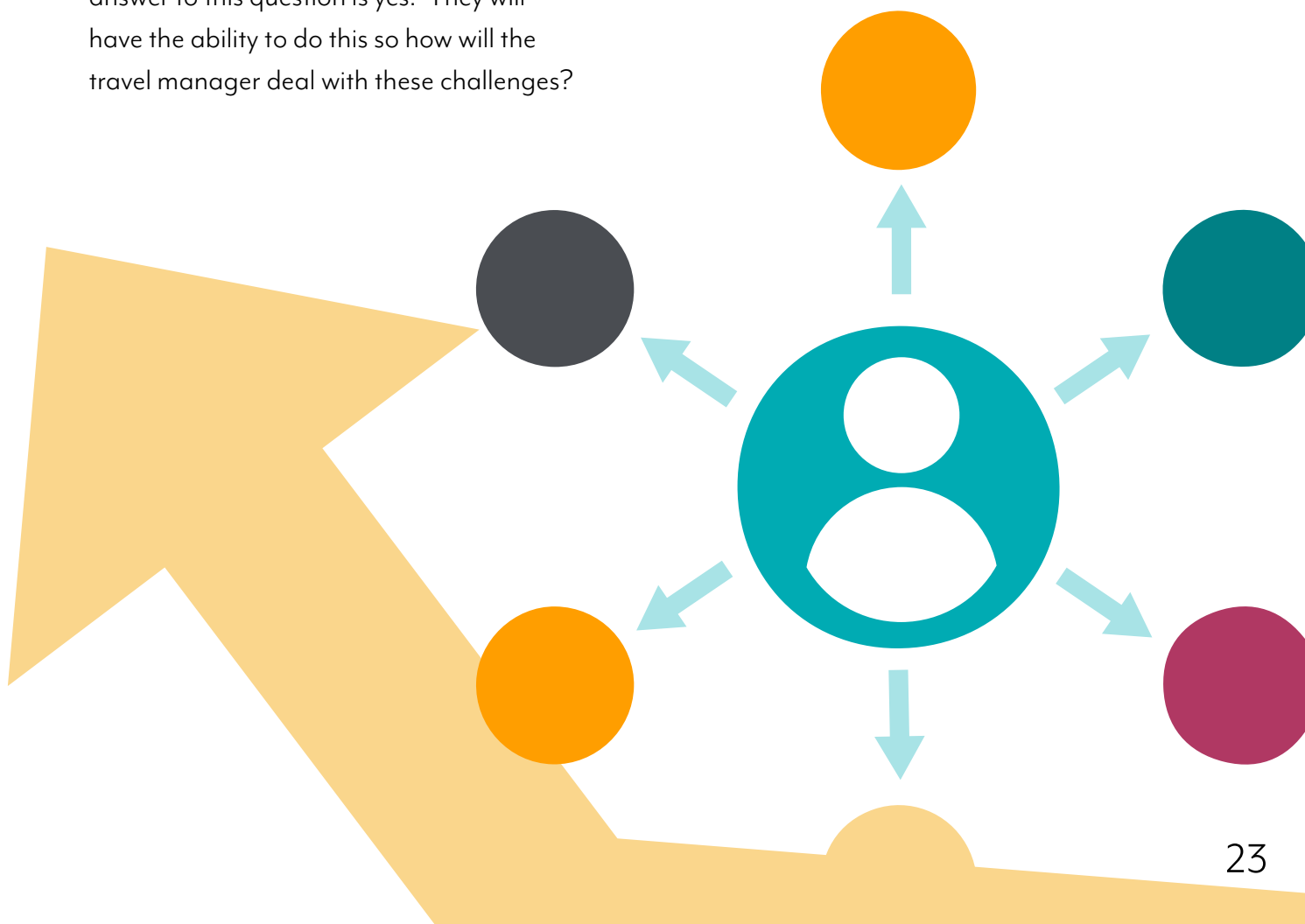
Therefore, this needs to be the focus of the conversations in the sourcing processes moving forward. Will an airline or hotel company (and let's not leave car rental out) now be able to target traveller directly through their website offering corporate fares and added incentives directly to a traveller as they feel this is where the buying decision will ultimately be made? The answer to this question is yes. They will have the ability to do this so how will the travel manager deal with these challenges?

Note: this could be a programme requirement in your TMC RFP as to how your TMC partner can help support the programme in this regard?

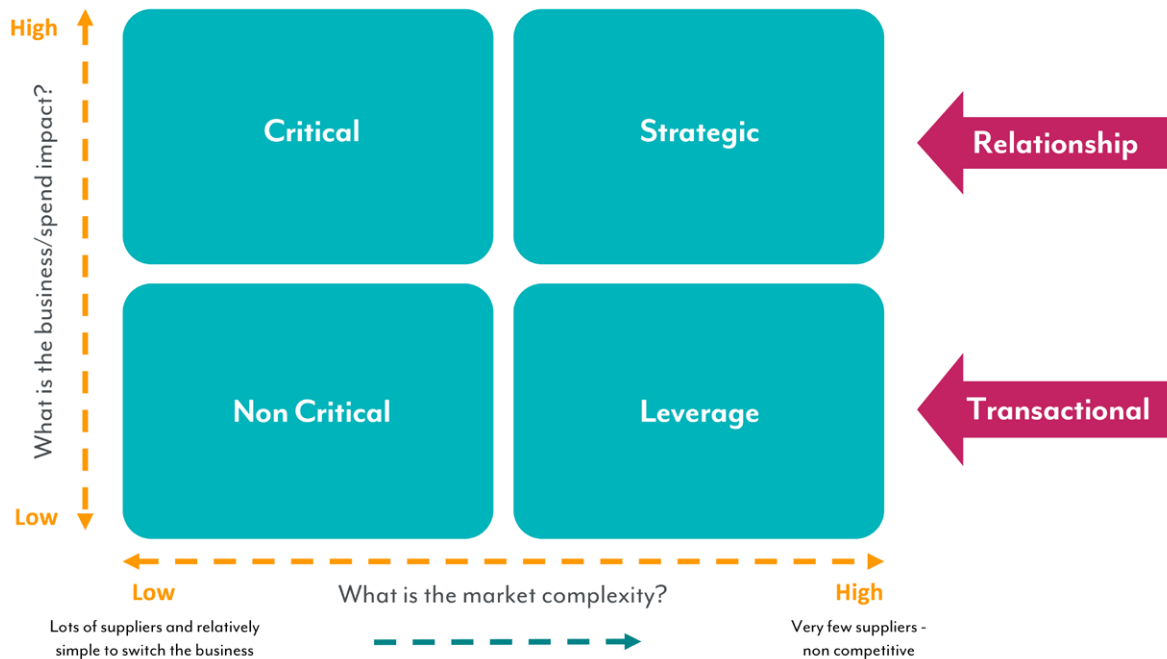
The fact is that we cannot fight a rising tide and the new distribution channels are what they are and they are not going away, so how can/should a travel manager deal with this in the RFP process of their preferred suppliers.

Map your suppliers

The answer is to first of all map your suppliers and see how strategically important they are to your programme. This will help to drive the strategy of engagement within the travel programme.



Map the supply chain to inform strategy



This mapping will help to inform the strategic importance of the relationship and the best approach to it within the business.

The RFP process for these providers is often times seen more as a cost and savings exercise than an RFP. It's looks for discounts and added benefits as opposed to services and partnership.

If however, a supplier maps more as a relationship driven partner, then the principles contained within the RFP processes for the TMCs can also be applied here.

Dynamic pricing should also be considered. A buyer could ask themselves if a full hotel RFP required or is there an easier way to approach the category? Namely to only

source those airlines, routes and hotels that are critical and take a dynamic or best in market fare/rate approach to the others. In fact when looking at hotels with a dynamic rate, the painful discussions that often surround last room availability cease to matter anymore and the whole process becomes much more fluid.

Build the business requirements to understand the success markers for the programme and built the RFP and sourcing strategy from there!



Conclusion

In conclusion, in order to get the best from the TMC RFP process, it is important to build the process around your organisations priorities and requirements. Share these with your potential partners (TMCs) so that an open and honest dialogue can be had.

It is important to run a process with good governance so you will always need to have documented evidence of the process and commitments given in writing, but try to keep as much of the RFP process of the page as you can. A relationship between a corporation and their TMC is just that – a relationship. How important or strategic it is depends on the value creation of the travel programme within the business and the requirements.

It is key to remember though that whilst your TMC may only be representative of 2%-5% of your overall travel spend, you are entrusting them to support the organisation in:

Managing your travellers and keep them safe whilst on the road

Providing the mechanisms or supporting the internal procedures for approval processes and duty of care

Supporting the booking process

Supporting the preferred travel programme

Supporting policy compliance

Providing visibility of spend within the programme

Providing advice and strategic support where necessary

Therefore, it is important to get to know the potential TMC partners because this will be a working relationship and it is key for a buyer to be confident that their TMC partner understands the needs of the business, will be easy to work with, has their back and is able to enjoy a good working relationship throughout the life of the contract.

Like any relationship, the only way to ensure this is to get to know them throughout the process!

If you are running a TMC RFP, here is your RFP Checklist to ensure that you have an enjoyable and effective process in finding the right TMC partner!



Appendix

Table 1¹

Possible service requirement areas to think about. These suggestions are listed alphabetically.

Use the chart below as a guide to chart your service requirements, adding any additional ones not included here that may apply to your programme.

Priority	Possible Requirement	Detail to think about	Want	Need
	Best in market hotel rates and air fares	How important is it that travellers can benefit from discounted air fares and hotel rates? Would you like to understand how the TMC ensures that they are obtaining the most cost effective fares/rates for travellers? Do you have your own contracts that you would prefer to be supported?		
	Emergency travel service vs. 24 hour service	A good out of hours proposition to support travellers when needed. Decide if this should be for emergency bookings only or if travellers should have the ability to make bookings at any time. Are any language requirements needed?		

Priority	Possible Requirement	Detail to think about	Want	Need
	Excellent operations team	Is the company a high touch organisation that requires strong offline service. This could be dedicated/a small team with other customers/ call centre – which would serve the needs best? Are there any special language services needed? Do you want this to be in country servicing or are you open to a hub solution?		
	Mobile technology	How important is it for your travellers and bookers to feel connected through their mobile phone? Do they need to be able to chat or book through their phone? Do they need to be able to manage changes on the go?		
	Passport & Visa service	Is this a service that is required? How engaged do you need/want the TMC to be in this process? Is there a requirement for a dedicated team? Should this service be provided by a TMC or would a direct 3rd party relationship be more beneficial?		
	Reshopping tools	What is the requirement for reshopping tools for the hotel or air bookings? Is this something that is important to the travel programme? Would this be used to auto rebook or track potential savings? Should this service be provided by a TMC or would a direct 3rd party relationship be more beneficial?		

Priority	Possible Requirement	Detail to think about	Want	Need
	<p>User friendly booking platform</p> <p>VIP Services</p>	<p>Do travellers and bookers want to self serve and book most things online and avoid calling in to the TMC where possible?</p> <p>Do any travellers require a VIP service? How should this be handled? Is it through a small team or a dedicated team? How many travellers will have access to this service?</p>		

Table 2²

Possible programme requirement ideas to think about. These suggestions are listed alphabetically.

Use the chart below as a guide to chart your priorities, adding any additional ones not included here that may apply to your programme.

Priority	Possible Requirement	Detail to think about	Want	Need
	<p>Access to central travel hubs/ platforms</p>	<p>How do you want to communicate travel programme information to users? Do you have a general intranet site or workplace, SharePoint platform or would you like a centralised platform provided by the TMC for communicating to bookers and travellers? Is a single sign on required?</p>		

Priority	Possible Requirement	Detail to think about	Want	Need
	Access to senior management	How important is it to be influential within the TMC? This could be to influence product development. It could also be to have a seat at the table and be able to call senior management if needed for company updates or service related escalation if required.		
	Account Management	Do you require an account management resource? Do you need a dedicated account manager? How do you anticipate they will support the programme?		
	Approval Processes	What approval processes do you need for travel? Is this a short, medium or long term requirement? Should this service be provided by a TMC or would a direct 3rd party relationship be more beneficial? Be aware that delayed approval processes can have an impact on ticket prices (instant ticketing vs. holding tickets and TMC fee structures!		

Priority	Possible Requirement	Detail to think about	Want	Need
	Benchmarking data	Do you require benchmarking data and if so what on? Are you looking to benchmark hotel rates or airfares? What will the information be used for? Will it be shared within the organisation?		
	Cultural Fit	How important is a cultural fit with your TMC? Is this a strategic supplier relationship or a more transactional one? This is a key decision in finding the right TMC partner.		
	Diversity & Inclusion	<p>Is this important to the organisation? How would you look to the TMC to reflect this through their services? Is it through how diverse they are as a company?</p> <ol style="list-style-type: none"> Is this a strategic focus, so a complete alignment of the D&I approach and culture between the two companies, is required. This would incorporate all aspects of the business, resource, language, behaviours, policy 		

Priority	Possible Requirement	Detail to think about	Want	Need
	<p data-bbox="411 1570 743 1659">Global footprint</p>	<p data-bbox="788 300 1082 763">2. Is it understanding the suppliers D&I approach and how this has been developed within their organisation and how they can support and bring D&I into the clients travel programme</p> <p data-bbox="788 779 1070 1339">3. Is it supporting with awareness for the traveller whilst travelling, to ensure that they understand the legislation, culture practises and attitudes in the location they are travelling to, to keep them safe and informed</p> <p data-bbox="788 1355 1070 1525">Look to be clear about what is required from the supplier when it comes to D&I</p> <p data-bbox="788 1592 1075 2051">Is the TMC RFP multinational? If so, how important is the global footprint of the TMC? Is it important that they be wholly owned or would a partnership network suffice? What are the key aspects you are looking for from this?</p>		

Priority	Possible Requirement	Detail to think about	Want	Need
	<p data-bbox="411 286 740 510">Industry insight and support to drive the travel programme</p> <p data-bbox="411 1032 740 1227">Innovation and approach to technology</p>	<p data-bbox="783 293 1086 987">Do you need resource and insight from the TMC to help drive the travel programme? This could be related to booking behaviour, compliance, online adoption, approval processes, introduction and implementation of new technologies. Think through what support is required from the TMC and where you anticipate you would need this throughout the contract period</p> <p data-bbox="783 1061 1086 1800">Is it important that the TMC embrace working with 3rd parties? Do you have 3rd party contracts that they need to engage with? How cutting edge do you need/want the TMC to be? What is their approach to innovation? How important is this to the programme? Do you want your programme to be at the forefront of the industry? How important is it to your programme to be an early adopter?</p>		

Priority	Possible Requirement	Detail to think about	Want	Need
	<p data-bbox="416 286 746 416">Payment requirements</p> <p data-bbox="416 981 746 1061">Pricing</p>	<p data-bbox="786 286 1082 936">What are the expectations around payment and credit terms in the programme? Is there a corporate card/ virtual card solution, a business travel account solution or will you require credit? If so, on what terms? Is this globally consistent or varying by market? Think about if you need support for hotel billbacks etc.</p> <p data-bbox="786 1003 1082 1659">What is the primary goal? Is it to secure the cheapest service? Is it to reduce the cost of travel (overall – this would include the travel itself, airline hotel spend etc.)? Is the focus the best price for the best service? What fee model best suits the business – Transaction fee, Subscription fee, Management fee (refer to Time for change TMC pricing models papers)</p>		

Priority	Possible Requirement	Detail to think about	Want	Need
	<p data-bbox="411 280 740 526">Reporting Data – savings, compliance, booking data</p> <p data-bbox="411 1025 740 1167">Risk Management - Traveller security</p> <p data-bbox="411 1458 740 1536">Sustainability</p>	<p data-bbox="762 286 1091 987">How important is it to receive reporting? What do you need to be reported on? How will you use the information? Does it need to be distributed within the organisation? How up to date does it need to be (real time, following month etc.)? Does your data need to be consolidated across multiple providers? Should this service be provided by a TMC or would a direct 3rd party relationship be more beneficial?</p> <p data-bbox="762 1055 1091 1420">What traveller tracking is required? Information regarding high risk travel areas or COVID restrictions? Who needs access to this information? Should this service be provided by a TMC or would a direct 3rd party relationship be more beneficial?</p> <p data-bbox="762 1487 1091 2040">Is sustainability important to the travel programme? How can the TMC help to support this? Is it through their own initiatives and approach? Is it through reporting and helping travellers to choose the right sustainable travel options and partners? Is it through reporting? Think about how the TMC can support sustainable initiatives</p>		

Checklist Table 3³

Priority	Action	Completed
	<p>Ascertain the value creation of the travel programme within the business</p> <p>Identify and engage with internal stakeholder groups</p> <p>Identify the business requirements into 2 camps. Service requirements and programme requirements. What are the current pain points?</p> <p>Undertake the market research to see who you would like to talk to</p> <p>Decide which of the internal stakeholders you would like to be part of the process</p> <p>Gather as much travel and transactional data as you have to share with prospective bidders</p> <p>Arrange RFI Meetings</p> <p>Which of your requirements are needs as opposed to wants</p> <p>How would you like the responses to be delivered</p> <p>Define the weighting criteria</p> <p>Design an RFI Document</p> <p>Decide on the amount of face-to-face engagement vs. written responses</p> <p>Decide on the response times</p> <p>Decide on who will go through to RFP</p>	

Priority	Action	Completed
	<p>Design the RFP process</p> <p>How would you like to see the responses</p> <p>What attachments will you allow</p> <p>Define the weighting criteria and process</p> <p>Design the RFP Document</p> <p>Decide on the response times</p> <p>Review and weight the RFP responses</p> <p>Decide what presentations and workshops are needed</p> <p>Undertake any negotiations required around pricing and contracts</p> <p>Agree the implementation and change management process</p> <p>Sign contracts and appoint TMC</p>	

Glossary

Code of Conduct

A Code of Conduct is a statement of the behaviours which an organisation expects of its suppliers and their staff. It may include commitments on how the organisation will work with its suppliers to build trust and ensure compliance.

Mutual NDA

A mutual non disclosure agreement (NDA) is a legally binding document used to protect both parties when intending to share confidential information. A mutual NDA protects both parties whereas an NDA will only protect the issuing party.

RFI

A request for information (RFI) is primarily used to gather information to help make a decision on what steps to take next. Typically a fact finding document.

RFP

A request for proposal (RFP) is a document that solicits a service proposal through a bidding process from a company interested in the procurement of a commodity or service, to potential suppliers to submit business proposals.

T&Cs

Terms and conditions (T&Cs) detail the rules that apply to fulfilling a particular contract and form an integral part of that contract. Buyers and sellers must agree the terms and conditions to form a contract. Most organisations will have a set of T&Cs that vendors must agree and adhere to.

TMC

A Travel Management Company (TMC) is an organisation that fully manages the travel requirements of an organisation. From making bookings right through to supplying the tools technologies and that are required for the effective management of a travel programme.



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