

Case Study

Trane reduces costs, improves consistency and increases efficiency through European consolidation



Challenge

After a successful travel program consolidation in the U.S. and Canada, industry giant Trane set its sights overseas in 2007.

In keeping with the company's commitment to "acting globally and thinking locally," Trane asked BCD Travel to manage a European travel service consolidation aimed at improving policy compliance, consolidating volume for better supplier negotiations, achieving consistent service quality and simplifying their implementation of technologies and processes such as reporting, security tracking and a credit card program.

"We wanted to add value rather than cost and complexity," said Tom Barrett, director of global strategic sourcing for Trane. "To do so, we needed to measure the benefits of change versus the pain of change."

Solution

The plan proposed by BCD Travel called for the integration of nine separate country travel programs into its multilingual Multinational Service Center (MSC) in Mechelen, Belgium.

The consolidation required leadership support at headquarters and in each country involved; baseline measurement, with documentation of processes in place in every country; and an implementation team composed of key stakeholders from both Trane and BCD Travel.

Trane and BCD Travel worked together to communicate the change in travel program in the relevant markets, ensuring that new procedures and contact information were in the hands of the travelers in a timely fashion.

To bring travelers into the system with a minimum of fuss, BCD Travel used data feeds from Trane's human resources departments to create "mini-profiles" that included information such as ID number, name, business unit, cost center, country and e-mail address. This created a base to which travelers could add their personal information online before the completed profiles were loaded into Amadeus.

At the end of the day, the real customers are Trane travelers. I feel that Trane and BCD Travel are effective partners together in the business of serving those customers.

Pascal Struyve | Global Travel and Meeting Services Director, **Trane**

At a Glance

Industry
Manufacturing

Annual T&E spend
€40 million globally

Number of employees
More than 29,000

Results in brief

- Greater program participation and compliance
- Consistent service quality
- Simplified technology integration
- Increased leverage in supplier negotiations
- 14% decrease in average ticket price
- 27% reduction in agency costs



Now, when one of the 2,500 Trane travelers using the MSC needs to make a booking, he or she dials a local toll-free number and is connected with one of a team of reservations agents shared with another of BCD Travel's global clients. According to Shona Taplin, BCD Travel's global account manager for Trane, the shared labor pool makes good business and customer service sense: "We maximize agent efficiency for both clients, and a traveler will always be able to reach an agent who speaks his or her language."

Results

Nine Trane countries now book exclusively through BCD Travel's MSC: Belgium, France, Germany, the Netherlands, the United Kingdom, Denmark, Norway, Sweden, Finland and Switzerland. Travelers enjoy quick and easy access to a team of consultants with a full understanding of the company's objectives, travel policy and individual market nuances. Technology implementations were streamlined; rather than requiring nine separate iterations, for example, the online profile management system (BCD Travel's TripSource®: Profile Manager) was implemented one time, with complete market coverage.

The consolidation has allowed for greater overall spend visibility and tighter control of travel policy and costs, leading to improved management of the vendor program as well as concrete savings. One year after the consolidation, thanks to improved efficiencies and optimal resource allocation, Trane saw a decrease of 14 percent in average ticket price, and a 27 percent reduction in total agency costs.

"The success of the implementation has stimulated interest not only in bringing more countries under the Mechelen umbrella, but in expanding consolidation efforts to other commodities and suppliers," said Barrett.

Behind the Scenes

Due to a number of internal and external requirements, Trane declared that it wanted the implementation complete in just five months. Although the rush to implement was against accepted practice and better judgment, said Bertrand Renaux, BCD Travel's EMEA multinational account manager for Trane, in the end, all major countries were reserving through the service center by deadline: "Normally, full consolidation of nine countries would take nine months to a year."

BCD Travel focused on meticulous preparation to ease the road, including a series of road shows which sent the European account manager into each of the countries scheduled to consolidate, and a detailed project plan that anticipated difficulties and built important local relationship with the Trane leaders in each country.

Crucial to Trane was that BCD Travel's reaction to issues was prompt and positive, said Pascal Struyve, Trane's global travel and meeting services director: "Initial service delivery problems were stabilized within three months, for which we credit the account management and operations teams."

Both Trane and BCD Travel emerged from the implementation process with recommendations for companies contemplating a similar decision. First, to simplify process and labor issues, make sure the implementation groups shared-language countries together, rather than mixing all languages. Second, learn from each wave of implementation, and make the process iterative, with best practices absorbed and re-employed. Third, ensure that internal communication structures are strong: Struyve created a "travel council" for the consolidated countries, appointing a key stakeholder in each country to act as program ambassador and focusing on ensuring a solid relationship between all council members and the BCD Travel account management team.