

E.ON

"Do online what can be done online"

E.ON, Germany's power and gas giant, is pioneering online travel booking. cytric was introduced as early as 1998, now around 90 percent of all flights and rail journeys are booked online in some companies. The time is rife for the international roll-out of cytric.



"I simply don't understand, I see no alternative to online booking." Manfred Löwensberg shakes his head when staff insist on making their business travel bookings the traditional way rather than online. He doesn't understand why anyone needs a travel agency for regular journeys. "What can a travel agent do better?" he asks. My staff members can reach the same decisions, "after all, the information they need is there", he says. All preferred partners with their discount rates are entered and marked in the system, points out E.ON AG's Travel Manager. His conclusion: "There is absolutely no justification for not booking standard journeys online."

Luckily, Mr Löwensberg can now shake his head less frequently. The 20,000 staff taking business trips within the E.ON Group overwhelmingly prefer to use a mouse rather than the phone. Adaptation rates of 80 to 90 percent are now the order of the day for the use of cytric in some E.ON companies, reports the Travel Manager from E.ON's Düsseldorf headquarters. These kind of online booking adoption rates are to be found above all in those E.ON companies with a high proportion of standard business trips. For example, staff at Thüga, a company based in Munich,

often travel in Germany and to Italy. On the other hand, hardly any E.ON affiliates have an online rate for the booking of air and rail tickets of under 50 percent. "And the rates are on the rise everywhere. The basic attitude in our company is pro online." No sanctions are taken at E.ON against those who refrain from using the low-cost booking alternative. If staff insist on conventional booking methods, the Travel Manager initiates talks with the co-ordinators of the Group company in question. The point being that off-line bookings generate unnecessary costs. A company can save between 20 and 40 percent by booking online via cytric from i:FAO. The costs of off-line bookings with a travel agency are accounted to the respective cost centre. Manfred Löwensberg: "Costs are charged to the responsible party."

E.ON is a relatively young corporate brand. The Group arose from the merger in 2000 of the VEBA and VIAG groups. E.ON has been growing continuously ever since. The energy corporation now boasts a turnover of Euro 49 billion and a workforce of 70,000, making it the largest private energy service provider. Its declared goal is to become the world's leading power and gas company.

In his days as Travel Manager at VEBA, Manfred Löwensberg was already casting a watchful eye on all providers of online booking systems in the late 90s. In 1998, VEBA chose an early version of cytric. It was successfully introduced into a number of group companies. In 2003, cytric was rolled out in other affiliates. "We wanted all those travel bookings online which could go online, the same as we do in all other sectors of purchasing. cytric is simply the best tool."

cytric was first introduced into E.ON headquarters in Düsseldorf, and then step-by-step, sometimes big steps, in all other

German E.ON companies. In each case, the best time for the change-over to cytric was determined by Manfred Löwensberg, based above all on process cost factors. While he is taciturn about the actual figure, it is clearly obvious - especially since airlines cancelled commission payments and fees were introduced for travel bookings - that booking online is less expensive than the off-line alternative. Another benefit of the intranet online travel agency service is: 24/7 availability. Löwensberg: "Staff can plan and book their trips at their desks." It is independent of any travel agency, both in terms of time as well as information. Löwensberg: "A traveller receives the same information at his workplace via the online system as was previously reserved for the travel agent's eyes only."

In 2001 E.ON Travel Management was pleased about even small steps. 20 - 30 percent adoption rates were normal. The rates rose in proportion to the penetration of cytric within the corporation. Online booking celebrated its break-through in the first half of 2004 when E.ON re-organised its relationships with travel agencies. At that time the previous arrangement with three travel agencies was consolidated into a single Travel Management Service Provider: TQ3. E.ON and TQ3 began pushing together for more online bookings. It was then that cytric's being independent from any one single travel agency proved a bonus, because earlier E.ON used the American Express system. According to Manfred Löwensberg, the transfer to the new service provider was, while not without its problems, nonetheless relatively simple. And since then, online bookings at E.ON have gone from strength to strength. "TQ3 has actively promoted and supported us in raising the profile of cytric usage," says Mr Löwensberg. Those making online bookings within E.ON can contact a

cytric telephone support service offered by TQ3, and the travel agency has also made one person responsible for dealing with all cytric/E.ON questions.

E.ON is now looking to introduce cytric throughout its European operations. In England it is already online. In Scandinavia it is in the presentation stage, in the Czech Republic and Hungary test operations are running. Other Eastern European countries are also to go online in the future. E.ON's Travel Manager is finding the internationalisation to be not without its pitfalls. The main source of irritation is the travel cards which don't work with local currencies. E.ON managers are working together with the travel agency to iron out these problems. Over the long term, emphasises Manfred Löwensberg, there is simply no way around online booking.

Contact:

i:FAO Group
Clemensstrasse 9
60487 Frankfurt am Main
Germany

Telephone +49 (69) 7680-5500
Fax +49 (69) 7680-5555
eMail info@ifao.net
www.cytric.info