

Siemens AG

## Online booking strategic centrepiece

100,000 users, up to 3,000 bookings per day: Siemens is the world's largest user of cytric. The group implements cytric in many countries worldwide, and has extensive in-depth experience. Group Travel Management made online booking of business trips the centrepiece of their innovative strategy as early as 1997.



Siemens undoubtedly sets the benchmark in terms of business travel management. Over the past 10 years, Siemens' Munich-based travel management team has evolved something truly innovational: the first step was for staffers to use DB (German Rail) online tickets, Siemens then negotiated the first net tariffs with airlines, while the first global agreement with an airline alliance was also concluded by Travel Management in Munich. Since Siemens introduced global travel management, e-business applications have become key tools in optimising processes and costs. Siemens employees' online options today include car hire, travel cost accounting and even ordering visas.

The rigorous implementation of its e-business strategy kicked off with intranet-based booking of business travel: in 1997 Siemens was the first European corporation to introduce online booking across-the-board - in the Siemens TravelNet. Today, TravelNet runs on cytric in, for example, Germany, Austria, Switzerland, Belgium, Netherlands and Spain. Why Siemens chose cytric? "Because it was the only system implementing a genuinely innovative approach," says Lutz Stammnitz, head of Corporate Mobility Services (CMS). "The plan was not to merely swap a typewriter for a more

modern typewriter, but to replace it with a PC." In Mr Stammnitz' opinion, cytric has maintained its innovative power to the present day. He particularly likes the application's pragmatism: "cytric can implement the viable", while for others, project development is driven by dreams. According to Siemens' top travel manager, a consensus has now been reached with i:FAO: targets are realised in a timely fashion. In the words of Lutz Stammnitz: "A great advantage."

Siemens sees cytric as being the state-of-the-art in online booking: the application runs on dedicated servers at the Siemens data centre in Perlach. Updates are trialed in a Siemens-own test environment. There is no cytric-specific log in requirement for Siemens staff; the Siemens Intranet Single Sign-on (enterprise portal) is also valid. Any changes in staff personal data (house move and the like) transfer automatically into TravelNet. Service provider connections are also up-to-date: for example, DB's online ticket is integrated and various car rental organisations, like Europcar, Sixt and Avis, also maintain direct links to Siemens TravelNet. Hotels are booked by accessing the Phoenix hotel database. If no suitable room is available on Phoenix, TravelNet alternates to the hotel.de database.

The booking of hotels and rental cars via direct links saves on GDS fees. Another future option is to arrange direct links between TravelNet and airlines. Siemens also benefits strongly from low-cost carrier bookings because no frills carriers serve several group locations.

Siemens' pioneering role has taken it along an interesting road. Start-up was in 1997. Four weeks later TravelNet crashed: instead of the anticipated 5,000 users, 20,000 had logged on. Lutz Stammnitz warns against any misapprehensions: with online booking you're

not buying a finished product that you can "plug in and forget." High volume online booking is an application "in permanent flux", mainly because it is being continuously accessed by very many people and has innumerable interfaces to the outside world. Making it all the more crucial to develop a specific understanding of the issues relating to online booking, and to create special resources accordingly. Siemens CMS even has its own CIO, a certain Thomas Mietzsch. Lutz Stammnitz has this advice to colleagues: "Be realistic and keep your cool, get to know the technology's limits, and live with its shortcomings."

TravelNet is now solidly positioned as the core application with which Siemens CMS optimises costs and processes. TravelNet bundles, aggregates and guides staff members to make best use of alternative and less expensive tariffs. TravelNet is one of the reasons why the group's travel costs fell from 1.7 billion in 2002 to 1.5 billion euro in 2003. Lutz Stammnitz: "A further saving of 351 million euro up to the end of 2004, achieved in our "move25" programme, would not have been possible without TravelNet."

Adaptation rates to online booking are high at Siemens. Up to 15,000 bookings are made every week via TravelNet. Last year's figures add up to more than 210,000 air tickets, 200,000 rail tickets, 100,000 hotel and 110,000 car rental reservations. 85% of German internal and 60% of all European flights are now booked online. The car rental and hotel sector still offers more potential. And acceptance levels are still climbing. Lutz Stammnitz often encounters many young staffers "who crave online tools." Perhaps too much so. CMS is actively considering blocking some sites for Siemens staff, for example the e-commerce pages of low-cost airlines. Cost-aware purchasing is only possible via TravelNet. Online bookings cost

Siemens one third less than the equivalent offline option.

Siemens is looking to make travel bookings even simpler by introducing a standardised intranet booking form, the same for all employees worldwide. They would only need to learn a single order mask. In an era in which Siemens is extending its global activities, this is a key requirement: Lutz Stammnitz: "We want to implement One Face to the Customer". At present a staff member must decide before making a booking whether to buy online or complete a travel order form. In the future, TravelNet will make this decision, and automatically forward the order.

A standardised order interface makes sense because Siemens also implements a different tool in some regions. Lutz Stammnitz explains that not all countries need such a sophisticated system, they work effectively with less complex applications. TravelNet is to be rolled out in more countries, including France, Ireland, Portugal and several Eastern European countries. It is already online in the USA, Australia, England, Scandinavia and Italy. Siemens' goal: make TravelNet available worldwide.

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