

Danish Ministries

Diamond fever in Denmark

The Danish ministries of economics and finance have adopted an integrated and automated online process chain to organise their business travel requirements. Key player is "Diamond Online Booking", VIA Travel's Danish version of cytric Software-Service.



When Bent Jensen, procurement officer of the Danish Ministry of Economics, starts talking about the new travel organisation, his enthusiasm is catching. The Danes have now implemented a process chain for the automatic transfer of all data, making paperwork redundant. Online bookings with "Diamond", better known as cytric, are fully integrated in the ministry's ERP environment. Since almost all travel expenditure made by civil servants is via credit cards, there is virtually no longer any need for manual entry of expenditure data. Since March 2003, around 10,000 trips made annually (representing a business travel budget of approx. 5 million Euro per annum) by staff of the ministry of economics (Økonomi- og Erhvervsministeriets) are booked with Diamond, and not just flights; hotels, rental cars and trains as well. The online share of all bookings has touched the 90 per cent mark.

Bent Jensen, in charge of procurement at the ministry, first looked into the issue of online booking towards the end of 2002. The need arose following the in-depth reorganisation of the ministry with the introduction of centralised service units: in the future all services such as payrolling, IT and purchasing were to be organised centrally. This was the appropriate time for Jensen and colleagues to take the plunge and introduce online booking. Actively

supported by Scandinavia's leading travel agency, VIA Travel, a number of different systems were looked at: ultimately the decision was for cytric, alias Diamond. Bent Jensen: "Diamond was basically the only system which fully satisfied our requirements for integration in our ERP environment." The Danes were not looking for a stand-alone special, but sought a web-based on-demand system. Travel service provider VIA Travel rendered committed support to its customer throughout all phases of the transformation process. Today, VIA Travel operates a 24 hour hotline for ministerial staff.

Bent Jensen was head-hunted by the Ministry of Finance, since when modern times in procurement have also arrived there: "Diamond" went live on October 1st 2003 to meet the travel needs of approx. 200 travelling staff members of the Danish Ministry of Finance ("Finansministeriet"). The financial specialists generate around 2,500 trips every year.

One special aspect of the Danish solution: No Danish government official actually books directly in Diamond, in reality they use the Travel-X travel management system provided by NaviPartner, Navision's Danish partner organisation. Travel-X is the booking mask into which users can enter their travel requirements, which are then transferred to internal booking specialists at the ministry. They are the ones who make the booking proper in Diamond and transfer the reservation to VIA Travel for a quality check. An approval procedure is implemented within Travel-X prior to the journey. After the trip, the business travellers simply enter any travel expenses via Travel-X, the details of which are then approved by their superior. Travel-X finally transfers the complete trip data to the ERP system (Navision) for accounting purposes.

The Danes use this internal booking method "because we do not want our staff to get involved in too much internet surfing", explains Mr Jensen. The travellers simply fill out the order mask and no more. The disadvantage of this off-line booking procedure is made good by speed elsewhere. If, for example, a requested flight is fully booked, the booking agent sends an internal response within a few minutes, together with alternative travel suggestions. The volume of this "ping-pong communication" is fairly limited, explains Bent. The internal intermediate offices are there for political reasons: in the wake of the thorough restructuring at the ministries and the integration of many different departments, many positions became superfluous. Previously some 30 people were responsible for organising the civil servants' business travel requirements. Today the figure is three. Mr Jensen sees the major savings in the process costs. He forecasts cost savings of at least 30 per cent.

It is these lower process costs where this Danish expert sees the greatest benefits of the online process. While other savings are made with respect to travel agents fees, these are on a much lower scale. Another area of less importance for the Danes are savings gained due to the transparency of available services as displayed by the online booking system. The reasons are actually quite obvious: while the Diamond system highlights low-cost carriers to users, this option is not as crucial for Danish government employees. Not because the no-frills flights go to the wrong destinations, but rather because Mr Jensen and his colleagues have negotiated some excellent contracts: the preferred carrier for the ministries of economics and finance have entered an obligation to match the lowest market price available at any one time. This means civil servants have no need to change over to low-

cost carriers, especially not since the classic airlines also offer more frequent services.

The Danes marked out their own route in change management, as well. It didn't exist. Diamond was introduced without any training, without a single poster or a single communications campaign. Because the internal change - over to shared services within the ministry was such a sea-change, the new organisation of business travel processing was hardly even noticed, says Bent Jensen. There were some sceptical voices raised within the ministries as to whether the new mode would be rapidly accepted. But when Diamond went live all criticism abated. The tool was "accepted immediately", reports Mr Jensen. In some areas, acceptance reached 90 per cent in just three months. You could say these Danish ministries now have a bad case of Diamond fever.

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