

GEA Group AG

Not scared of the long haul

Online booking 2.0: GEA Group also books long haul flights with stopovers online. Domestic German flights, processed as "no touch" bookings through the system for a long time, are now joined by European flights.



An impressive per capita travel volume: GEA Group AG has a global spend of Euro 60 million per annum on business travel. This substantial budget reflects the group's technology-based specialty mechanical engineering business, handled from its Bochum HQ: milking systems for the US, breweries for China, machines for producing powdered coffee for South America – they all represent many travel miles for the Group's 17,500 employees. 35 % of all flights booked by the company are long haul.

The usual opinion is that long haul flights as less than ideal for online bookings – at GEA, they beg to differ. 89 % of all flights bookable online within the company are booked online with cytric. GEA has also declared that all flights with a maximum of 1 stopover are bookable online – "no matter which destination." The company only exempts flights with more than two stopovers from online booking because the fees and charges become more complex and manual booking can actually guarantee better prices. Either way, a long haul flight with a single stopover can be straightforwardly booked using cytric. "That's no different to booking a domestic German flight on one of our trunk routes."

The history of online booking at GEA is an interesting one. This former company based in Frankfurt - previously trading under the name MG Technologies AG, renamed GEA Group on 2005 - had been using cytric since 2000, bringing the system into the merger. But the tool was not fully activated. Although it was available to staff, it was neither encouraged nor promoted. The system was simply there, rarely if ever used. There were simply not enough resources to roll out online bookings within the company. The two companies had higher priorities during their consolidation phase. The new corporate structure moved the travel section in with Supply Management. Since then Iris Jungmann and Carsten Czub of Travel/Fleet Management, within the Supply Management Team, have focused more clearly on optimising costs and processes.

Following his arrival at GEA, Carsten Czub decided to push ahead with online business travel procurement within the Group because he is "100 % convinced" of the principle. "There is simply no alternative to online booking. The return on investment is reached very quickly."

The first step was to tailor cytric to meet GEA's specific needs; one reason for the tool's neglect was that it did not reflect corporate structures. The allocation of cost centres was inappropriate and there was no defined authorisation concept. The credit card structure has also been aligned with the company's new reporting processes.

Working together with its travel agent partner, BCD Travel, Travel Management developed a key-user concept, putting together a pilot group made up of two frequent users from each of the Group's 13 largest German companies. Cytric now matches corporate requirements: customised tariffs are integrated, it offers direct access to service providers, observance of

group travel regulations, it has preselections e.g. of airlines and the cost centre structure is fully mapped. The pilot was so successful that, after a four-week pause, it went online in all German GEA companies in February 2005. Since then, 2700 profiles have been stored by GEA in cytric and the Group has 300 travel arrangers. After a six-month phase of intensive on site training and a Travel Management Roadshow through all locations, "the user figures simply shot up", reports Carsten Czub. Employees quickly realised and spread the message that the tool saved time. No other medium was able to deliver so much information to the booking party in so short a time. Iris Jungmann: "Anyone who uses it frequently is quickly convinced."

The same is probably true of controlling: the saving alone on transaction fees in the first two years after cytric's introduction is Euro 200,000 according to Carsten Czub's figures. He can also point to savings in direct travel costs: the average price per flight mile at GEA fell during 2005 from 58 cents to 55 cents for Europe and from 35 to 33 cents for intercontinental. In 2006 there was another 6 cent drop for intercontinental and 3 cents for Europe.

The GEA Group didn't stop there; it now uses cytric outside of Germany for its business travel purchasing. In Denmark (partner: Via travel) cytric is already online. In Great Britain cytric has been in an introductory phase since December 2006 (partner: FCM Travel Solutions). In the Netherlands and France online booking is coming soon, in the USA it is under consideration. Lower costs for foreign subsidiaries is one attraction, while GEA employees also like the system's uniformity: frequent travellers or those who change location can use the same application to book their business travel wherever they are.

Contact:

i:FAO Group
Clemensstrasse 9
60487 Frankfurt am Main
Germany

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

i:FAO Group GmbH
Registered at: Frankfurt am Main, Commercial Court Frankfurt, HRB 73600
Managing Directors: Louis Arnitz, Karin Froese