

ThyssenKrupp

15,000 travellers authorised for online booking

Savings of more than Euro 10 million in three years: The introduction of the cytric online booking system was part of a four pillar concept at ThyssenKrupp. The Group, with a global workforce of 187,000 in 800 companies, simultaneously established new travel regulations, consolidated its travel agency partner network and launched a company credit card. ThyssenKrupp currently uses cytric (ThyssenKrupp Travelworld) in four countries.

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Impressive figures: of 187,000 staff members in the ThyssenKrupp Group, more than half work in Germany. The Group has over 300 German corporate members, created in 1999 by the merger of the famous Thyssen and Krupp organisations. ThyssenKrupp works on a broad corporate base: the spectrum within the Group ranges from steel over industrial goods to services. Jürgen Loschelder, head of travel management and logistics, can count no less than 15,000 registered travellers in Germany alone. The corporation's travel volume is also extremely high, not least because the company, headquartered in Düsseldorf, is strong on project-based business. It represents an annual turnover of approx. Euro 90 million. ThyssenKrupp already implements cytric in four countries: Germany, Italy, Spain and Liechtenstein. The system is currently being rolled out in France, with plans far advanced for Great Britain and Austria. Every month, cytric is used to process up to 10,000 standard bookings at ThyssenKrupp. With volumes on this scale, optimisation steps have dramatic effects; over the last three years

the Group has been able to cut its travel costs by more than Euro 10 million. This success builds on a four pillar concept, based on ideas proposed by travel manager Jürgen Loschelder when he joined the company in 2003: standardised travel regulations, focused on a limited number of travel agents, the introduction of a Group credit card and online booking. Jürgen Loschelder, MA in industrial engineering, and previously in the Krupp logistics department, basically broke new ground - before 2003 ThyssenKrupp simply had no travel management.

For a marathon runner like Loschelder (New York marathon: 3.56) it was clear from the start that online booking was an absolute must for business travel in the future. The 47-year old took a close look at various packages and went for cytric. According to him, the cost/benefit ratio is the best, cytric is "state-of-the-art and provides ideal handling of all transport modes." Jürgen Loschelder sees the i:FAO product as having its "biggest lead" in terms of functionality. One thing he likes in particular: ThyssenKrupp enjoyed intensive support from cytric from the word go, even though cytric was actually initially purchased via an i:FAO partner organisation and was not a direct i:FAO customer. Loschelder: "We received outstanding support, then and now." An intense dialogue process has been in place since then between ThyssenKrupp and i:FAO. A "working team IBE" meeting takes place at least once a month at Group premises between users and those responsible, to discuss all issues relating to online booking. The results are fed back to i:FAO and definitely represent a system of continuous improvement.

Once the ThyssenKrupp executive board had given the go-ahead in October 2003, the ball started rolling immediately: the actual roll-out phase for "ThyssenKrupp

Travelworld" was the period between October 2003 and end 2004. During that time the tool was introduced into more than 100 Group companies in Germany to provide optimised business travel procurement. A big roll-out event marked the start in each company, followed by special smaller-scale training sessions. A 40-page brochure, "Travelling with ThyssenKrupp", answers most FAQs for staff members in all matters relating to business travel, including online booking.

As far as the realisation of e-procurement for business travel requirements is concerned, Jürgen Loschelder opted for the "voluntary" principle. ThyssenKrupp only recommends online booking, it does not prescribe it. The travel agents continue to accept offline bookings for standard connections, but always remind travellers of the electronic booking option. Although the 15,000 authorised travellers can research their intercontinental connections and prices in cytric, all such flights are booked in the travel agency "because of the complex rate structures". The main reason for the soft approach in Düsseldorf is that the many innovations and fast pace of changes in the travel sector mean "travellers have had to cope with a great deal, we wanted to trust in persuasion rather than compulsion." The conglomerate's Travel Management does not want to overtax its travelling employees. According to Jürgen Loschelder, although he himself is now very at home with online booking - also for his private trips, it is nonetheless a huge change. The travel manager anticipated a very conservative adaptation rate for standard trips of 10 % per year, and was actually about right. After three years ThyssenKrupp now has an adaptation rate of 30 % for all transport modes. The actual rate for train and car rentals is slightly higher, for hotels it is slightly lower. What is ThyssenKrupp Travel Management's

goal? To reach an online rate of 50 % by the end of the 2008 fiscal year, on 31 September 2008. Mr Loschelder thinks this rate will probably never be topped.

To ensure that the 50 % is achieved, a second roll-out phase is scheduled to start in October 2007. Jürgen Loschelder intends to demonstrate to the Group's financial officers that there is a robust savings potential in terms of Euros and Cents. He is going to use a competition as an incentive: Travel Management will put together a company league table based on their online rates. Travel manager: "We are appealing to people's competitive spirit". Just as an aside, when the industrial engineer discusses saving effects with the management, he always restricts his presentations to direct travel costs.

ThyssenKrupp now sources its cytric directly from i:FAO. According to the travel manager: "We like independence from specific travel agents."

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