

Jungheinrich AG

Best buy guarantee without long-winded surfing

Long, boring searches on the internet for low prices are no longer necessary at Jungheinrich. The introduction of cytric has made the booking of low-fare airlines an easy option. The warehousing technology manufacturer has cut its inner-European ticket costs by more than half since 2001.



Following Jungheinrich AG's introduction of cytric to book business travel, the employees' long-winded, high-cost web searches for cheap flights, skipping from website to website, have finally come to an end. cytric's Dynaweb® technology, which displays all low-fare airlines together with booking options, is the "ideal instrument, guaranteeing fast searches to cover all the best-buy offers," says Britta Schlüter, travel manager at the Hamburg-based company. The company's employees can now use cytric and Dynaweb® to find the lowest prices - guaranteed - making it superfluous to search for more tariffs in the web. Especially since staff on the look-out for best rates in the web usually have no price comparisons available, explains Britta Schlüter. As a rule, they generally end up going to the low-fare airline of their preference where they then make their booking - without comparing costs.

The introduction of cytric has resulted in unequivocal changes in the flight sector for the fork-lift truck specialist (annual sales of around Euro 2 billion). Low-fare carriers quickly surged to 20 % of overall flight volume, the previous leader of the pack fell back accordingly. However, since

the former leader's pricing policy has also since been revised, this initial development has reversed. Not something which bothers Britta Schlüter. The main thing is that Jungheinrich's 1500 business travellers are able to buy the lowest cost tickets. This is an example of how companies can track market changes using cytric without losing sight of their specific goals: in this case buying business travel as inexpensively as possible. Ms. Schlüter: "Buying best is our aim - the carrier is irrelevant."

With its more than 4600 employees in Germany, Jungheinrich generates a travel volume of some Euro 6 million per annum. The main route leads from the Hamburg headquarters to Moosburg near München where Jungheinrich operates a large production facility. In 2004, Britta Schlüter was already convinced that her corporation should no longer do without an online booking machine. A keen huntress in her leisure time, she took a close look at all systems available in the market, and chose cytric. "It is simply the most user-friendly system available." Britta Schlüter also liked the integration options with other systems, for example SAP. "cytric is also the market leader, giving us the security of knowing that other travel agents also have expertise in using the system," says the 38-year-old.

The baptism of fire took place very soon. Jungheinrich put its business travel budget out to tender in 2004, and made cytric part of the specification. The new travel agent service provider had to be able to deliver cytric, implement it and provide support during subsequent operation. BCD Travel won the order, also because BCD was able to promise the option of providing a "genuine cytric expert to provide support," recalls Britta Schlüter. The cytric roll-out took place under the supporting guidance of TUI

InfoTec - at that time working as a subcontractor to BCD - with whose services Britta Schlüter was also very happy. During a three-month pilot phase, ten frequent users located in various sites put the system through its paces. The concept: key-users would then later be able to act as point of contact at the various locations. A project team was put together to accompany the introduction. The specifications listed by the data protection officer at the 54 year-old corporation were soon put in place, agreement was quickly reached with the works council as well.

By early 2005 cytric had been rolled out and activated in all 30 German Jungheinrich locations. The web start page is of course in the company's well-known colours (yellow, grey) embellished with the image of a fork-lift truck. The training programme has a three-track structure: the larger facilities in Hamburg-Wansbeck and Norderstedt featured major presentations with 50 participants at each event. 15 people, responsible at regional offices for booking travel services, were brought up to speed on online booking in one-day seminars by BCD Travel. Ultimately, Britta Schlüter herself provided training courses to various departments - a process which is actually still ongoing. She runs training sessions to disseminate her cytric know-how amongst employees. Britta Schlüter felt it was crucial to be fully proficient on the system herself, despite the in-depth travel agency support. "Travel managers have to be centres of competence themselves."

Within the first eleven months, Jungheinrich had an online rate with cytric with 50 %. During 2008 Britta Schlüter feels 70 % is also realistic. The fact that the rate might not reach any higher reflects corporate philosophy. At Jungheinrich, one has not dictated the new

channel for booking business travel, the emphasis is on persuasion. Ms. Schlüter: "Pressure generates resistance."

She has also not organised any full blown marketing campaigns, but instead uses targeted reporting of successes as they come in to various target groups and within the reporting structure.

The much lower transaction cost level is also part of the success story. "That is definitely an excellent argument for going online," says Britta Schlüter. Although she would maintain that the more important aspect is the direct cost factor. And this is one area where the logistics specialists in Hamburg were able to achieve excellent results thanks to negotiated rates, best-buy obligations and cost-conscious booking: the average ticket price for inner German travel has fallen since 2001 from Euro 319 to Euro 188 during Q1 2007.

The difference within Europe is even larger: instead of Euro 624 (2001) Jungheinrich now pays an average price of only Euro 276 for each flight ticket. In the year of introducing online bookings, expenditure for all flights sank by more than Euro 350,000.

In the future, Britta Schlüter plans, working together with the travel partner, to upgrade and intensify communications for online booking. "We are still focussing on persuasion." One factor she thinks would be very useful if achieved is to set up a certain degree of competitiveness within the corporation. When the Jungheinrich Moosburg plant went online and shot up to an online rate of 90 %, some cost centre managers in the company started asking why things developed so quickly there. Her advice to all colleagues on the brink of implementing cytric: "Competition encourages ambition."

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