

PricewaterhouseCoopers AG

Process costs do make a difference

6000 employees of PricewaterhouseCoopers Deutschland organise their business journeys using cytric. With an annual travel budget of Euro 18 million, process costs play a major role at PwC, the accountants. PwC chose cytric because of its transparent display of fares.



A different viewpoint. Whereas many companies emphasize that cytric's way of online booking lowers purchasing costs, the fact that it also cuts processing costs is more or less a secondary consideration: at PricewaterhouseCoopers (PwC) Deutschland priorities are slightly different.

Although the provider of professional services, headquartered in Frankfurt am Main, did optimise its travel expenditure with the introduction of online bookings with cytric, it is also very pleased about the lower process costs. Why? The company has a very high proportion of frequent travellers. Of its 8100 employees in Germany, no less than 6000 take regular business trips. These journeys add up to a substantial annual travel budget of around Euro 18 million. And process costs do make a difference. Antiquated processes are simply untenable: "Our people have to be given the chance of booking their journeys quickly, effectively and also economically for the company, because any unnecessary administrative task required of our staff cost a lot of money," explains Thomas Eckl, head of event management.

PwC travel management has actually achieved its goal - also thanks to the signing of revised travel agency agreements - of

cutting process costs for the booking of business trips by 45 %. On the other hand, the absolute travel expenses are considered by PricewaterhouseCoopers as an investment – they grow as a result of burgeoning business acquisition activities and new business.

PricewaterhouseCoopers is an independent German stock corporation and member of PricewaterhouseCoopers International. PwC Germany is active at 28 locations in Germany, providing auditing and associated professional services, with an annual turnover of Euro 1.2 billion.

PwC took a close look at online booking of business travel at an early stage. It introduced links in the Intranet (own name: KnowledgeCurve) to external service providers in the hotel sector in 2001. In the years that followed, more links were added to German rail (Bahn online) and the corporate booking pages of car rental organisations. "We successively introduced our colleagues to the subject of online booking, breaking down any barriers which might have stood in the way," reports Antje Albrecht, travel co-coordinator within the travel management department. In 2004 it was decided to go for integrated online booking. PricewaterhouseCoopers selected cytric as its business travel planning and purchasing tool at all German locations. "In our opinion, cytric is the most user-friendly system, it is also the market leader and represents the cutting edge in functionality," is how Thomas Eckl contends the choice of cytric. The solution offered by i:FAO delivers transparency about all prices and informs the user on all aspects involved in booking journeys.

Implementation kicked off with a train-the-trainer concept. For six months, a dozen key-users spread around Germany had the opportunity to come to grips with the new

tool. The plan was for the key-users to subsequently disseminate their knowledge in their local area and act as point of contact. This concept worked well, acceptance of cytric evolved quickly such that by 2005 it was felt the ground was ready for the roll-out.

PwC refers to cytric as "PwC EasyBooking", a move to make the tool more easily understandable for staff members, explains Antje Albrecht. The instrument was rolled out successively across Germany. The travel agent partners with whom PwC co-operates provided intensive support during the process. One PwC speciality: the firm cooperates with FCm DER Travel Solutions in central and southern Germany whereas for the north and eastern parts of the country its business travel needs are provided by BCD Travel. These two travel agencies have adopted different service-providing approaches and philosophies for PwC: whereas the one continues to provide personal contacts for all PwC EasyBooking users, the other travel agent only provides contact via a call centre.

The interesting result: the travel agency with the personal touch had an online rate for flights of 55 % after a 18 months, the colleagues with the more anonymous service reached a figure of 62 %. Ms. Albrecht's conclusion: "When a personal contact is available, it would appear it is used more often." By the end of 2007, PwC seeks to have an adaptation rate of 65 % with both travel partners.

In July 2007, PwC had already achieved excellent progress, with a figure of 76 % online for flights. Nonetheless, the firm intends to retain its "dual sourcing strategy" for its business travel requirements. Antje Albrecht: "It is an example of fair competition, one which is good for us." PwC is currently in the

middle of negotiating a shared management information system which would consolidate the data of all bookings made via cytric.

It is the experience of the PwC travel managers that communications within the company are a key issue when introducing online booking. Ms. Albrecht: "It is not enough to simply give the tool to the staff." It is vital to explain why it is being done. That is not even all that difficult, after all, in their private lives, staff have been booking online via the internet for years." Antje Albrecht: "It is a tried-and-tested medium for organising travel."

PwC has a number of ideas in the pipeline for "PwC EasyBooking". At the present time, cytric still runs as a stand-alone solution, in the future the system is to be integrated into the IT world of PricewaterhouseCoopers. As soon as the online rate has reached the target levels, Antje Albrecht and Thomas Eckl intend to trigger a second phase of online booking. At the moment, all online tickets purchased by PwC are checked by the travel agents. In 2008 the process of "low touch fulfilment" is to be replaced by "no touch". According to the statistics, the error rate is already very low and the change-over from Low to No does not put the travel quality of staff in jeopardy. Once again, this next phase of the evolving travel business will require giving employees detailed and transparent information to get the message across. The two travel managers already plan to use the entire toolbox at their disposal: local workshops, intranet, newsletters and regular articles in the house magazine "Connect". E-mails sent by travel management to employees are marked by a special banner to raise the level of awareness ("Travel made easy") and any persons who have taken part in a training session are proudly presented with

laminated DIN A4 certificate by the travel managers.

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