



## **Coca-Cola Amatil Case study on Travel Management Companies.**

1<sup>st</sup> of December 2006

Coca-Cola Amatil had historically been with a Global TMC for 10 years. In 2005 CCA decided to go to market for a new TMC as the service levels with BTI had continually declined. This was due to several key personnel leaving the TMC, as well as the 'current' OBE being turned off. The replacement OBE fell well short of satisfactory service level standards.

Examples of the criteria CCA considered in nominating a new TMC as part of the tender process included: new booking technology, more sustainable levels of service, a high level of proactive account management and a transparent fee based financial model.

My role in this process as Procurement Category Manager was to manage the end-to-end process. I firstly needed to identify the appropriate suppliers in the market to participate in the tender. The ultimate objective was to find the best-fit TMC for CCA who would be able to drive the Technology changes and other expectations CCA had identified in moving forward (ie. open skies and a transparent financial partnership).

Several discussions with most of the better known TMC's were had at that time. In the end a restricted group of 8 TMC's were invited to participate in the tender process. CCA decided on 4 Global players, 4 Boutique TMC's and 2 expense reduction management organisations. In the end 2 of the 'smaller' boutique TMC's declined to participate due the size/scale of the tender. We also found the expense reduction management organisations were not able to deliver what was expected from the tender process and were subsequently delisted from the invited supplier list.

After assessing the responses from all the TMC's it was obvious the Global TMC's had all the polish and terminology when it came to reviewing their responses to the RFI, but not much passion or commitment from their management teams. While the Boutiques presented a "can do approach".

It was identified that to fully engage the CCA customer base, I would need to setup a steering committee which was made up of many of the key travel coordinators who use the service of the TMC daily and who would have to wholeheartedly accept the new technology for this change to be successful.

The procurement department was left with the assessment of each of the TMC's to ensure that CCA would get the best long-term relationship for the 'total offer' being proposed. After the steering committee met with the TMC teams and viewed an online demonstration of their OBE, a clear pattern emerged. The 2 Boutiques had proposed the best solutions, people and financials to move forward.

Although Travelcorp did come in 2<sup>nd</sup> based on the attached "Travel Management Questionnaire", further discussions identified the SBT on offer from the better scoring Boutique TMC was to be phased out within the next 12 months and this information had not been divulged by the TMC during the tender discussions. Subsequently, CCA appointed Travelcorp.

My objective, when CCA moved to a new TMC, was to improve the management and compliance of travel within CCA. The main focus was to increase the percentage of discount airfares used and compliance with CCA preferred hotels. Once a relationship had been established with Travelcorp, we set improved goals for compliance and management of these areas in particular along with others, which would provide direct benefits to CCA.

During our time with Travelcorp, travel management has evolved into more of a cross-functional discipline. Our TMC, for example, has encouraged CCA to put new technology in place, integrate it and interface with HR and IT.

CCA travellers expected and were looking to have the flexibility to choose the flight they take, the hotel they stay at and the car they can book. This means it is important for CCA travellers to know what agreements are in place and what the travel guidelines are. With the new technology delivered through Travelcorp this has been successfully executed with better than anticipated results.

When a CCA employee needs to travel they expect the booking process to be quick, uncomplicated and provide them with instant information about how much their trip will cost. They would also expect that, allowing for peak seasons, their travel requirements could be met. They anticipate the agreements in place are with 'quality' and 'qualified' suppliers all of whom are able to provide and satisfy 'typical' travel requirements. The new Web-res technology has taken CCA to the next step in regards to transparency of available flights including fare types etc.

CCA employees are also encouraged to be involved in the continuous improvement of services through focus groups, road shows and surveys. With 5000+ employees covering eight businesses it was never going to be an easy task to make sure all those concerned hear about any changes to the 'way we book travel', nor understand why any change had been made and how it could affect future travel. Travelcorp has easily managed the scope/size of the business through constant communication and updates to the business.

CCA was the pilot company in Australia who implemented the Tramada Web-res self-booking tool in September 2005. Through the management team at Travelcorp the online usage increased to 90% within the first 3 months. This achievement has been continued and improved upon in the first 12 months of the contract and continues to exceed all take-up levels not only in Australia but globally. The unique relationship providing a layered account management team at Travelcorp, combined with experienced dedicated consultants and the state of the art self-booking tool were significant factors in CCA appointing Travelcorp to manage the CCA relationship.

Travelcorp's experience with web-res would ensure they would be the TMC with the greatest knowledge of the OBE. I have confidence the combination of service, people and technology offered by Travelcorp will be a successful formula for any Travel user considering a move from a Global TMC and would be happy to discuss the process Coca-Cola Amatil undertook to make this decision.

Regards

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