

**BUILDING BUSINESS SUCCESS
THROUGH BUSINESS TRAVEL**

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BACK TO BUSINESS

With a new year dawning there is a natural sense of optimism, confidence and energy in the air. Thankfully. From the latter part of 2008 and the duration of 2009 the world was in a state of financial shock. Never before had such a crisis of confidence and competence in the financial world taken place – a crisis which hit home at a very personal, and painful level. Entering into 2010 there was immense hope that the worst was over. Even if it was, the fears of a ‘double-dip’ recession and enduring risk remained. Consumer confidence measurements were one thing. Confidence to dust off the personal credit card at the local shops was another.

The same caution was exercised when it came to businesses getting back to business, and business travel. There is no doubt about it – however you do the sums the past two years have had a serious impact on the bottom line. The global recession, still with its ghosts lingering in economies around the globe, has been a painful time for businesses and business travellers.

With no clarity as to when the ink would turn black again, businesses around the world grounded their staff. Business travel was either downgraded (forcing business travellers to move from the pointy end of the plane to behind the curtain) or stopped all together. Conferences, cancelled. Incentive trips, cancelled. Conventions, cancelled. There was no choice. Not only could businesses not afford to send employees away from a financial perspective, corporate image could not afford being seen as wasteful and crass holding conferences and events for employees when elsewhere people were struggling to hold on to their jobs.

Soon it became survival of the e-fittest. Video conferencing took over where cross country and cross cultural meetings left off. And the savings were self-evident.

THE COST OF CUTTING TRAVEL COSTS

Intuitively, however, there has been a growing sense that, for all of the financial savings being realised by freezing business travel budgets and grounding employees a greater loss was occurring – a loss that cannot be quantified but still we know is invaluable. And it all comes down to ‘worth’ – the sense of worth of customers, employees and opportunities.

Qualitatively, the end of business travel has meant the end of business growth. Bottom line. Not only in terms of opportunities to generate new business, but direct losses of employment and revenues from shutting the doors and turning off the lights within business travel venues.

Confident of this hypothesis, a recent study undertaken by Oxford Economics for USTA in late 2009 exposed just how much it cost businesses for stopping business travel. It was determined that, overall, the average US business would be forced to lose up to 17% of profits during the first year of suspension of business travel – a loss which would then take over three years to recover.

On the other hand, for those businesses which did continue to invest in business travel, for every dollar spent on travel approximately \$12.50 was realized in growth in revenues, which distilled down to approximately \$3.80 in profit. The ROI, therefore, was 3.8:1.

Reflecting back on 2009, executives questioned felt that as much as 28% of revenues were lost as a direct result of freezing travel budgets for

employees. Interestingly, 81% of executives felt that the slowing of economy demands even more direct contact with clients.

REBUILDING INWARDS

But it is not only about making clients feel they are worth the time and trouble for the travel. It is also about employees. Suspension of business trips and conferences had a direct, negative impact on employee morale, and therefore productivity. As budgets froze so too did spirits. The fear generated by the world's fastest spreading, widest reaching and deepest penetrating economic shutdown rattled the spirits of people in workplaces across the world. A bankruptcy of faith and confidence occurred, causing a crash in the energy required to perform, and increasing the challenge of business recovery.

Which is why visionary leaders, truly holistic leaders who put into practice the adage of 'our people are our greatest asset', are remaking commitments and rebooking venues to reconnect their people. Instruction from the C-suite is seeing hundreds of people being removed from their offices and relocated (often at enormous cost and logistical complexity) to places which allow the start of a strong tomorrow to start today.

Importantly, these leaders understand and respect that effective conference programme design is not only about sharing business plans and prophecies. At this time, as companies and corporate cultures seek to strengthen at all levels of performance, of equal importance is sharing of the process of rebuilding faith, rebuilding a future vision, and rebuilding the fundamental bonds of the organisation.

SWITCHING BACK ON

The good news is that the end of the recession is seeing increased momentum in turn-around in business travel behaviour. The front of the plane is starting to fill up again, the flowers are being refreshed in the conference centre lobbies, and the coffee machine in the meeting room is being switched on again.

Because as much as the global business community has been able to find new, nifty e-ways of doing things, there is still nothing as powerful as human touch. And so, after a two year hiatus, conferences are being replanned, meetings being rescheduled, incentive targets being reset, and relationships being rebuilt.

Interestingly, the new way of doing business is a fusion of touch and technology. There are times when it is easier, more efficient and more cost effective to book a video conference than a flight.

Like all things 'e-' in our lives, they have a time and place. But when it comes to investing in relationships, be they business or personal, 'being there' matters. Decisions are made with handshakes. Decision makers need to read not just the message but the body language of the messenger. Business culture needs warmth and nurturing to grow.

It's time to get back to business, and business travel. Because the fact remains – the value of a real smile will always exceed that of a smiley.

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