



**Building a flexible
travel policy:
how to reduce spend
by putting employees
first.**



Why are travel policies so tricky? It's because usually, they fall into two categories: rigid and cost-conscious, or unmanaged and expensive. The former keeps finance teams happy, the latter keeps travelers happy, and since there hasn't been much middle ground, business travel has mostly been a zero-sum game. Through our research, we're finding that the middle ground has a lot of merit; we think of it as the "Goldilocks zone" that's not too overmanaged, not too open, and gets things just right by matching business goals with employee engagement. Think about it—compliant expense reports are time-savers for finance teams, and since everything's already logged and accounted for, road warriors get to focus on what they do best. It's good news for everybody.

Ready to make your travel policy "just right?" Let's review some building blocks. Over the next few pages, we'll walk through some simple, actionable ways to make sure compliance fits everyone's needs.



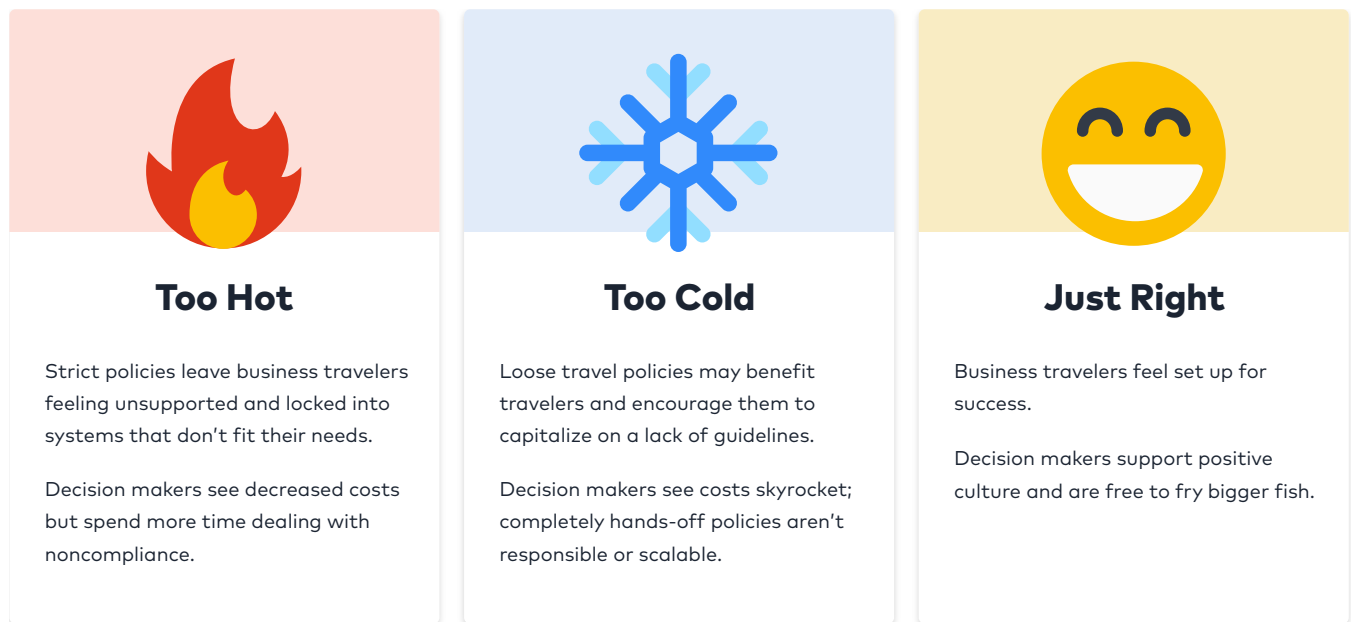
Why do you need a good travel policy?

"Employee engagement explains two-thirds of our client experience scores. If we increase client satisfaction by five points on an account, we see an extra 20% in revenue, on average."

– Diane Gherson, Chief HR Officer at IBM

It's a fact: happy employees increase revenue. It doesn't mean you have to say yes to every ask or throw the budget away, but making sure your staff is engaged, feels heard, and gets needs met creates a better culture and a better chance for all-around success.

To use our "Goldilocks" model, let's talk about why traditional travel policies are "too hot" or "too cold" by looking at how they're made. Believe it or not, policies are usually based on a combination of last year's budget, some past travel expenses, and a little recon about pricing for flights or hotels in destination cities. So, what's missing? Variables like costs between destinations, time of year, and even company goals can make things complicated for everybody if they're left out of the equation.



What makes a policy too hot?

No wiggle room in the budget to account for different travel scenarios. This type of policy is typically decided at the top, and the intentions behind it are good—save money while driving revenue—but the spirit gets lost in the execution.

And so the opposite happens: finance teams get stuck enforcing compliance while road warriors waste time bending over backwards trying to stay within a budget.

83% of road warriors say a new firm's travel policy would be as/more important than new pay and responsibilities

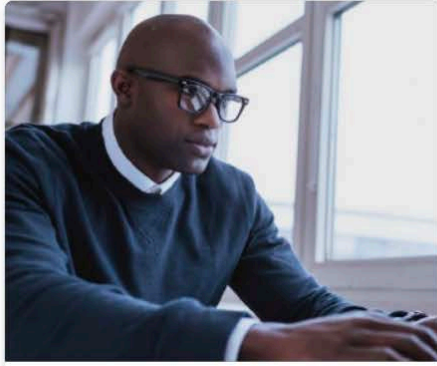
– MMGY Global and ARC Report (2016)

What does a good travel policy look like?

Travel policies come in all shapes and sizes, but we've identified three best practices to keep everyone on the same page from start to finish.

Best Practice 1: Cross-Functional Collaboration

Get business travelers involved from the get-go, and keep them involved throughout the entire process, using their knowledge to inform the decisions you make along the way. All stakeholders need to come to the table to come up with a policy that works for everyone.



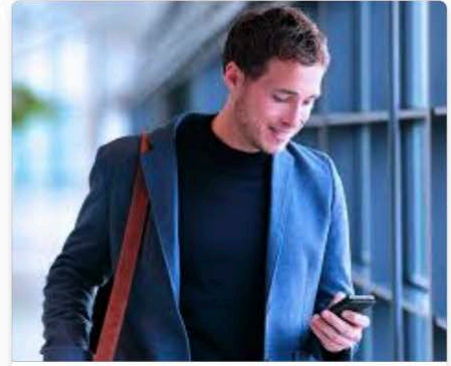
Finance / Ops

- Cost controls
- Visibility
- Reporting



HR

- Employee engagement
- Talent acquisition
- Duty of care



Road Warriors

- Convenience
- Cost vs. productivity
- Loyalty/status

Finance/Ops: Controlling costs, predictability, and visibility are all top of mind. Pre-trip budgets are a huge help with forecasting, along with timely and accurate data for reporting.

Human Resources: Employee satisfaction is a major driver, and a flexible travel policy is a big draw for talent acquisition. With the ubiquity of open bookings, they need to know where travelers are to maintain a Duty of Care standard.

Road Warriors: Almost 40% of frequent business travelers said convenience was the most important benefit in a travel policy, followed by cost. And since many are loyal to specific carriers and want to maintain status or earn points, a solid selection of travel partners is critical.

But don't stop there. Once your travelers are on board, keep checking in to make sure they have the tools they need to succeed, and be transparent about policy changes before they take effect to make sure your employees start happy and stay happy.

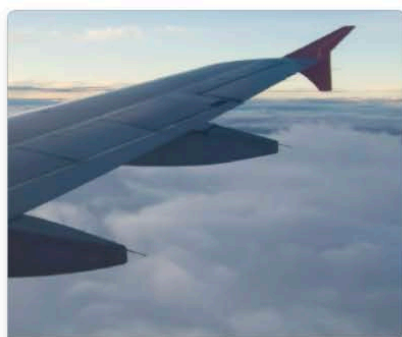
Best Practice 2: Benchmarks And Trends

Stress test your policy against current travel trends, and go beyond the basics like airfare, lodging, and ground transportation.

For example, a mobile app like TravelBank lets employees scan and submit receipts instantly, and the expense is automatically submitted. Business travelers get reimbursed sooner, and finance teams can check in on trip expenses in real-time. But trends aren't just technological; they're also behavioral.

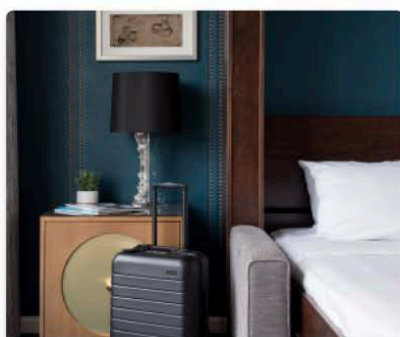
Enter "bleisure." Travelers are increasingly mixing personal travel with business travel, so embrace it! Encourage your employees' work/life balance by clearly defining the line between work and personal expenses in your policy, but with the understanding that this is an opportunity to introduce another pillar of company culture. The growing acceptance of this kind of flexibility is even more proof that meeting in the middle is the way to go.





Airfare

- Non-stop
- "Classic" Economy
- Advance Purchase



Lodging

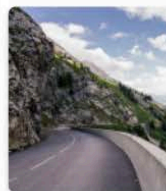
- 3-Star Hotels
- Alternative lodging
- Stay with friends



Uber / Lyft / Public Transit



Expense / Payments



"Bleisure"

Airfare: For flights, skip the layovers. And while business class isn't necessary for shorter travel, bump it up from basic economy and encourage flyers to book as far in advance as possible.

Lodging: This has the most potential for saving on costs, especially if travelers are going to expensive cities like New York City or San Francisco. Three-star hotels are a solid choice, and so are alternative options like AirBnB for Work and boutique hotels, which can be less expensive. Some companies even reward travelers who stay with friends and family.

Ground Transport: Rideshare services like Uber have overtaken car rentals, and public transit is a viable option in many cities.

Expenses: Thanks to mobile apps, submitting expenses is as easy as taking a selfie.

Bleisure: It's here to stay, so embrace it. Generally speaking, it gets the green light if employees are responsible for related personal costs.

Best Practice 3: Building Flexibility

The key to a well-balanced travel policy all comes down to flexibility. By being flexible on a number of variables, you can create dynamic options that single-handedly boost employee engagement and compliance.

Evaluate Priorities: Align your travel policy with your corporate goal. If you're going through a period of fast growth and customer acquisition, maybe you'll need to be less strict about the business travel expenses or lead time for booking flights and accommodations.

Create Traveler Personas: Offer different policies based on roles and departments. For example, does an engineer who travels twice a year need the same amenities as a road warrior?



The Road Warrior

- Travels 25+ times per year
- Travels to many domestic destinations
- Optimizes for loyalty points and convenience



PREMIUM ECONOMY



4 STARS



CAR RENTAL



The Marketer

- Travels 4-5 times per year
- Conferences/events only
- Travels with team



NON-STOP ECONOMY



3 STARS



RIDESHARE



The Engineer

- Travels 1-2 times per year
- Travels to conferences and team offsites
- May or may not travel with team



NON-STOP ECONOMY



3 STARS



RIDESHARE

Review Travel Norms: Along with benchmarks and trends, it's important to understand how your company travels, and build that into your travel policy. Ask yourself questions like: is the last week of the month busier for your sales team? Is same-day travel for meetings the norm?

Understand Variables: There will always be factors outside of your control. Variables like destination city, time of year, and which dates you pick will make a huge impact on cost.

A case for flexible travel policies.

Let's go back to some of those variables we were just discussing. Say your sales team lives and works in DC, but needs to travel to San Francisco during Dreamforce. As you can see below, the estimated travel budget for Dreamforce week is a lot higher than the estimated budget for the week before.

ROUND-TRIP	ONE-WAY	MULTI-CITY	
<div><div>WASHINGTON, DC, USA</div><div>09/24</div></div> <div><div>SAN FRANCISCO, CA, USA</div><div>09/28</div></div>			
<div><div>✈</div><div>\$400.09</div></div>	<div><div>🛏</div><div>\$3,106.93</div></div>	<div><div>🚗</div><div>\$335.36</div></div>	<div><div>🍴</div><div>\$333.00</div></div>
<div>RECALCULATE BUDGET</div>			
BUDGET ESTIMATE		\$4,175.38	

DC TO SF DURING THE WEEK OF
DREAMFORCE 2018

ROUND-TRIP	ONE-WAY	MULTI-CITY	
<div><div>WASHINGTON, DC, USA</div><div>09/17</div></div> <div><div>SAN FRANCISCO, CA, USA</div><div>09/21</div></div>			
<div><div>✈</div><div>\$402.38</div></div>	<div><div>🛏</div><div>\$1,586.31</div></div>	<div><div>🚗</div><div>\$353.93</div></div>	<div><div>🍴</div><div>\$333.00</div></div>
<div>RECALCULATE BUDGET</div>			
BUDGET ESTIMATE		\$2,675.62	

...THE WEEK BEFORE DREAMFORCE 2018

Obviously, your employees can't control these types of external variables. It's going to be incredibly difficult for them to comply with a policy based on "off-peak" prices during an "on-peak" week, no matter how hard they try. Being flexible keeps the stress off them, and lets them focus on what they do best: driving sales.

What do you need from a travel policy?

"Corporate travelers have grown accustomed to sophisticated leisure tools...Business travelers know what is possible and know they are not getting it from their corporate tools."

– Corporate Travel Innovation Manifesto (Microsoft), 2017

There's no one-size-fits-all policy, but a great policy needs an equally effective tool to back it up.

Think of a well-designed museum exhibit. Its floor plan—the way you're directed to move through and see the different pieces of art—is an invisible guide, working in the background while your full attention is kept on the art. You'll probably only notice it when it doesn't work, and when it's effective, you'll have a great experience.

Your travel software should be the same, letting you get the important stuff done without focusing on the nuts and bolts.

So, what does a business tool need to be effective?

Multi-platform: Mobile apps are a must for travelers in the field, and expense reports should get the desktop treatment they need.

Intuitive UX: A good tool inspires confidence through its usability. If travelers enjoy using it, they're more likely to be compliant.

Saving incentives: More carrot, less stick. Rewarding employees who beat their estimates means travelers get what they want and stay within budget.

Support: Rockstars need roadies. 24/7 travel support lets business travelers focus on getting the job done instead of sweating the small stuff.

Armed with an app like TravelBank that combines all of these features with the field-tested best practices we've discussed, you're ready to set up a T&E policy that gets it just right. When decision-makers and employees meet in the middle, everyone wins.



Ready to put your own travel policy in action?

TravelBank is available on [desktop](#), [iOS](#), and [Android](#). Sign up for free to create your own expense reports, invite teammates, and start building your new travel policy in minutes.

GET STARTED

Questions? We'd love to hear from you.

Tap "Chat With Us" in the app.

Send us an email: success@travelbank.com

Message us on Twitter: [@travelbankhq](https://twitter.com/travelbankhq)

