



Topaz Audit Finds Savings Opportunities for Clients

When examining corporate travel policies, certain questions are bound to come up: How much could the company save by shifting travelers from business class to coach? What if the policy recommended alternate airports? Do nonrefundable fares actually save the company money?

As senior management increasingly scrutinizes every dollar spent on travel in this current economic climate, even mature travel programs are seeking to squeeze further savings from their program.

Whether studying the impact of potential policy actions, supporting policy recommendations to senior management, or looking for further savings in the travel budget, Topaz's Potential Savings Analysis provides the answers to such policy questions based on the client's travel patterns and traveler behavior. One Topaz client now sees savings of about \$400,000 a month after conducting a Potential Savings Analysis.

"We got engaged with Topaz to help us analyze what would be a few key drivers if we changed our policy—what would be the impact around savings," said Doug Weeks, director of global sourcing and travel for Booz & Co. "Everyone's looking for dollars right now."

With an annual U.S. booked air volume of nearly \$30 million, the company examined several policy actions and their results, from using refundable versus nonrefundable fares and altering the connection policy, to restricting business class and changing the departure window. In each scenario, Topaz tells the company the exact dollar amount the company could save if such policies were deployed.

"Before we make policy changes that could be more restrictive, we need to understand how it's going to benefit the company overall and make sure it's worth it," Weeks said. "If it's minimal savings, there's no sense in requiring people to have an undo burden in their already erratic travel schedule."

At Booz, the results of the audits were a must-have in the policy review and subsequent meetings with senior executives. In some cases, the audits showed the company's policy is the right fit, while in others, the reviews showed room for savings through policy changes.

"The idea [behind the audit] is to understand the levers on saving additional money and to take this back to our executive team and say, 'We're looking for cost drivers here and we're looking for savings; here are four.'"

The company's review showed that Booz should maintain its policy to allow nonstop flights when available, but the company saw room for savings by recommending travelers take advantage of nonrefundable tickets. One of the bigger changes to the policy came when executives realized how much the company could save if it discontinued first-class usage. "We have changed that policy: It's business class over the waters—even for senior executives," Weeks said. "No one is taking first." The company also garnered savings by adjusting its business class policy for transcontinental flights. "They now fly economy on those flights."

Weeks said the savings projected by Topaz's audits came to fruition after deploying the policy. "Just from adjusting our premium class policies we're saving around \$400,000 a month, so it's not insignificant," he said.

With such savings garnered through the Topaz Potential Savings Analysis, Weeks said the return on investment is easily demonstrated. "When you look at the cost of running the audits, it's miniscule compared to what it could identify in savings," he said. "It's incumbent upon us to seize those opportunities. When we look at what we're paying on airfares for the month, this is such a small cost of that. Using what the audit finds and seizing the opportunities, the service pays for itself 10 times over."

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About Topaz

Topaz International is the global leader for auditing and other strategic services to the corporate travel management professional. Topaz has over 30 years of experience of auditing airfares and other travel related expenditures and supporting travel managers, buyers and agencies to improve performance and facilitate cost savings. Topaz will assist you in validating savings during these difficult economic times.

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