Turning Program Leakage from a Challenge to an Opportunity

RITCHIE BROS.
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Ritchie Bros. at a glance

Ritchie Bros. delivers choice to sellers around the world. Ritchie Bros. is a global asset management and disposition company, offering customers end-to-end solutions for buying and selling used heavy equipment, trucks and other assets through multiple onsite and online selling platforms.

Primary HQ:
Burnaby, BC, Canada

Headcount:
2000+ in 40+ location across 15+ countries

Michelle Grant
Travel Administration Manager

Ritchie Bros. was aware of travel program leakage and wanted to understand why some individuals opted to book off-channel rather than complying with company policy. To achieve this understanding, Ritchie Bros. turned to travel data technology provider, Traxo. With Traxo deployed, Ritchie Bros. can now identify off-channel spend and booking activity, closing critical data gaps and enhancing itinerary awareness for traveling employees.

Three years ago, embracing off-channel bookings as part of her company's travel program may have been a stretch to Ritchie Bros. travel administration manager, Michelle Grant. Despite having a mandated travel policy, like many companies, Ritchie Bros. struggled with program leakage. Recurrent reconciliation and budgeting data challenges presented by this leakage activity was a key factor that drove Grant to find a technology provider to solve their data gaps since a stand-alone mandate wasn't working.

"We understood that travelers were booking outside of our preferred booking channels, and we needed to find a solution that would give us visibility into all our travel spend and traveler whereabouts – regardless of booking channel," Grant explained of her program.

Grant discovered Traxo through industry conferences and tradeshows, initiating a pilot of Traxo to audit her program's activity in October 2019. This audit confirmed leakage in all three travel categories of flights, hotels, and car rentals. More importantly, because these bookings were detected as soon as they were booked, Grant's team had the pre-trip lead time required to alert employees of any risks at their destination or course-correct if employees booked beyond company budget.

This real-time data visibility gave Grant a new perspective on off-channel bookings: she could now manage this activity the same way she managed in-program bookings made via their TMC partner, applying the same risk, compliance, and budget policies to supplier-direct bookings as those made via the TMC. As the

TRAXO

company's perspective on off-channel bookings evolved toward the end of 2019, they were soon on a path to embracing the omnichannel approach to travel program management, continuing their post-pilot rollout of Traxo in early 2020.

As of Q4 2020, Traxo has been in place for 10 months. Grant uses both her TMC and Traxo as complementary data sources, giving her peace of mind knowing that wherever the traveler chooses to book – and wherever they go around the globe – the critical itinerary, supplier, and spend data will be captured and consolidated for duty of care, negotiating and budgeting purposes. Armed with the right travel management tools like Traxo, Grant can be more effective in her role as travel administrator.

Traditionally, travel data has not served as the primary resource when preparing the company's annual travel budgeting process. Now, Grant envisions her Finance team leaning on this rich travel data provided by Traxo, which empowers the company with a more holistic view of its program. "With Traxo in place, I no longer have to spend countless hours trying to reconcile expense, credit card, and TMC reports, so I can focus on bigger picture initiatives for our program," Grant noted.

> " Now I have the resources available at my fingertips to run travel reports from both our TMC and Traxo to obtain a consolidated view of our travel spend and traveler whereabouts. Between Traxo and the TMC, it feels that 99.9% of booking data is now being captured. "

Ease of Implementation

Following the initial pilot in 4Q19, in January 2020, Ritchie Bros. was ready to launch Traxo and circulated a company-wide announcement focused on traveler safety. When Ritchie Bros. introduced Traxo to their global travelers as a solution to manage off-channel bookings, they understood that it would provide the company with the necessary insights to modernize their company's travel program, including more flexibility for travelers. "Visibility for traveler safety was first and foremost, followed closely by the improved ability to negotiate the best rates with travel suppliers," stated Grant.

What attracted Grant to Traxo was the technology providers' simplistic, hands-off approach to capturing data, which required no involvement from the traveler and no training on a new system. Traxo automates this step by taking advantage of standard mail forwarding technology: a simple rule set was applied to the corporate email server by the Ritchie Bros. team to auto-forward to Traxo any confirmation emails from travel suppliers as soon as employees book. The configuration process took less than thirty minutes, and started capturing booking details immediately.

Grant acknowledged some initial confusion regarding auto-forwarding emails and potential privacy concerns from employees, but pointed out that this is data the travel team already processes – either via the TMC or via expense reports submitted after the trip. Traxo does not "scan" emails or access any internal company systems or sensitive personal data.

"We proactively addressed this question in our initial communication, reminding travelers that Ritchie Bros. uses Traxo to help keep you [our travelers] safe and to capture travel spend," said Grant. "We assured them that TRAXO was assessed by the privacy and security team, who validated that Traxo has policies and procedures to manage our global privacy and security concerns."

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Identifying Leakage

Prior to implementing Traxo, Ritchie Bros. was aware of these off-channel bookings, primarily through expense reports submitted post-trip; however, the travel team didn't have any meaningful detail about these trips. Grant also didn't have good insight into why they were occurring, although she suspected traveler satisfaction played a role as travelers found it more efficient to visit brand.com websites to make a travel reservation – especially when loyalty status was a factor.

Ultimately, the reasons why employees book off-channel are less important now that the data is readily available and actionable before travel occurs. "While leakage is not decreasing per se, it has shifted from being invisible to visible," noted Grant. "Now I have the resources available at my fingertips to run travel reports from both our TMC and Traxo to obtain a consolidated view of our travel spend and traveler whereabouts. Between Traxo and the TMC, it feels that 99.9% of booking data is now being captured."

> " We gain confidence knowing the travelers' itineraries are captured through Traxo automatically, so long as the business trip is booked using their company email address. "

Data is King

Pre-COVID, approximately 60% of the company's accommodations were reserved through hotel room blocks, conference bureaus, or client-preferred hotels. Prior to Traxo, Grant was unable to gain insight into these travel itineraries, as they were only captured post-trip during the expense reporting process. "This is far too late to shift traveller behavior, be proactive in addressing non-compliant bookings or locating travelers should an emergency occur," said Grant.

Thanks to the implementation of Traxo, Ritchie Bros. now has access to an entirely new raw data set and dashboard through Traxo's Data Explorer. "In addition to our preferred air, hotel, and car suppliers, our policy permits the use of shared services such as Airbnb, Lyft, and Uber. All of this data is seamlessly captured through Traxo."

The data provided by Traxo helps Grant identify new spend areas that she was previously unable to access due travelers' off-channel booking behavior. With this newfound data, Ritchie Bros. can illustrate supplier performance increases or decreases, identify potential new partners, and is better equipped to negotiate supplier contracts. Traxo data enables a smoother procurement process for Grant with access to more travel data analytics than ever before. In summary, Grant said, "Traxo captures off-channel bookings for all travel suppliers, including shared services, to help you better manage your travel program."

Using Traxo during COVID

With a global presence, it's wildly important that the company knows where employees are traveling. In March, during the onset of COVID-19, Ritchie Bros. immediately reduced all travel to business-critical trips. Said Grant, "We were thankful to already have Traxo in place, giving us a complete picture of where employees were traveling from, where they currently were, and where they were going."

The level of increased visibility into traveler locations was particularly important in the early stages of COVID and remains critical as the pandemic continues. Combining Traxo data with TMC data allows Grant to promptly communicate with all travelers before, during, and after travel occurs.

Growing the Program

In addition to deploying Traxo Filter for identifying supplier-direct bookings as they're made, Grant is exploring Traxo Direct to capture additional program savings opportunities. Traxo Direct enables employees to book their company's negotiated rates directly on airline or hotel sites, so they get the dual benefit of loyalty perks coupled with the private rates their company has negotiated with that supplier. This allows Grant to offer her travelers the flexibility of booking wherever they choose, while she gains negotiated rate savings coupled with the peace of mind that travel data and duty of care are not compromised. While Grant isn't ready to endorse a true "open booking" program, she recognizes that with the help of Traxo, this could be a future consideration for the company's travel program.

To learn more about how Traxo improves program compliance, expense reporting, duty of care and traveler satisfaction, visit www.traxo.com

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