



Sherrie Bell, Executive Assistant / Travel Coordinator has been with the company since 1999. Sherrie has responsibility for all travel and meeting services within PrimeSource

Building Products.

PrimeSource Building Products, Inc.

is the largest purveyor of fasteners in the world, and one of the largest distributors of building materials in North America. Based in Carrollton, TX the company operates 36 distribution centers across the US.

PrimeSource's annual travel spend is approximately \$1.2 million in air spend, \$270,000 in car rental, and \$1.1 million in hotel bookings.

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Best Practice Case Study

Consistent and Cost-Efficient Pre-Trip Approval at PrimeSource Building Products

Tired of paying high fees to their phone-based agency that many employees were not using, PrimeSource Building Products tasked Sherrie Bell with implementing a new lower cost program that would ensure all of the company's air travel purchases were subject to a consistent pre-trip approval process. Find out how her new program has consolidated PrimeSource's air spend, greatly reduced the risk of employee fraud and lowered service fees by 80 percent.

Taking PrimeSource's Travel Program to the Next Level

Although its average trip costs were reasonable, PrimeSource Building Products realized it had to make substantial changes to its travel program. The \$80,000 in fees charged by their preferred agency in the previous year consumed close to 5 percent of the travel budget.

The company was also at risk of employee expense fraud. With many purchases being made by employees without any policy enforcement, PrimeSource had no ability to catch out-of-policy or unnecessary purchases until the trips were already taken and expensed. It was also impossible to know whether unused tickets were being re-used for legitimate business travel, cashed in for employees' personal travel or simply being left to expire.

Sherrie Bell, PrimeSource's newly assigned Travel Coordinator was asked to find a new preferred agency with lower service fees. She was also charged with implementing a new program that would help PrimeSource feel confident that its employees were traveling when they were supposed to, and making the right travel choices.

Steps to Success

To achieve her goals for the new program, Sherrie took the following steps:

Revise Travel Policy

With her CFO Jerry Kegley, Sherrie revised the company's travel policy to require that all air travel must be reserved and approved prior to purchase through Egencia[™]. Sherrie became the designated approver for all employees in order to ensure the new policy was applied consistently across the entire company. The new policy also reinforced that employees are to make air reservations 14 days or more in advance. As evidenced by the following

Identifying Travel Program Goals

Sherrie's specific goals for the new travel program were:

- Consolidate air travel spend through a single preferred agency
- Significantly reduce fees as a portion of PrimeSource's budget
- Implement consistent and efficient pre-trip approval procedures to allow complete oversight over travel purchases
- Increase the number of tickets purchased 14 days or more in advance

Says Sherrie, "We want employees to make their own travel plans but their itineraries need to be approved prior to purchase to be certain they are making the right choices."

After reviewing several agencies, PrimeSource chose Egencia™ as their new preferred agency because of its lower service fees and its efficient TripController pre-trip approval functionality. The company was now ready to design and implement its new program.

statement at the top of the new policy, the company stressed the need to make cost conscious travel decisions: "Traveling on business and business entertaining is expensive. All business travel and entertainment decisions should be made as if the employee was spending his/her own money."

Define Pre-Trip Approval Process

The pre-trip approval process was setup within PrimeSource's Egencia account by incorporating the TripController™ functionality with the following settings:

- All air bookings, both in and out-of-policy, require approval prior to purchase
- Sherri is the default approver of all travel bookings
- No exceptions are allowed for last minute bookings
- All domestic and international fares above \$500 require approval before booking

To prove they are serious about controlling spend to employees, even executive travel bookings are subjected to the approval process.

Allow Employees to Make Their Own Travel Choices

"An important part of our approval process was to ensure that employees were still able to make their own travel choices from a wide variety of in-policy options," says Sherrie. Employees now identify and reserve their preferred itineraries within the company's Egencia account and the itineraries are automatically routed to Sherrie for review. The approval request e-mails include:

- The reserved itinerary information
- Information regarding whether the travel is in or out-of-policy
- The lowest logical fare available for the same itinerary
- The reason for travel

With a quick glance, Sherrie can determine whether or not to approve and purchase the travel for the employee.

Implement Reasonable Policy Settings

The company's policy parameters (see chart) were set up to guide employees to make the right choices upfront and reduce the need for itinerary changes at the approval stage. All out-of-policy options are clearly flagged when employees are making their travel bookings. The air policy settings with the company Egencia account:

- Enforce the 14-day advance purchase policy
- Provide for a low-fare tolerance of up to \$150 for most travel groups

When determining the lowest logical fare for an itinerary, only flights up to 60 minutes from the preferred departure time and with a maximum of one connection are considered reasonable. "Given that we already require a 14-day advance purchase, these parameters

Key Online Reports used at PrimeSource Building Products

- **Air Trip Detail**
To reconcile air travel purchases with the company's corporate card
- **Pre-trip Air Detail**
To find travelers who have yet to book their meeting travel

PrimeSource's Baseline Policy

Air

Class of Service	Domestic – Coach Only International – Business class allowed for flight over 10 hours in duration
Advance Purchase Settings	Minimum 14 days, maximum 365 days parameters enforced
Lowest Fare Tolerance	Up to \$100-\$250 from lowest logical fare depending on traveler group
Web Fare	In policy
Reasonable Flight Parameters	+/- 60 minutes in duration Any length in duration is reasonable Maximum of 1 connection

Car

Car Class Policy	Premium and luxury cars are out-of-policy
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Central Billing

Card(s)	Central bill cards provided for air purchases
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allow employees to find a reasonably low-cost fare without overly inconveniencing them," says Sherrie.

Communicate New Program to Employees

To let employees know that the new travel program was coming and to encourage them to create a traveler profile, communication efforts included:

- An e-mail to all employees announcing the new program
- New links to the Egencia account on the company's intranet and information on the new program
- Training classes for employees on how to use the new Egencia account

Cut Over to New Program

On June 1, the new program and approval process was put in place. Immediately, 70 percent of employees found it very easy to switch to the online booking model. The remaining 30 percent who were not used to booking their own travel would contact Sherrie and request that she book on their behalf. Sherrie was patient but firm in her response. She would typically create the booking for them and then direct them back to book through the Egencia account for their next trip. Within just 2-3 weeks, the calls to Sherrie decreased significantly as employees realized it was very easy to make their own reservations.

Deal with Resistant Travelers

A few resistant travelers still preferred to book directly with suppliers and provided the rationale that they could find a lower fare by doing so. Sherrie investigated their claims and found the overwhelming majority of the time that the same itinerary was available through the Egencia account. By demonstrating to these employees that Egencia offered their preferred itineraries and re-iterating the importance of consolidation, she convinced the resistant travelers to follow company policy.

Promoting Advanced Air Purchases

Employees were educated on the importance of purchasing air travel in advance by company executives and their immediate managers. "We all tell our travelers that they need to book 14 days in advance and it's now ingrained in our culture. Once employees set their travel schedule for the next month, they immediately go online and book the 3-4 tickets they need all at once."

Ongoing Communications to Employees

Periodic e-mails to employees continue to promote policy compliance and links to PrimeSource's policy are included in the travel search pages of its Egencia account. Links to the tips and tutorials offered by Egencia are also included to help new travelers.

Advanced Purchases for Meeting Travel

Sherrie ensures meeting travel is booked well in advance by running the Air Advance

A Few Words of Advice from Sherrie

"If I could do it again, the only thing I would change is to roll-out the pre-trip approval program with a small sample group first. We started the new program with all employees at the same time and it was a bit overwhelming for me and employees who were used to booking wherever they liked. Within 2-3 weeks we had the program running smoothly but if I had started with a smaller group I could have identified some of the questions I would receive upfront and improved the rollout to all employees."

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Purchase Detail report 2-3 weeks prior to the event. The report helps her to identify employees who are attending the meeting but who have yet to purchase their travel. She can then contact them to remind them to make their travel purchases as soon as possible.

The Post-Implementation Results

PrimeSource has enjoyed the following results in just a few short months:

Consolidation of Air Spend

98 percent of PrimeSource's air travel bookings are now made through their Egencia account. As all of these bookings are subjected to policy enforcement and pre-trip approval the risk of employee fraud is greatly reduced.

Significantly Reduced Fees

Fees with PrimeSource's new program are approximately 80 percent lower, even though nearly all of the company's air travel is booked through their new account. When purchasing approved travel for employees, Sherrie is able to keep her fees down by completing the purchase online over 98 percent of the time

Efficient Pre-Trip Approval Process:

The new pre-trip approval process is very efficient. Sherrie reviews more than 300 air, car and hotel bookings per month without significantly impacting her productivity. "With the TripController[™] functionality, it takes very little time for me to approve and purchase a trip. Employees can see what is in and out of policy when they make their choices, so it's very rare that I have to actually change their itinerary before approving the purchase." Given that PrimeSource's average airfare is just \$370, it's clear that the approval process is causing employees to make smart travel decisions.

Reduced Fraud Risk:

PrimeSource now has full visibility of its employees' air travel purchases which highly reduces the risk of employee fraud. The program also provides online unused ticket tracking. Sherrie knows when unused tickets are expiring and can easily apply them to new travel plans during the approval and purchase process.

Advance Air Purchases

With PrimeSource's new program in place, 73 percent of trips are now booked 14 days or more in advance, and 50 percent are booked more than 21 days ahead. Just 8 percent of air travel is booked less than 7 days in advance. Says Sherrie, "If an employee tries to book within the 14-day window, it is very clear that they are breaking company policy. I may still approve the flight if they have to travel, but the next time they inevitably book well in advance."

Overall, the company's executives are very pleased with the lower cost and consistent pre-trip approval program Sherrie has implemented for PrimeSource Building Products.