

Firm reduces hotel spend nearly 4% and is on track for a 17% increase in compliance with Dynamic Performance Management™ for Hotel



Client profile

Industry: Financial services

Headquarters: United States

Annual hotel spend: \$12.4 million

Employees: Over 1,300

Hotels in program: 111

HIGHLIGHTS

With a Dynamic Performance Management engagement from Advito, a financial services firm has experienced the following benefits:

- + **3.2% total hotel spend savings**
- + **3.8% savings in top 10 markets**
- + **17% increase in compliance expected for 2018**
- + **More collaborative supplier relationships**
- + **Preparedness for the 2020 RFP season**
- + **Data insights that will help continued program improvement**

CHALLENGES

A longtime Advito hotel sourcing client had been fine-tuning their program for several years but only seeing incremental improvements. They were ready for a new approach to find more savings. It was also important for the client to improve program compliance. Specifically, there was interest in understanding why compliance might be lower than it should be. The company brought in corporate travel consultancy Advito to help:

- + **Improve program compliance**
- + **Optimize hotel spend**
- + **Drive meaningful savings throughout the year**



17%

increase in compliance
expected for 2018



SOLUTION

Advito provided a Dynamic Performance Management™ approach that focused on the client's top 10 markets, representing 58% of the program's total spend. This tailored solution, which complemented the client's longstanding hotel sourcing engagement with Advito, included monthly:

- + **Best Available Rate (BAR) Audits** for greater visibility into consumer rates and to evaluate the competitiveness of the program's rates.
- + **Rate Availability Audits** to identify suppliers who repeatedly didn't offer the negotiated rates and then to negotiate lower rates.
- + **Hotel Performance Dashboards** to track and review program compliance and key performance indicators, and to identify savings opportunities.
- + **Consultant insights and actions** to drive program improvements.

RESULTS

The monthly insights and actions uncovered areas of low program performance for the client to correct. One correction yielded both increased savings and compliance.

During a monthly review, Advito consultants noticed a lag in compliance and discovered it was because some negotiated rates were not available for booking. With Advito's help, the client met with the offending hotels to ensure the negotiated rate would be available for their travelers as expected, keeping costs down and travelers compliant.

The client improved compliance from 71% in 2015 to 78% in 2017, and the program is on pace to achieve 83% compliance in 2018. It's also projected to achieve \$400,000 in cost savings during 2018, which amounts to 3.2% total savings on their annual hotel spend and 3.8% savings in their top 10 markets.

Additionally, this new dynamic approach enabled the client to reduce the number of hotels in its 2018 program by 8%. Further reductions are expected in 2019. This program reduction and regular communication with suppliers have the client feeling confident and primed for the next RFP season.

Next up for the client is using the data Advito reviews every month to implement rate caps in select markets to drive additional cost savings.

Advito is breaking boundaries in corporate travel. With a powerful, intelligence-driven framework that dynamically manages supplier spend and traveler behavior, travel programs can continuously run in balance and at peak performance, keeping the needs of all stakeholders met. With smart analytics, unique supplier strategies and integrated traveler engagement, we'll elevate your program to reach new levels of savings and satisfaction. Contact us today at advice@advito.com, or for more information visit www.advito.com.