

FORTUNE 500 HEAVY DIVERSIFIED MANUFACTURER

GLOBAL CORPORATE TRAVEL PROGRAM

GLOBAL STRATEGIC SOURCING

CLIENT BACKGROUND

Diversified global manufacturer working to transform their strategic approach to sourcing. The client sought to reduce indirect expenses through operational improvements and strategic sourcing of services.

CHALLENGE

The client's disparate approach to travel management resulted in minimal visibility and discounts for travel spend. Their lack of management caused over \$100 million of unknown and unconsolidated spends across Air, Hotel, Rental Car, and Travel Management Services.

EVALUATION

Potential savings opportunities were uncovered and various organizational issues impeding cost-effective performance were identified. Specifically, the Gibson team:

The Gibson Team

- Conducted interviews and focus groups with business unit representatives and employees to determine challenges, concerns and interests for a new program
- Captured client specific business requirements needed to drive project success
- Identified current contracts for any additional savings opportunities



RESULTS AT A GLANCE

7%
SAVINGS

DELIVERED WITH IMPLEMENTED
GLOBAL CORPORATE TRAVEL
PROGRAM

\$2.2MM

BENEFIT ACHIEVED VIA CREDIT
CARD PROGRAMS

\$5.6MM

BENEFIT ACHIEVED IN RENTAL
CAR, AIR, AND HOTEL PRO-
GRAMS VIA CREDIT CARD
PROGRAMS

NEGOTIATED IMPLEMENTATION
CREDITS FROM SUPPLIERS TO
OFFSET COSTS RELATED TO
SUPPLIER TRANSITION AND
IMPLEMENTATION. PARTNER

APPROACH

To achieve total cost savings on over \$100 million in annual spend, Gibson Consulting Group implemented a Strategic Sourcing initiative targeting travel management, credit card, rental car, hotel and air providers. The Gibson team:

- Delivered skill-based training to the client team in Sourcing Methodology, Executive Communications and Supplier Negotiations
- Identified and engaged a wide-range of national, regional and select local suppliers to obtain the highest levels of operational value and coverage at the best overall cost for our client
- Utilized industry resources and market knowledge to capture competitive advantages throughout the sourcing process Negotiations, Site Assessments, and Alliance Management
- Engaged suppliers in a multi-phased approach for distribution and evaluation of online requests for proposals
- Defined and carefully developed category specific negotiable issues for effective and efficient negotiations
- Established the strategic approach of moving from a non-managed travel program to a fully managed program, opening the opportunity for increased savings in future contracts and policy modifications
- Aided in the facilitation and hire of a global travel manager

RESULTS

To achieve total cost savings on over \$100 million in annual spend, Gibson Consulting Group implemented a Strategic Sourcing initiative targeting travel management, credit card, rental car, hotel and air providers. The Gibson team:

- Achieved \$2.2M benefit via credit card programs (travel & entertainment and purchasing card)
- Achieved \$5.6M benefit in rental car, air, and hotel programs.
- Increased visibility for deeper future savings with hotel, air, and rental car suppliers
- Negotiated implementation credits from suppliers to offset costs related to supplier transition and implementation
- Established long-term mutually beneficial relationships with hotel, air, rental car and travel management partners
- Negotiated on-site travel consultant support for no price increase
- Implemented industry leading technology for traveler tracking and safety

