

WHAT IS THE PURPOSE OF CORPORATE TRAVEL?

Companies Strive to
Advance Practices



“The pandemic has turned a spotlight on business travel spend and has heightened the need for the sector to demonstrate value. In this new and still changing environment, the corporate travel industry needs to relook at our business propositions and build a better way to travel.”

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The concept of purposeful, smart, enlightened travel has been a talking point in managed travel for more than a decade. Recently, however, prompted by Microsoft’s travel team and a confluence of changes in the marketplace, a group of leading travel managers and suppliers in the airline, hotel, financial services, travel management company, travel technology and consulting segments collaborated to craft [“Corporate Travel’s Purpose: A Platform for Change.”](#)

“The value of business travel must be tied to business objectives and have a clear purpose and return while minimizing the impact on the environment and on traveler health and performance,” the authors note.

This shift is leading travel managers, suppliers and corporate stakeholders to review their approaches. This report explores how forward-thinking companies are thinking about the next era of business travel—for travelers, travel managers and their

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businesses—and the next steps to transform business travel paradigms.

‘A PLATFORM FOR CHANGE’

The "Corporate Travel's Purpose" document defines purposeful travel as, "a demand management, results-oriented, impact-conscious approach to business travel" that requires organizations to consider the purpose, value and outcome of each business trip while measuring the affect of travel on travelers and the planet. Based on that definition, it examines issues and proposes solutions around four "pillars of impact" including planet, performance, people/experience and people/inclusivity.

Such transformation will require rethinking travel policy, strategy, technology, data and metrics. Stakeholders will need to rethink when virtual vs. in-person meetings should occur and how they will measure the value of both interactions.

WHY MICROSOFT AND OTHERS THINK PURPOSEFUL TRAVEL MATTERS

As business travel volume increased, many organizations began questioning the purpose and value of each trip. Business travel has long been viewed as a way to drive relationships and revenues. While employees and management loved reconnecting with customers and prospects, escalating costs quickly depleted travel budgets. Companies placed greater scrutiny on perceived returns from business travel, as well as the affect on:

- Corporate sustainability
- Employee wellbeing and work-life balance
- Corporate culture

David Reimer, executive vice president of global clients and general manager of the Americas for American Express Global Business Travel, believes that the shift in people's relationship with work has brought purpose to the forefront, and presented organizations and travel managers with an opportunity to advance business travel from transactional to transformative.

“If companies haven’t already become more intentional with their business travel program, they’re likely working toward this.”

— David Reimer, American Express Global Business Travel

"In the age of distributed workforces and a greater focus on the employee experience, business travel has become a tool organizations can use to fuel corporate culture, incentivize employee wellbeing, create opportunities for personal and professional development, boost employee autonomy, and showcase company values such as sustainability and diversity, equity and inclusion," Reimer said.

The rise of what thought leaders refer to as the 'human capital era' is another factor nudging purposeful travel to fruition, according to Katie Virtue, client solutions lead with Festive Road consultancy.

"Discussion around the needs of the employee is prioritized now," Virtue said. "Businesses are shifting from a focus on serving stakeholders to recognizing how valuable their people are and the investments they need to make in them." As a result, many organizations have increased their focus on employee work-life balance and all facets of wellbeing, including mental health. The stresses of business travel can no longer be ignored.

SUSTAINABILITY PUSH AND PULLS

What Reimer describes as "the lens of sustainability" is intensifying internal scrutiny of the value, purpose and outcomes of business trips. Regulatory reporting requirements on the horizon are one factor in play.

In the United States, pending [Securities and Exchange \(SEC\) mandates](#) would require public companies to disclose information about the climate risks their businesses face, as well as the carbon emissions of parts of their operations. As of the first quarter 2023, intense [opposition from corporations](#) could force the SEC to scale back the scope of mandated disclosures.

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Concern about the environmental impact of business travel, particularly among younger employees, is also sparking increased interest in the sustainability component in purposeful travel.

“Younger travelers want to know how to travel more sustainably,” noted Virtue. “They’re coming into the workforce wanting to do valuable work, and they’re pushing companies to be more purposeful. Travel ties into that. If you feel a connection to the work you’re doing and the meaning behind it, you’re certainly going to want the travel program to follow suit.”

CONFLICTING PRIORITIES EMERGING FOR BUYERS

Conversely, recent research by the Global Business Travel Association indicates that most travel managers continue to prioritize cost containment/savings (60%), travel policy compliance/enforcement (57%) and risk management/duty of care (46%). A focus on traveler satisfaction may be needed in planning for the next decade of corporate travel.

Making purposeful travel part of travel management programs faces multiple challenges, including adopting and implementing the principles in line with existing—and possibly competing—organizational priorities and norms.

BALANCING BUSINESS, EMPLOYEE AND TRIP GOALS

“One of the primary challenges is finding the right balance between the purpose of the trip and the business goals of the organization,” said Jason Chiappetta, founder and managing partner with Meleleo, a healthcare solutions firm. “Companies need to ensure that their travel program supports their business objectives while also promoting responsible and sustainable travel practices,” he said. Chiappetta also identified cost considerations, which include limited business travel budgets, organizational resistance to change, and lack of awareness and education among travelers as potential obstacles.

“One of the primary challenges is finding the right balance between the purpose of the trip and the business goals of the organization.”

— Jason Chiappetta, Meleleo

“I’m not sure how we make it programmatic,” said Eric Bailey, Microsoft global director of employee travel and devices. “For purposeful travel to make its way into managed travel programs there are tools we need which we don’t have yet, including the ROI of travel. It’s very difficult to get an institution or a company to understand how valuable your trip was; an individual traveler can assess that much better.”

Reimer also noted that measuring the ROI of travel and meetings, while never a straightforward proposition, is now even more complex as it encompasses employee engagement, development, retention and wellbeing as well as sustainability, diversity and opportunity.

For travel managers who are primarily evaluated based on their cost-savings initiatives, shifting the mindset of internal stakeholders from viewing travel as a transaction-based cost center to the value-add “transformational tool” described by Reimer is the basis for widespread implementation of purposeful travel.

That’s a hard road to travel. “Ultimately,” noted Virtue, “you probably won’t get every organization to move away from the cost-savings mindset. What I see happening in the next year or two is people thinking more about how to actually execute some of this” ... and then working with supplier partners, new tools and data to help decision makers define a valuable trip.

Innovations in travel technology, infrastructure, and supplier relationships will also be needed to “drive value and deliver on the promise of a more fulfilling traveler experience” not only in business travel but across all travel segments, according to the [“Delivering Traveler Value”](#) report from Amadeus and Microsoft.

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PROSPECTS FOR PURPOSEFUL TRAVEL

In spite of the challenges, there are signs that purposeful travel is gaining broader understanding. Virtue said, “The language has been adopted. People are talking about the concept consistently, and whether they use purposeful travel or smart travel, it’s now part of the vernacular.”

In a recent survey of more than 500 organizations that downloaded Festive Road’s “[Purposeful Travel Model](#),” about 80% said they have adopted, or plan to adopt, a purposeful approach to travel. While the data are not definitive, “It’s a good indicator of where we are going,” Virtue said.

WILL THE LATEST PLATFORM PUSH NEEDLE ON PURPOSEFUL TRAVEL?

Rather than a direct change maker, most see the latest “Corporate Travel’s Purpose” platform as an influential force in transforming business travel to meet new demands. Michelle DeCosta, global head of travel/meetings and

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— Michelle DeCosta, Takeda

events with Takeda, points to the affect the Microsoft brand is likely to have on furthering the discussion—and encouraging more businesses to adopt purposeful travel principles. “There’s power in being able to quote that Microsoft is doing this,” she said. “There’s power in being able to point to the platform as a roadmap; a framework that others can consider following.”

Pam Massey, deputy director of global travel with the Bill & Melinda Gates Foundation, agrees: “The collaborative effort of the Microsoft platform will, I hope, accelerate understanding and adoption.” ●

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