

1. Problem Statement

ATPI Griffinstone was appointed as the global travel management company (TMC) for a deep water drilling company. It was quickly established that the client's operating regions and its London headquarters all booked their own local preferred hotels. This meant there was no consolidated method for measuring value or identifying savings opportunities.

2. Aims

Consolidation of hotel expenditure to strengthen negotiating power with hotels. As well as improving visibility of travellers.

3. Method

ATPI Griffinstone undertook a two week study of the clients' total hotel expenditure. The results showed that in most locations, staff stayed at a wide range of hotels with varying rates. The expected number of room nights by location and by traveller category were calculated using the previous year's booking information. ATPI Griffinstone then targeted hotels from their inventory of 500,000 properties. A number of hotels were invited to tender and made aware of the value of being a preferred partner. As well as best value rates, allocation and last room availability was secured in the client's most important locations.

4. Impact

By consolidating the client's hotel programme and using a bespoke hotel system to identify opportunities, ATPI Griffinstone has proactively improved cost savings month after month. In the first quarter alone, the client saved US \$224,000 (7%), compared to its accommodation costs for the same locations a year earlier. The client therefore revised its annual savings target from US \$500,000 to US \$1,000,000.

Total hours saved

Significantly reduced the workload of individuals who managed hotel relationships locally.

Total savings anticipated

Annual savings target revised from US\$500,000 to US\$1M