



KEY TRAVEL



Would you like to save 20% of your travel budget?

Key Travel is in its 30th year of being the UK's leading travel management company exclusively serving the not-for-profit sector.

We have developed a unique programme aimed at helping Finance Directors and procurement professionals address the challenge of reducing their annual travel expenditure, estimating that for most customers we can achieve savings of 10-20%.

The Key Travel Cost Reduction Programme

The Key Travel cost reduction programme concentrates on the largest areas of expenditure - airline ticket prices and hotel rates. We chose these because they usually represent 50-80% of the travel and expense budget in a typical charity thus offering the best opportunity to make a meaningful impact.

There are two primary factors that affect an organisation's ability to maximise savings:

- Whether the travel bookers are taking advantage of opportunities to save money
- Whether the travel partner has access to best in industry rates or any exclusively negotiated contracts the charity can benefit from

How people buy travel

Most travel companies focus on making the booking process as simple and efficient as possible for the travel booker. Whilst this is important, it's the behaviours of the staff who book travel that have the greatest impact on whether the lowest rates are found. Key Travel offers a highly efficient booking service, but we also give the Finance Team an insight into how good your people are at booking travel, whether they took opportunities to save money, and more importantly where and why they didn't.

Booking earlier

The later you book, the more you pay. An average Key Travel customer books flights 25-30 days before travel. Our analysis shows that for every day you wait before booking the average ticket price rises by £4 as the cheaper seats are sold.

Opportunities to save by booking earlier

Month (2009)	Average Booking Window (days)	Average Ticket Value (inc tax)	Estimated savings for booking at 50 day average window
April	41	£610	£1,787
May	28	£729	£4,922
June	27	£429	£6,180
July	17	£388	£5,540
Aug	32	£568	£3,307
Sept	18	£612	£7,864
	27	£559	£29,600

This report showed one of our customers the savings they could have achieved if they had booked earlier. In this case we estimate that by improving their booking window from 27 to 50 days, a saving of 17% of their travel budget was possible. Clearly not all flights can be booked this far in advance, but by understanding the relationship between flight prices and cost we can help organisations make very real savings.

If this represents a saving opportunity for your organisation we can help you by facilitating training at one of our booker clinics



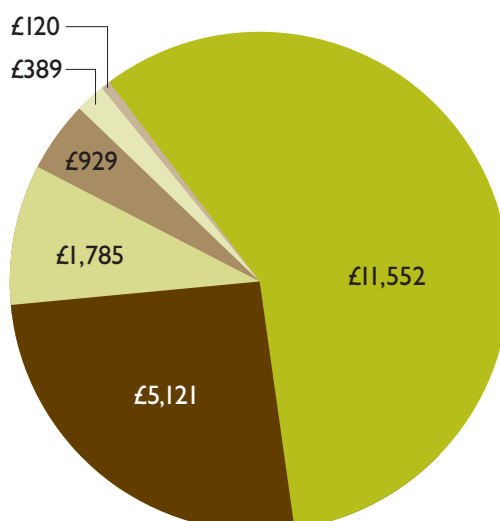
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Missing out on savings

Another significant issue within many organisations, is that travellers do not always select the cheapest flights offered to them. At Key Travel, our agents record the cheapest fare available at the time and if not selected the reason why.

Reasons for declined savings



- Airline Preferences
- Departure/Arrival Times
- Travel Duration
- Class of Travel
- Fare Conditions
- Unspecified

Missed savings by month

Month (2009)	Lowest Fare Available (ex tax)	Total Taken Fare (ex tax)	Missed Savings (available fare)	% Missed Savings (lowest available)
April	£18,319	£19,911	£1,592	8.0%
May	£27,649	£34,494	£6,845	19.8%
June	£23,355	£27,103	£3,748	13.8%
July	£15,409	£18,458	£3,049	16.5%
Aug	£18,218	£21,100	£2,882	13.7%
Sept	£29,190	£30,845	£1,655	5.4%
Total	£132,140	£151,911	£19,771	13%

In the case of this client, we identified missed savings opportunities of over £19,000, with over 50% of these attributable to airline preference. It is up to the customer to decide whether this behaviour is acceptable, but Key Travel is able to highlight the cost of this 'preference based buying' and support the customer in taking steps towards improvement.

Best rates and exclusive charity deals

Most travel companies have access to a similar range of published air fares. Key Travel uniquely offers more charity contracts exclusively negotiated for the not-for-profit community than any other UK travel management company.

Our range of charity fares offer the best combination of flexibility and price. Their true value is often felt by bookers who have come to take advantage of their flexibility by booking seats in advance for trips that are not yet confirmed, with most fares allowing cancellation up to 24 hours before travel.

Hotel rates represent another opportunity to gain value. At Key Travel we have 3 core strategies for reducing hotel costs:

1. **Consolidate spend** into a single hotel or group of hotels in frequently visited destinations, enabling us to negotiate preferential rates for the customer
2. **Negotiate on behalf of the sector** with leading suppliers. For example we have negotiated an exclusive charity programme with the Intercontinental Hotel Group offering access to highly flexible terms at significant discounts
3. **By offering choice at the point of sale.** Our agents check multiple suppliers and chains to determine the lowest price is in the market at that time.

What next

If you would like to discuss opportunities for us to help you drive down the cost of travel in your organisation, please telephone or email us and we will be happy to discuss the Key Travel programme with you.

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