



CORPORATE TRAVEL AND THE NEW NORMAL POST COVID-19

What is the right amount of travel with which your business can function? How do you right-size your travel requirements? What are the benefits organizations can derive from reduced business travels?

Pre-COVID, there were multiple business travel needs like traveling to close a deal, attending workshops, etc. However, with COVID-induced restrictions, the remote ways of working became a new normal. While the target of travel restrictions was to safeguard employees' health, it also led to cutting on travel expenses. It also had impact on the health of the business and relationship with business partners.

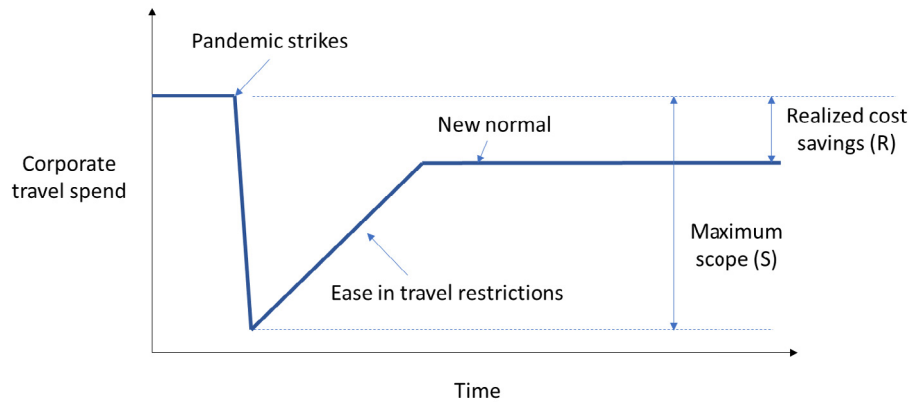
Corporate travel and the effect of pandemic

The recovery in corporate travel will be guided by how companies learn and adapt from their experience in remote working so that their realized savings (R) can be maximized.

Post pandemic, organizations will have to re-define travel policies to optimize travel so that the business is not affected.

Industries can realize sustainable cost benefit by following a framework to analyze their travel expenditure and the associated triggers. The way organization can go about right-sizing their travel requirements post-pandemic has to do with few key aspects –

- a) Use of digital workplace levers like Enterprise mobility, VDI and business collaboration tools
- b) Harnessing the new mindset of effective remote working

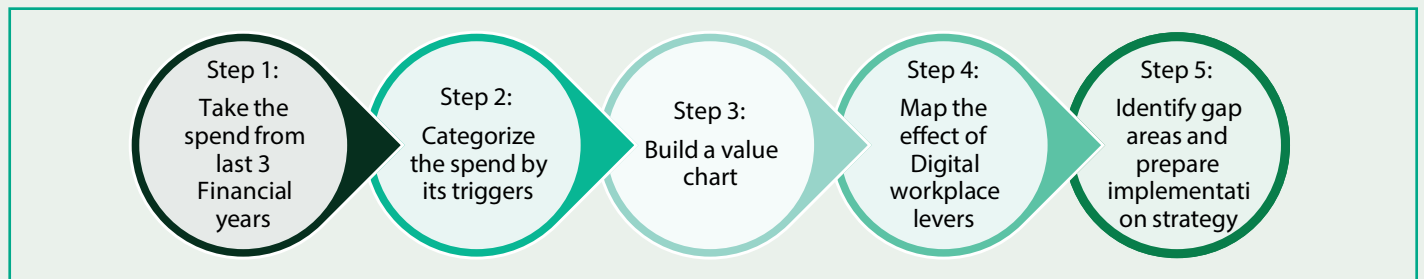


- c) Identifying new capabilities (such as AR/VR) required to enhance remote working experience

While it is important to eliminate what we can, we shouldn't reduce this exercise to a purely quantitative approach with a pre-established target. The organization should

find the right balance of travel against remote engagement. This exercise requires rational judgments around the incremental value that trips bring to the organization. While trips related to sales might still need to continue, organizations could curtail travels related to training to a large extent.

Right-sizing corporate travel



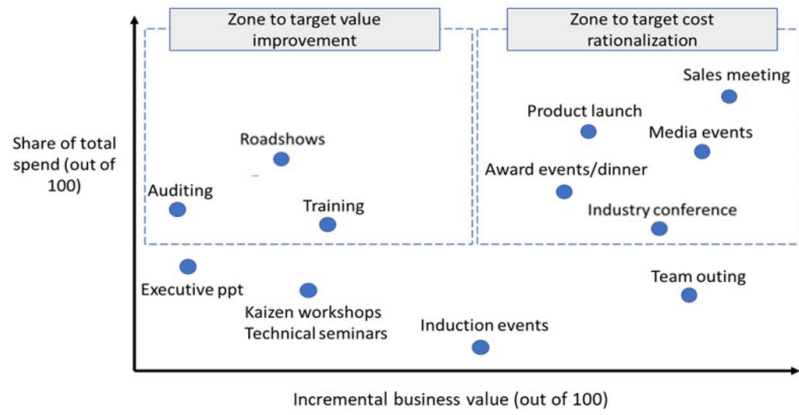
Step 1: Take the spend from last 3 financial years

Taking 3 Financial years is to even out any year specific irregularity.

Step 2: Categorize the spend into its fundamental reasons

In this data collection exercise, it is necessary that the event / reason is mapped to each instance of travel. If this data is not there, then it would make sense to take the previous Financial year only and then start with the data collection exercise to make this mapping complete.

Categorize the past travels based on future incremental value due to travel. This will help us weed out travels that could provide a similar business value in case of remote engagement.



Step 3: Build a value chart

Mapping the spending of various categories and their perceived incremental business value will help identify areas with maximum rationalization scope. The emphasis of the exercise should be on categories with low perceived incremental business value and high spending.

The quantification of business value could consider tangible as well as intangible. A cross-function team might guide this estimation process. For example, team outings can have a high business value because of the indirect positive impact on business metrics.

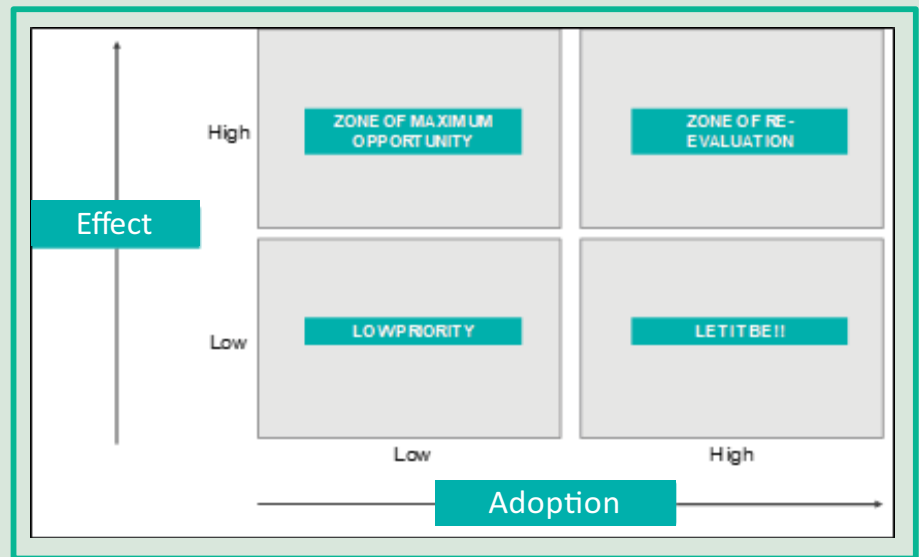
Step 4: Map the potential impact of Digital workplace levers and the current adoption level

Once you identify the high impact levers in earlier step, you need to have a sentient view of the effect and adoption of digital workplace levers in your organization. Of course if you have data, then this exercise becomes a lot simpler, but a rough survey can be equally effective in mapping the average adoption level of the workplace tools available in your arsenal. Finally, map each reason into this 2X2 matrix. This will help guide the prioritization of implementation. You want to conduct brainstorming sessions including the stakeholder group in discussion.

You would also want to identify need workplace levers that are missing in your

arsenal but can introduce new capabilities which leads to value improvement while pulling off an event working remotely.

An example can be introducing VR based meeting apps which can improve remote meeting experience.



Step 5: Identify gap areas and prepare implementation strategy

Finally, chart out your implementation plan, identify the owners of those actions and follow-up the value/cost benefits accrued against the initial target. Forming a cross-functional team is an ideal mix with participation from all departments. To ensure lasting effect of this exercise, you would want to formalize this through changes in the company travel policies and travel budget as per the analysis carried out.

Conclusion

During this lockdown employees were able to perform a lot of activities remotely which we earlier considered needed in person presence. This has led to employees becoming a lot more confident on their potential to handle their clients' job remotely. We're seeing a broad lifestyle transition from the days of frequent flying and in-person meetings being a necessity.

Companies of all sizes are opting for more casual work environments, collaborative cultures, and flexible meeting structures, where employees can work from anywhere across the globe at any time—all enabled by technology. Apart from this shift in working style, with the reduction in Corporate travel, Businesses can also do their bit by contributing to the environment by reducing

the carbon emission and have a better work-life balance for their employees.

This sets a good platform and an opportune time for businesses to re-evaluate their business travel spend. And, following the structured approach will ensure that your team remains guided and aligned with the big picture and stay committed to the sustained long-term impact that this initiative will bring.

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References

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