

THE REAL COST OF LODGING MANAGEMENT

THE TOTAL COST OF LODGING

Corporate travel management costs money. How much, you ask? More than you think. In fact, recent data shows that the cost of domestic travel for businesses totals about \$150.2 billion per year. On a smaller scale, most business travelers spend nearly \$1,000 per trip for corporate travel. Wasted time also accounts for an invaluable amount when businesses calculate travel costs. However, when planning lodging for their business, most managers have not considered the truth of the adage: "Time is Money."

What are some ways in which your company might be overspending? Researching, negotiating, and invoicing travel expenses have proven the three most costly, although other residual costs drain corporate dollars, too.



RESEARCHING LODGING

Thorough lodging research can be one of the biggest time expenditures for a business. Did you know that, according to a study featured by Skift, the average traveler looks at 38

travel sites within the 45-day period before booking? In general, the search-to-book lag time is about 4 days, which translates to numerous work hours. That's labor time and money wasted that your business spends every day when seeking the most suitable travel options.

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Avoiding these costs and misspent hours would help your business regain focus on the industry in which they have worked so hard to gain expertise. Since travel management services have established vital knowledge in their respective field, businesses with sizeable travel spend would benefit greatly from letting a lodging manager relieve some common hassles associated with corporate travel. Is your business suffering from travel management jetlag yet?

NEGOTIATING TRAVEL

Like research, negotiating room rates with hotel representatives consumes a company's finances and time. Negotiating proves to be a necessary evil in the recent business year due to the record-breaking low supply and conversely high demand. The result? The high-

est hotel rates we've seen in years, with an estimated market increase of approximately 9.6 percent between 2014 and 2016. That's almost an extra 10% percent more per night; not to mention that hard-to-book locations could cost substantially more. According to Travepulse.com, Mark Woodworth, a PKF Hospitality analyst, is "projecting U.S. hoteliers to post a 13.2 percent increase in profits in 2015 to record numbers. There's expected to be another double-digit increase in hotel profits in 2016, as well. Hoteliers can do this, of course, because occupancy rates are high. From the West Coast to Chicago to Boston, hoteliers are experiencing success as the U.S. climbs out of the recession and has money to spend again."

Negotiation may turn out to be a positive solution to rising costs, but there is a catch. Unfortunately, direct company-to-hotel negotiation will likely prove a laborious task as hotel agents may disregard your bargaining tactics. However, hotels will be more willing to listen when a travel consultant calls them because they can relate to them on an industry level. Often, hotel staff think of a call from a business the same way they would think of a plea to use an expired coupon. A consultation with travel management expert, however, feels more like an industry-to-industry chat based on the double-edged benefit

to honor a request. Furthermore, the hotel industry possesses a healthy respect for travel managers because hotels recognize the distinct buying power a travel management company brings to the bargaining table.

According to Maria Lowry, director of market strategy at Marriott, "In order for negotiation to be successful, you need to have two sides that come and meet on a common ground and come to a win-win solution." Expert negotiators have capitalized on this key concept when bargaining for lower hotel rates. Effective negotiation strategists propose a mutual benefit for their clients and the hotel from which they wish to obtain a lower nightly rate.

25% OF INVOICES ARE INCORRECT



HOTEL INVOICING

Thirdly, invoicing costs companies an unanticipated amount each year. In fact, the average invoicing cost for a business that processes just 450 invoices per month totals

over \$45,500 per year. Many businesses ignore the labor costs of invoice handling. Although electronic invoicing cuts accounting expenses by almost 50%, sending multiple invoices electronically can be extremely expensive, too. Unfortunately, over 25% of those invoices companies spend so much on contain incorrect information -- resulting in even more labor/financial costs.

PROCESSING
450
INVOICES
EACH MONTH

COSTS YOU
\$45,500
PER YEAR

Outsourcing to a travel manager who can streamline these invoices into one simple bill may prove a smart option for companies

striving to decrease invoicing costs and consolidate billing. According to one CLS client from the restaurant industry, "Before our company found Creative Lodging Solutions, I had a ton of extra work to not only find a hotel but to also get a direct bill set up AND then sort through the massive invoices. Creative Lodging Solutions lives up to its name and its motto. One call, one bill, one solution – it truly is that simple."

HOTEL MANAGEMENT CAN BE EASIER

Businesses should consider outsourcing their travel needs to a lodging management company that specializes in controlling costs and limiting labor resources for corporate travelers. Travel management experts at Creative Lodging Solutions research options, negotiate rates, and invoice clients for a small fraction of what your business spends today. One of their clients described their value this way: "In my business we spend a lot of time on the road. We have people in hotels almost every day of the year. Creative Lodging Solutions has been an incredible resource. They always come through when I need them and the staff is top notch. Not only have they saved me time and aggravation, but our accounting department loves them too. I can't imagine doing business without them at this point and I don't remember how I ever did."

6 WAYS TO SAVE

Creative Lodging Solutions helps US-based companies masterfully manage their long-term and project lodging. The business makes reservations, takes care of hotel billing, consolidates and codes invoices, waives hotel fees, and gives each request the fast attention it deserves. A 131 million dollar annual revenue business, CLS has reserved over 10 million traveler nights with its unique bargaining power and corporate know-how. Now that you have discovered just how much corporate travel costs, find out how business travel will cost less with Creative Lodging Solutions.

This business validates the idea that lodging management can literally take all day.

HOTEL RATE SAVINGS \$

The most noticeable difference CLS makes involves hotel rate savings. The company utilizes its hotel partnership with several major brands, giving them the buying power to offer each client a discount of approximately 22% off the Best Available Rate each room night. The travel management business saves travelers time and hassle, too.



22%
SAVINGS

ACTIONABLE DATA

CLS' comprehensive reporting system gives companies the insight to make impactful optimizations to their travel program. CLS' web team created a client-based software called WebGenesis just for CLS customers so they can track each reservation and locate travelers in real time. It also allows users to review options, view payments, and more. In WebGenesis, you can change your company's specifications so that they are meeting your guidelines every time we find options for your business. When you use this reporting system, CLS ensures that you're in total control of your company's lodging program.

CONSOLIDATED BILLING

CLS sends only one consolidated, coded bill so their clients don't have to sort through multiple, incorrect invoices from various hotel brands. Better yet, you'll notice a difference with the bills that CLS sends you. The company makes sure to include the job codes you've specified so that projects get logged accurately. The travel management company also sends your bill within 30 days of your stay.

TRAVEL YOUR WAY

The company respects your specifications and provides travel policy guarantees to verify that those guidelines are always met. With Creative Lodging Solutions, each company

gains control of the travel policy as soon as CLS loads the client's information into the WebGenesis software database. CLS staff takes responsibility to bill, book, and communicate exactly as requested. In travel management, policy gains relevance as only authorized personnel may grant exemptions in hotel stays. For example, if an unauthorized traveler arrives at a hotel and requests an individual room against company policy, Creative Lodging Solutions strictly adheres to their client's guidelines and disallows the room request. With a client-centric appeal, the company focuses on customer satisfaction not only with staff friendliness but with more quantifiable measures such as proven policy compliance.

ZERO UNAUTHORIZED CHARGES

In a similar vein, CLS doesn't allow any unauthorized charges to appear on an invoice. Hotels have made themselves infamous for adding charges on their bills that companies do not owe. Even if the hotel client pays the errant bill and later locates the mistake, the refunding process takes time away from the core responsibilities of the business. With a third-party travel manager like CLS, however, a specialist observes the whole billing process to ensure that the client never sees unauthorized charges on their hotel invoices.

FOCUS ON YOUR BUSINESS

Clearly, one valuable answer to rising hotel costs, labor expenditures, and lost time is outsourcing your long-term and project lodging to a travel management company like CLS. This company can leverage buying power, negotiate travel costs, and ensure billing and booking procedures. Why is that? Because that's what the CLS team does for a living. This business validates the idea that lodging management can literally take all day. What does your team do during a typical eight-hour work day? It's not managing corporate travel, is it? Letting experts like CLS lodging consultants handle your business travel will show a significant gain in time and company resources -- immediately and over time. You owe it to your business to get back to what you do best and outsource to a travel management guru like Creative Lodging Solutions to handle the rest.

**GET SIMPLY
BETTER TRAVEL
MANAGEMENT**

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