THE HISTORY BOOKS WILL DOCUMENT 2010 AS A YEAR OF TRANSITION IN THE BUSINESS TRAVEL INDUSTRY, AS A BRIDGE BETWEEN TWO ERAS THAT ONE DAY WILL SEEM QUITE DIFFERENT. The year marked the beginning of the end of the recessionary buyer’s market, as hotels wielded a stronger hand in pricing and increased demand helped airlines fly fuller planes than ever. It charted the maturation of mobile business travel applications from a novelty embraced by early-adopting traveling technophiles to the engines that will fundamentally change the ways in which industry conducts its business. It furthered, but in no way settled, the multi-pronged quarrel over how ancillary airline fees should be displayed, charged, paid for and reported. And whatever the endgame of the dispute between American Airlines and a cast of global distribution system companies and online travel agencies, whether it redefines the nature of distribution economics or simply leads to a renegotiation of terms, the change began in 2010.

The 25 Most Influential Executives of 2010 is Business Travel News’ 26th consecutive annual effort to identify the executives who most directly drove those changes, who forced the industry to take notice of and react to their decisions. The list of those executives is not a ranking; BTN is not measuring their relative influence against one another. An appearance on this list is not necessarily an honor; influence, after all, can be perceived positively or negatively, and this list over the years has hosted its share of disrupters alongside its visionaries and innovators.

Developing this list—the first compiled under the aegis of BTN’s new parent, the Business Travel Media Group—began last autumn with multiple solicitations for nominations from the industry, of which we received quite a few. Director of research and media strategy David Meyer and BTN editors vetted each nominee, in many cases speaking directly with the person, to better identify and assess their impact on the industry. The list was finalized during a lengthy and occasionally raucous mid-December meeting of the entire Business Travel Media Group editorial staff. As always, measuring influence is a most inexact science, and we hope you let us know with which executives’ inclusion you agree and those you think have been overlooked.

Business Travel News thanks all those who participated in creating The 25 Most Influential Executives of 2010, including everyone who pitched a nominee to those who participated in the vetting process.

— CHRISS DAVIS
or within 72 hours of departure their full name as operators, this meant their systems needed to be identical to those on identification documents. Flights from, within or bound for the United States are being as efficient as we can be, as effective as possible. The current security-screening process is not the most efficient process that America can build, and a majority of Americans believe that too. The TSA is also a lame-duck agency as its inspector general recently said it’s seeing interest for centrally billed hotel programs, other preferred hotel suppliers on board. U.S. Department of Homeland Security Secretary Janet Napolitano has a huge amount of authority because Congress [has] given DHS that blanket authority without much accountability back to Congress," said consumer advocate and former presidential candidate Ralph Nader. "She is probably the single most powerful secretary over her department, over any other department, including the Department of Defense."

Using Recovery Act funding, DHS accelerated the rollout in more than 75 airports of 500 advanced imaging machines or full-body scanners that generate images of passengers as they pass through security. Spurring controversy across the country, travelers are being fingerprinted, their face scanned, and wearing vests containing scanners when passing through the scanners, and travel managers began conversations about whether these scanners should be addressed in duty-of-care policies. "Where we are always asking questions is whether we are being as efficient as we can be, as effective as we can be and whether there is a better way," said U.S. Travel Association senior vice president of public affairs Geoff Freeman. "Domestically, we think there is. The current security-screening process is not the most efficient process that America can build, and a majority of Americans believe that too." In 2010, DHS completed a 9/11 Commission recommendation that "100 percent" of passengers on flights from, within or bound for the United States be screened against a terrorist watchlist. The recommendation called for passenger names on tickets to be identical to those on identification documents. For travel agencies and global distribution system operators, this meant their systems needed to be updated to process Secure Flight requirements. For travelers, it meant providing at the time of booking or within 72 hours of departure their full name as it appears on their identification, their date of birth, gender and DHS redress number, if applicable. Facing steep fines if they did not comply by the Nov. 1 deadline, airlines and GDSS pointed fingers, claiming the other was responsible to ensure travelers’ itineraries were not canceled if their identification did not match their ticket. In 2010, DHS expanded the Visa Waiver program, eliminating paper arrival and departure I-94W forms for travelers from participating nations. DHS maintained it is able to receive "basic biographical, travel and eligibility information of travelers prior to their departure to the U.S." in order to expedite the customs process. DHS also increased by more than 200 percent enrollment in the international Global Entry registered traveler program and introduced a campaign whereby local TSA agents traveled to corporations to enroll employees.

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TIM BURKE
DIRECTOR
U.S. GSA FEDERAL ACQUISITION SERVICES OFFICE OF TRAVEL AND TRANSPORTATION SERVICES

The U.S. General Services Administration in 2010 began a massive solicitation effort for the latest version of its E-Government Travel System, entitled ETS2, expanded its FedRooms lodging booking tool to include groups and meetings, and improved reporting of federal travel spend and carbon emissions. Under the guidance of GSA Federal Acquisition Services Office of Travel and Transportation Services director Tim Burke, the travel team brought together several travel management components to wrap its arms around approximately $14 billion annually.

Serving as the executive program manager for E-Gov Travel, Burke was an integral part in GSA's ETS2 request for proposals, which incorporated several forward-looking initiatives. According to the document, "ETS2 is positioned to incorporate and leverage, for the benefit of the federal government, emerging offerings of future cloud computing that include on-demand self service, ubiquitous network access, location-aware source pooling, rapid elasticity and measured-service performance."

"Mobile technology has certainly emerged in the last decade. It hasn't taken over the travel management environment yet, but it is actively moving forward in a progressive way," said Burke. "One of the key elements for the government is to be extremely mobile in the upcoming years. Imagine over the next five to 10 years having a more mobile system, whether it is iPads moving more effectively or smarter phones."

Additionally, the RFP asks bidders to provide a version of ETS2 that would be available on mobile platforms, a non-global distribution system content, and support the government's "go green" initiatives by tracking and reporting "carbon footprint details." In order to go green, bidders would have to enable bookings for "telepresence alternatives to travel" and provide "the ability to compare the cost and emissions of travel with the cost and environmental impact of telepresence and capture this data for reporting and analysis."

"Tim is trying to make the process better and more like a world-class commercial travel management. That's the goal is: To improve the processes and make government function more like a corporation," said Rick Singer, executive director of the Society of Government Travel Professionals.

The contract would span 70 federal agencies and have a base period of three years with three optional four-year extensions, potentially resulting in 15-year relationships. Burke anticipated that responses would be received this month and contracts would be awarded to one or two vendors later in fiscal year 2011.

In September 2010, GSA announced a plan to cut by fiscal year 2020 its greenhouse emissions by 30 percent, including a 25 percent reduction in "emissions from employee commuting and business travel" and a 30 percent cut in fleet petroleum consumption. The plan stems from an executive order signed in October 2009 by President Barack Obama "to establish an integrated strategy towards sustainability in the federal government."

Along with GSA FAS program manager Jerry Bristow, Burke helped to implement a TRX data intelligence solution tool, branded Management Information Services, that is capable of reporting an agency's carbon emissions through TRX's Travel-Trax software.

"When we established a mobile integrated travel management platform, we are doing that under the context that we want to meet the flexibility of the goals that we have around managing sustainability," said Burke. "MIS integrates the information of traditional travel management along with the sustainability goals that the administration established. We have really uncovered a lot of information on how to manage our data strategy differently than maybe we had anticipated."

SGT's Singer said: "You can't have world-class travel management unless you have a reporting tool. Now that they are getting data from so many places, and they can analyze the data and begin to give that back to the agencies to manage their travel better, they never had the data before."

Last year, GSA also installed 11 telepresence systems, powered by Cisco, in regional headquarters offices, costing approximately $18 million.

Meanwhile, Burke along with GSA lodging program managers worked to expand the FedRooms program to allow agencies to book meetings. FedRooms is managed by Carlson Wagonlit Travel and provides negotiated rates at or below per diem for federal travelers at more than 11,000 hotels worldwide. Powered by Cvent, the meetings tool similarly allows GSA agencies to book their sleeping rooms needed in conjunction with meetings at or below per diem. In most cases, sleeping rooms during 2010 were booked $35 to $40 below per diem saving the government roughly $280,068, according to Burke.

"In 2007, we were doing under 100,000 room nights through FedRooms. In 2011 we are probably going to do 700,000 room nights," said Burke. Booking meetings through FedRooms is still "in its pilot phase," but about 100 confirmations have gone through the tool.

"The government is big and bureaucratic, but it does not lack will," said Burke. "This has been one of the most enjoyable things I have done in my career. What has been most enjoyable is the amount of collaboration that exists across the federal agencies, their willingness to come together as a community and thus being able to pursue both innovative as well as transformational goals."

— LAUREN DARSON

DAVE BARGER
PRESIDENT/CEO
JETBLUE AIRWAYS

Last year brought little in the way of meaningful capacity additions to domestic air travel markets. JetBlue Airways' vigorous growth in Boston was an exception. Also considering a more aggressive stance in the corporate market and an "open architecture" partnership strategy. The airline since has built up the largest operation there among all carriers, with available seat miles growing 30 percent last year.

The carrier has given many corporate travel buyers, particularly those traveling to and from Boston, a new supplier option. Seven years ago, we weren't in Boston," Barger told BTN. "But then you look at this March, we're going to be over 100 trips a day and the largest airline at Logan."

When JetBlue came to Boston in 2003, it offered only 11 daily flights from two gates, but the carrier since has built up the largest operation there among all carriers, with available seat miles growing 30 percent last year alone. By last summer, JetBlue operated about 75 daily departures from Logan to about 35 nonstop destinations, including Chicago O'Hare, Charlotte, Pittsburgh, San Diego and Washington Dulles. The carrier subsequently added service to Phoenix, Sarasota, Fla., and Washington National. Expansion continues this year, with Boston-Newark service planned for a May launch, competing head to head with the new United-Continental.

Barger said corporate flyers generate no more than 20 percent of JetBlue's overall business, corporate traffic from Boston is "well north of that." Meanwhile, JetBlue during 2010 pursued more corporate agreements. Aiding that effort, the airline early last year upgraded its reservations system to Sabre, which not only provided real-time connectivity to the GDS, but also the ability to enact interline agreements, codeshare partnerships, more expansive revenue management capabilities and further merchandizing opportunities.

JetBlue quickly took advantage of Sabre's features and last year embarked on what Barger called "an integrated strategy" partnership strategy. The airline during 2010 announced interline agreements with American Airlines (centered on routes in New York and Boston, later augmented with frequent flyer reciprocity), EL Al, Emirates and South African Airways. Barger expects more such partnerships this year. Though he noted that its partners include members of both One World and Star Alliance, Barger does not expect to formally join a global alliance, preferring for now to maintain a rather promiscuous strategy.

— JAY BOEHMER
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Once known only as an expense management technology supplier, Concur in the past few years has expanded its product and service offerings to travel booking, analytics, payment reconciliation and mobile travel features, an evolution that CEO Steve Singh has said let Concur “drive the agenda in the corporate travel market.” He called that Concur’s “single biggest achievement.”

As it seeks to further grow its customer base—from about 10,000 at year-end 2010 to 20,000 by fiscal year 2012—Concur has outlined growth into new geographies, the small and mid-size markets and new product segments. The company in 2010 also announced a series of new partnerships and expanded its relationship with American Express to include its business travel unit, as well as the commercial card division. “It’s been a fantastic source of new customers,” Singh said of Amex.

But Amex has not been the only source of customer growth. Concur expanded its own sales force, which typically delivers 75 percent to 80 percent of new customers, and also forged a multi-year global alliance with Amadeus. The companies last year integrated Amadeus’ Travel Management booking tool with Concur Expense and Amadeus’ ticket reissue service and fare search engine into Concur Clqbook Travel.

To reach the small and midsize market, Concur also introduced its new Breeze solution that customers can download from the Web or mobile applications stores from Apple, BlackBerry and Google. Amex also is marketing Breeze, designed for companies with fewer than 250 employees. Concur also plans to introduce a new version of its direct-connect platform and application programming interface, which will allow third-party developers for the first time to connect to the Concur platform.

Singh has headed Concur for 15 years and makes his seventh appearance on this list. Though 2011 is less than one month old, he’s already making a bid for his eighth appearance with Concur’s Jan. 13 announcement that it plans to acquire TripIt for at least $82 million.

— MARY ANN MCNULTY

MICHAEL TANGNEY
GLOBAL TRAVEL MANAGER
GOOGLE

There are few new ideas in travel management, which is why it’s noteworthy when someone implements a handful even if it seems others would be hard-pressed to copy them. Better yet is when they share their new ideas publicly, and Google global travel manager Michael Tangney has done plenty of that. Tangney’s innovative program, which gives travelers more latitude with the company’s money thanks to a rate cap system that rewards them when they spend less with the ability to spend more another time, has been discussed on the conference circuit for a couple years. But Tangney also has emerged as a rare travel professional who understands travelers, gets the travel industry and is attracted to new technologies, all on top of his intimate knowledge of procurement systems.

The Google program leverages technology the firm built for itself but, even so, a number of industry professionals have reconsidered their own approaches in light of it. A big reason is that it simplifies policies and empowers travelers. For example, while Google has a travel management company, it doesn’t require employees to book through it. The company retains a key element of control because travelers still must enter trip details into a proprietary trip-management system to obtain an identification number, without which they are not reimbursed.

Tangney’s ideas about more open and traveler-friendly management do not stop there. For example, he advocates the possibilities of using a tool like TripIt and its Groups function to consolidate booking data from multiple sources and potentially enhance support for safety and security.

— JAY CAMPBELL

STEVE SINGH
CHAIRMAN AND CEO
CONCUR

A nnounced this month, Concur’s acquisition of TripIt will end the emerging phase for a technology firm whose easy-to-use online itinerary aggregation service first begged the question, perhaps inadvertently, “Whose data is the itinerary?” TripIt co-founder and president Gregg Brockway slated to take a senior role running the TripIt By Concur business unit, always advocated travelers’ rights to and power over their trip data, and it has paid off through the business travel market’s most successful startup story in years.

TripIt’s core service—enabling users to build better itineraries simply by forwarding to TripIt those they received by email from travel agencies, online booking tools and consumer services—rattled a traditional sense of enterprise-level controls over traveler info and helped usher in a new era of traveler independence, starting three years ago when TripIt had fewer than 10 employees. It now has 50.

Having initially claimed that TripIt was “not authorized” to import data from Sabre itineraries, the global distribution system giant in 2008 invested in TripIt—not that it mattered in terms of cementing TripIt’s impact. Brockway asserted that the data is indeed owned by the travelers, and no one objectcd. TripIt simply counted users as the service grew exponentially. Meanwhile, it became clear that mobile apps and social media were going to be huge in corporate travel and TripIt was all over both—again with naysayers, particularly on the social side.

“Who wants their friends and colleagues in social networks to know every detail of one’s travel plans?” some corporate travel pros asked. Tons of people, the people said.

“I like to think we helped shape the way people think about what travelers want,” said Brockway. “Our starting point was, why are travelers always complaining about the state of things? There was an attitude in the industry that you don’t have to pay attention to and that the companies are the real customers. We have always liked to think the traveler was the real decision maker and we were part of helping the industry become more traveler-centric.”

TripIt also tapped into the platform concept, making available to third-party developers the trip data—always with the traveler’s permission—that could power new apps and website services from expense reporting to flight information. Brockway believes this approach holds even more promise for new, traveler-centric developments than do TripIt’s base products. “Sharing the data will unlock a whole lot of value for the ecosystem,” he said.

TripIt was everywhere in 2010. Its penetration into the corporate market was underway with not only thousands of corporate traveler users, but also through email-forwarding option while the likes of Concur, Sabre, Rearden and others updated their itinerary, mobile, social and platform offerings. American Express and Carlson Wagonlit Travel by mid-2010 announced their own mobile itinerary partnerships with some of those rivals.

Taking TripIt into its next stage, Concur announced it “intends to fully support and continue TripIt’s offerings.”

— JAY CAMPBELL

GREGG BROCKWAY
CO-FOUNDER AND PRESIDENT
TRIPIT

What I see as a great opportunity in this industry at the moment is to figure out a way to take agency information and take non-agency information and to group that together,” Tangney said at an NBTA event in September. Travel managers could use the data, he argued, to watch for noncompliance patterns and engage travelers through social media platforms to uncover why they didn’t follow travel policies.

Tangney also said, “There is great potential for replicating or replacing what the traditional TMCs do in terms of tracking data and sharing that information with suppliers.” Perhaps seeking to avoid an anti-TMC label, Tangney also said agencies do retain fundamental value in terms of supporting complex itineraries, being an easy way” to book trips, and offering a channel for the corporate negotiated rates.

Luckily for the new ideas camp, Tangney is more likely to elaborate than to keep his remarks to himself.

— JAY CAMPBELL
RÜDIGER GRUBE
CEO
DEUTSCHE BAHN

D
e, Rüdiger Grube appears in this year’s Top 25 primarily for an innovation that will not happen until 2012 at the earliest—and more likely 2013. Yet he makes the list because the impending arrival of international high-speed competition from German rail operator Deutsche Bahn already is making a difference for travel managers.

“I have been in touch with sales representatives from Eurostar and Thalys [the high-speed operator from Brussels to Paris, Amsterdam and Cologne],” one Belgium-based buyer told a European travel managers’ roundtable interview for BTN last October. “They are becoming conscious that their market situation is going to change soon, so they are no longer communicating they are the only ones in the market and we have to take it or leave it.” A second travel manager agreed. “Thalys and Eurostar have understood competition is coming, so they are getting ready for it,” he said.

The starting point for this story was deregulation of the international rail market within the European Union. On Jan. 1, 2010, competitive cross-border services on platforms at zero first time became possible. High-speed Bahn to date is the only operator to take up this challenge. First up was service from Munich through Austria to the Italian cities of Bologna, Milan, Venice and Verona, despite some resistance from the Italian government. More ambitiously, Deutsche Bahn in 2010 ran coupled high-speed trains three times daily from London to the French town of Lille and then Brussels, where they will be decoupled. One train will continue to Rotterdam and Amsterdam, with total elapsed times from London of three hours and four hours, respectively. The other will proceed to Cologne and Frankfurt from London in four hours and five hours, respectively.

An engineer by training who joined DB from Daimler in 2001 and became CEO in 2009, Grube is driving his company’s international expansion. He has a reputation for more consensual leadership than his predecessor, Hartmut Mehndorff, but Grube ruffles feathers by going cross-border, not only in Italy but also in the United Kingdom.

If DB’s Channel Tunnel service is successful, it could also prove influential in extending the range of rail journeys business passengers are willing to tolerate. Grube is confident. “I am truly convinced that especially business travelers will be won over,” he said in a written response to BTN. “With travel times from city to city of just four hours, an ICE [DB’s high-speed train] journey from Amsterdam and Cologne to London will take no longer than a journey by plane. Taking the ICE means your overall travel time is roughly the same, but your journey will not be interrupted by long hikes to find your gate, take-off and landing procedures plus baggage claim.”

— AMON COHEN

BRIDGET BLAISE-SHAMAI
MANAGING DIRECTOR OF DISTRIBUTION AND MERCHANDISING STRATEGY
AMERICAN AIRLINES

o airline distribution topic last year was more polarizing than the question of where and how thoroughly carriers should offer their services. A set of proposed rules still being mulled in Washington, for example, includes requirements for airlines to provide through any global distribution system in which they appear all optional services and associated fees. Comments on the proposal demonstrate the divide: Airlines do not want to be compelled to file through all GDSs such information, while business travel advocacy groups and the GDS lobby want a government mandate along those lines.

As the U.S. Department of Transportation collected information on the proposed rulemaking and industry coalitions formed on both sides of the debate, American Airlines during 2010 began to aggressively push its new distribution model, which favors direct channels and withholding optional services from indirect ones. In the works for a few years, the idea is to migrate indirect volume, including corporate agency bookings, to an XML-enabled direct channel built with assistance from Farelogix. That plan became ever more contentious with AA’s distributors; at press time, the carrier had ended participation in Orbitz, disappeared from Expedia consumer sites and made its argument in two courtrooms—in one case against Sabre and another brought by Travelport.

In February 2010, AA’s Bridget Blaise-Shamai inherited the approach when she became managing director of distribution and merchandising strategy, overseeing a combined group of 20 people that is in part responsible for developing and implementing optional services. She told BTN that she brought with her the experience from working with the carrier’s loyalty program and many of its big partners. “I did a lot of deal-making in that role, so I can apply some of my learnings and thought leadership to this role, given what we have on our near-term horizon, which is our GDS contracts expiring in the summer of 2011,” Blaise-Shamai explained. “Agents are extremely important partners. Obviously the technology to deliver our content to those partners, and the costs alongside that, are not immaterial. It is very appropriate to have someone of my level focused on it, given the ongoing financial challenges of our industry.”

The direct connect, Blaise-Shamai said, would “allow us to use customer data today that we couldn’t in yesterday’s world.” The aim, she added, is to “join advanced companies like Amazon and Dell in how they interact with customers” while making distribution processes more efficient.

The skepticism and opposition from some corporate travel and travel distribution circles was not unexpected. “When you are looking to change something,” she said, “one has to expect that there may be some participants who are not excited about what change means to them.”

When asked if AA’s direct-connect strategy merely is meant to provide negotiating leverage in GDS discussions, she said, “That’s myth.” When asked if the real issue between AA and GDSs relates to the economics around optional services, she responded, “It’s not entirely about money.”

Given the opportunity to debunk what she sees as other myths, Blaise-Shamai said, “American is a proponent of transparency. The customer must have the ability to make a fully informed decision at the point of sale. American is a believer in efficient workflow for our agency partners. We do not believe our direct connect drives the accused fragmentation.”

AA officials have said that a group of unnamed travel agencies has adopted the direct-connect program. That some around the industry are not convinced, however, explains why AA collected detractors as 2010 progressed. On this front, 2011 promises to be no less interesting.

— DAVID JONAS

RONALD NELSON
CHAIRMAN/CEO
AVIS BUDGET GROUP

either Avis Budget Group or Hertz in 2010 succeeded in finalizing a deal to acquire Dollar Thrifty Automotive Group, but Avis Budget begins this year poised to do so after helping to thwart what seemed to be a done deal between Dollar Thrifty and Hertz.

After Hertz last spring reached an agreement to acquire Dollar Thrifty for about $1.2 billion, Avis Budget chairman and CEO Ronald Nelson sent and made public a letter to Dollar Thrifty president and CEO Scott Thompson questioning why the company also had not considered a bid from Avis Budget. Nelson soon followed with a counteroffer, which led to a bidding war for the once-struggling Dollar Thrifty.

“Now we have a technology it called its final offer at $50.25 per share, which Avis Budget later topped at $53 per share. Dollar Thrifty’s board recommended the Hertz deal, and analysts said it made more sense and had a better shot of federal antitrust clearance—since Hertz has no large, established midprice brand while Avis has Budget. Nevertheless, Dollar Thrifty’s shareholders rejected it by a margin of about 13.8 million shares to 11.8 million.

Whether an Avis Budget/Dollar Thrifty deal happens depends largely on whether the U.S. Federal Trade Commission grants antitrust approval, a decision expected within the next several months. Either way, both public and private negotiations under Nelson’s leadership clearly edged Avis Budget into the driver’s seat.

— MICHAEL B. BAKER
The balance of power between travel buyers and airline suppliers shifted perceptibly toward the seller in 2010, and not only because of rising demand. Central to growing airline strength has been the consolidation of the supplier base through a wave of mergers and joint ventures across the world. No individual or airline is solely responsible for this trend. However, when Wolfgang Mayrhuber retired on Dec. 31 after 40 years’ service—the last seven as Lufthansa chairman and CEO—he could claim to have been the king of international airline consolidation. Not only does Lufthansa own most or all of four other major European airlines (Swiss, Austrian Airlines, British Midland and Brussels Airlines) plus its own Lufthansa Italia start-up, it also is a dominant force in the world’s largest airline alliance, Star Alliance, and the Atlantic Plus-Plus transatlantic joint venture, including United/Continental and Air Canada. Lufthansa, for example, is the airline that loads the fares for Atlantic Plus-Plus.

Lufthansa increasingly is joint selling through all these forms of consolidation. In October 2010, officials told BTN that two-thirds of its North Atlantic contracts were multi-airline deals; the carrier expects to hit 100 percent by the end of 2011. Whether they like it or not—and many do not—buyers are finding it harder to mix and match individual carriers in preference to these consolidated entities. One European travel manager participating in a roundtable interview with BTN last October said, “the joint ventures and mergers have one P&L, and that becomes a totally different discussion—and there you obviously don’t have that much choice any more. It is ‘you use us or you don’t use us’, and ‘you work with us or you don’t work with us’—so we will have less choice.”

Driven by executive vice president for sales and marketing Thierry Antinori, Lufthansa last year also demonstrated enormous power in its home market by introducing controversial contracts requiring agents to repay any upfront discounts if they failed to meet targets. German travel managers protested that the clauses were unfair because Lufthansa was not offering last-seat availability in return, often making it impossible for corporate customers to book tickets that would contribute to contract performance.

Even if Mayrhuber was not showered with retirement gifts by corporate clients, he certainly left shareholders well-satisfied. Strong, prudent management enabled Lufthansa to expand during the last decade as other competitors struggled, and the core airline on an annualized basis remained profitable throughout the recent recession. It also can be argued that one or two of its acquisitions would no longer exist if Mayrhuber had not bailed them out. There may well be more purchases to come. Lufthansa continues to be the first name on the list of potential buyers for European carriers; both SAS and LOT Polish Airlines are among those tipped to become Lufthansa assets by the end of 2011.

— MARY ANN MCNULTY

Barack Obama’s initiatives. Sensitized to the size and scope of the sector in 2009, Obama attempted to support the growth of travel and tourism as government policy.

To industry accolades, Obama in late September announced a comprehensive plan to renew and expand the nation’s rails, roads and runways. The six-year plan would rebuild 150 miles of runways at U.S. airports where the long-delayed NextGen air traffic control systems finally would be implemented. The $50 billion plan also would rebuild 150,000 miles of roads and construct and maintain 4,000 miles of rail. Obama has to work with Congress to fund the plan.

Earlier in the year, the president signed the hard-fought Travel Promotion Act that established the nonprofit Corporation for Travel Promotion, a funding mechanism expected to provide $200 million to attract overseas visitors to the United States and other resources to promote travel as a means to boost the economy.

Appointed by Commerce Secretary Gary Locke in September, the 11-member CTP board incorporated in October, raised $300,000 and hired a search firm to find its first executive director. On the first board are executives from Amtrak, Sabre Holdings, United Airlines, hotel firms, a restaurant chain and tourism offices.

In a move hardly applauded outside the United States, the government in September began collecting a $10 fee from foreign visitors who aren’t required to secure visas as part of the funding for the CTP. Officials said $22.5 million was collected as of early January as collections were at $350,000 a day. Thousands of dollars of in-kind contributions also were reported.

To the industry’s dismay, the White House targeted a 13 percent reduction by 2020 in greenhouse gas pollution “from indirect sources, such as employee travel and commuting.” The National Business Travel Association called the move “misguided,” and the U.S. Travel Association branded it “short-sighted.” But the administration appeared to be intent on cutting travel costs as Obama’s fiscal advisory commission in November recommended that lawmakers prohibit “each federal agency from spending more than 80 percent of its fiscal 2010 travel budget” annually through 2015. Despite our record deficits, government expenditures for travel have grown by leaps and bounds,” from $9 billion in FY2001 to $14 billion in FY2006, according to The National Commission on Fiscal Responsibility and Reform, which encouraged more teleconferencing use to achieve a $400 million cut in travel expenditures by 2015. The commission also recommended a 10 percent reduction in the federal workforce.

— MARY ANN MCNULTY

Cooperation among rivals is a rarity in the hypercompetitive travel industry. It therefore was impressive to watch the Millennium Foundation for Innovative Finance for Health persuade all three global distribution system providers—along with several other travel industry players—to apply resources for a global charitable initiative.

Conceived in 2007, the Massivegood program raises funds for health care in impoverished parts of the world via “micro-contributions” (usually suggested as $2 or $2) from travelers when they book air, hotel or car reservations online or through agents. The program aims to provide up to $1 billion in funding for Unitaid, a World Health Organization-hosted group.

Under the leadership of managing director Bernard Salomé, there was plenty of development work to be coordinated by the Millennium Foundation ahead of the March 2010 Massivegood launch at the United Nations and the June 2010 launch of the corporate travel component.

Amadeus is credited as the foundation’s technology partner, building the Massivegood donation engine for agent-assisted global distribution system bookings and corporate donation management tools. Sabre and Travelport also joined the effort. Aligning the GDS operators, Salomé told BTN, was “by far the best part” of the development. “It was great,” he said, “because they are normally quite stiff competitors and they decided to join forces with us.”

Coordinating with the many other travel industry players and navigating country-specific regulations made the task all the more challenging, Salomé said.

But by March, all three global distribution system operators began offering U.S. subscribers the option to facilitate donations. In the corporate travel sector, American Express Business Travel, BCD Travel and Carlson Wagonlit Travel pledged their support, including promotion to and donation tracking for corporate clients, and coordination with online booking tool providers. The companies also kicked in donations of their own.

Marathon Oil was the first company to contribute a lump sum, donating $50,000, or $2 for each of its 25,000 business travel bookings completed in a typical year. Other program supporters include Accor, Mondial Assistance and Sabre’s Travelocity, which includes donation information in booking confirmation emails. Globally, Massivegood by early January 2011 collected about $300,000. Salomé said. Moving forward, he said the program would be implemented in a growing number of countries and relaunched soon in the United States. He explained that a task force including representatives from GDS operators and corporate agencies intend to develop solutions “by February” to boost participation and more effectively measure corporate travel’s contribution.

He also said that “there is a whole lot more that can be done with the online travel agents and the airlines,” and added that he expects the program to achieve the $1 billion goal within the next three to five years.

After two years at the Millennium Foundation, Salomé at the end of 2010 announced plans to “move on to other adventures.” Previously the foundation’s chief corporate officer, Henk Mulder on Jan. 1 replaced Salomé as managing director.

— DAVID JONAS
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While hoteliers assess the impact remote teleconferencing technology has on travel, Marriott now is poised to benefit from it. “If the threat’s there, we can make sure we’re participating in that space,” he said. “But for a regular set of discussions which might include management teams, we find it works exceedingly well.”

During 2010, Marriott opened 12 TelePresence studios around the world. Sorenson said, with plans to open at least eight in the near future—and possibly more. “It’s not going to replace conventions or meetings, which take place over a number of days,” he said, “but for a regular set of discussions which might include management teams, we find it works exceedingly well.”

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Marriott also changed its approach to loyalty. In September, the company’s luxury Ritz-Carlton brand for the first time launched a rewards program, a relative rarity in the luxury tier. “Historically, we asked the luxury customer whether they need points, and the response has typically been, ‘No, we don’t need points. In a sense, we’re above points,” Sorenson said. “When asked differently—would you appreciate points or some benefits for your stays at Ritz-Carlton—the answer is overwhelmingly positive.”

While Ritz-Carlton Rewards maintains the luxury mindset of such high-spenders as Neiman Marcus shopping excursions, the program also ties into Marriott’s rewards program, meaning frequent Ritz-Carlton guests now can even get free in-room Internet access as a perk, another rarity among luxury hotels.

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“I wanted to make sure that I got people who were passionate about the business, who knew their stuff and who understood and would embrace the culture of the new company that we are building,” Smisek explained. “I ended up with a team that is far better than the team I had at Continental and far better than the team that was at United.”

That team quickly rescinded a controversial pre-existing policy that denied access to United’s credit card merchant accounts for at least 28 agencies, drawing praise from agency advocacy groups. Meanwhile, Continental and United first as stand-alone entities, then as a merged entity, during 2010 also progressed on transborder, transatlantic and transpacific joint ventures with foreign partners.

Moving forward, the company will “continue to focus on capacity discipline” as a means to maintain profitability, Smisek said. “We are not interested in proving we have a longer runway than the next guy.”

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Every cloud has a silver lining. In the case of the ash cloud created in April 2010 by the Icelandic volcano Eyjafjallajökull, the big winner was ConTgo, a United Kingdom-based mobile services integrator that specializes in traveler tracking and assistance.

At the time of the ash crisis, Microsoft under the aegis of its travel department was trialing ConTgo in four countries. Following the crisis, the security department took over and has now rolled out ConTgo in 60 countries. Microsoft has also helped ConTgo to develop a new tool, launched in January 2011, which color-codes travelers’ SMS responses on a map so that security managers can see, for example, clusters of where travelers have or have not requested assistance.

ConTgo head man Johnny Thorsen, based in Denmark, started work on the idea in 2003 and launched it in 2007, but he has a lengthy track record in travel technology. After working for travel management company partnership and private industry experts to compile aviation industry standards and initiatives grabbed headlines, the U.S. Department of Transportation under the guidance of Secretary Ray LaHood challenged airlines to display their fees more transparently, created an airline task force to send automated text messages to all its travelers’ mobile devices and ask them to respond to basic questions, such as whether they require emergency assistance.

“ConTgo was the first to offer the concept of bidirectional intelligent communication, and that is very important in a crisis,” said Michel LaBianca, American Express vice president of global IT strategy for business travel. “SMS is the lowest common denominator, and you don’t have to install any software on travelers’ mobile devices. This is the way crisis management will be handled in future.”

That was not the only reason SMS carried the day during the ash crisis. One major shortcoming of GDS-based systems, which become evident after 48 hours, is that they are only effective if travelers are where they are supposed to be. When they started to find their own ways home—some by such alternative means as ferries and buses—they dropped off the radar.

“If someone makes a change to their itinerary, that change is not reflected,” said Microsoft director of global security operations Mike Foyens. “We found one of our security partners providing incomplete, inaccurate data because travelers had moved out of the GDS environment.”

During a year in which government regulations and initiatives grabbed headlines, the U.S. Department of Transportation under the guidance of Secretary Ray LaHood challenged airlines to display their fees more transparently, created an airline task force joining the corporate and leisure travel worlds, creating intense competition among airlines, and stepped it up on the consumer side. “He has really signed some of these agreements,” said Geoff Freeman. “The secretary has his work cut out for some areas is quite welcome. America should set out to seek private sector input and to push the bounds in commercial freedoms and flexibility to airlines. The agreement, however, came under scrutiny in Europe, as it did not loosen foreign ownership restrictions on U.S. carriers. LaHood also signed Open Skies agreements with Colombia, the United States’ 100th such deal, and Brazil.

“Where we would give Secretary LaHood great cred- it is in his willingness to push the envelope,” said U.S. Travel Association senior vice president of public affairs Geoff Freeman. “The secretary has his work cut out for him, but his willingness to ask the tough questions, to seek private sector input and to push the bounds in some areas is quite welcome. America should set out to create the world’s model for the most efficient traveler-friendly aviation process. We are not there, and that will certainly be the secretary’s greatest challenge.”

— LAUREN DARSON
Rearden Commerce CEO Patrick Grady said he is “nothing if not consistent.” But even he would probably admit that persistent is more accurate. And so it must have been eminently satisfying to him when in 2010, Rearden lined up two partnerships that put more money where his mouth had been...

Ever since the fits and starts of Rearden’s early years, Grady has stated that the days of the corporate booking tool as we knew it were numbered, and that online commerce technology really is about platforms rather than tools. Deals last year with Carlson Wagonlit Travel and Travelport, in which the former处分 its existing booking tool and the latter essentially acknowledged its tool’s limitations, added to the list of major corporate travel distributors buying into Rearden’s platform and helped further validate Grady’s vision.

Topping the list of Rearden’s previous major partners is American Express. After a year in which the card and TMC giant deepened its relationship with Concur, one might have thought that Rearden (like Concur, part-owned by American Express) had become the lesser child. However, not only was Grady able in 2010 to partner with Amex’s largest TMC rival—then make statements about how great CWT is, getting him into a bit of hot water with Amex and resulting in a follow-up commentary espousing the merits of the Blue Box—but Rearden also deepened its partnership with Amex, which included Rearden’s booking tool-agnostic mobile services in its major mobile launch.

Meanwhile, at a time when airlines and global distribution systems battled over the cost and processes of distribution, Rearden in 2010 landed a direct connection with Southwest Airlines and lined up to process American Airlines bookings through Farelogix should client demand warrant it. It separately partnered with IBM for end-to-end travel and expense management, even though Rearden also owns an expense solution.

Grady thinks Rearden’s acquisition of procurement platform Ketera Technologies, near the end of 2010, also will prove prescient as travel technology and procurement technology converge.

You may not like what he has to say. Actually, if you are a corporate travel buyer or travel management company official—and if polls among your peers about change in airline distribution are to be believed—you almost definitely do not. But even Jim Davidson’s opponents have to admit that the Farelogix CEO and former GDS company executive is pretty creative in how he says what he says, not to mention volubulous in how much.

No one in the industry during 2010 was more effective than Davidson and his team in using social media and riding Internet memes to carry their message. That message, if you haven’t heard, is that airlines need substantial technological change in distribution to capture potentially billions in ancillary revenue.

Yet with all those guest columns, blog posts, online videos and slick presentations comes a little risk. The inclusion of Farelogix in the FairSearch.org lobbying group, which calls for the government to challenge Google’s proposed acquisition of ITA Software, just weeks after Davidson in a September column in BTN sister publication The Best slammed calls for new airfare and fee regulations raised an eyebrow. He had picked on people for playing the G-card of government intervention, then turned around and did it himself. Hypocritical?

“It would be a bit hypocritical,” according to Davidson, “if we simply stayed on the sidelines and only spoke out when events had direct impact on Farelogix. On the surface, it sure looks like we are keeping some strange bedfellows by supporting FairSearch, and frankly I even have to smile when I see Sabre and Farelogix agreeing. But Farelogix has always been vocal about maintaining system openness and product choice, and fostering innovation throughout the travel industry. And when we see a trend, merger or significant industry event that may limit or restrict those core industry requirements, we need to voice our opinion.”

Davidson fully admits that he wants the media campaign he has waged to mean greater use of Farelogix’s “pipes.” Farelogix last year added to its roster of airlines that use its application programming interface, launched a new agent booking tool-agnostic mobile services in its major mobile launch.

While most buyers still prefer fixed, negotiated hotel rates to dynamic pricing models in which a negotiated discount is applied to the best available rate, many now are more open to the idea thanks in large part to a comprehensive sales effort developed by InterContinental Hotels Group. After aggressively pushing dynamic pricing in the Asia/Pacific region two years ago, IHG began an effort to urge large-market buyers to adopt the model. That effort was led by senior vice president of worldwide sales Stephen Powell, who told BTN that the goal was to put dynamic pricing “in the proper box, wrap it up and put a bow on it.” The program included training for the sales team and buyer education regarding the advantages of adopting dynamic rates.

IHG this month still is finalizing agreements, but Powell said he expects the company will reach its goal of converting 20 percent of corporate buyer contracts to some form of dynamic pricing. At the same time, IHG’s strategy helped contribute to an overall shift in buyer attitudes toward dynamic pricing. Five years ago, the model was enormously unpopular among buyers, especially as some hotel companies took an all-or-nothing approach. Now, even among buyers who do not adopt dynamic pricing—and Powell concedes that the model will not work for every buyer—many at least are willing to consider it, he said.

“Where we originally were, people wanted to shut the door and didn’t even want to breach the subject at all,” Powell said. “Now, whether they’re converting to dynamic pricing, we are seeing a turnaround in the interest.”