The maturation of the company began in 2008 when Travel Leaders Group chairman Michael Batt led a management buyout of Carlson Leisure Group from parent Carlson Companies with a plan to build a new force in corporate travel management.

Travel Leaders Corporate now holds all TAG wholly owned corporate travel operations, including those of the former Tzell Travel Group, which merged with TAG in summer 2008, and some corporate travel business from the Travel Leaders Franchise Group.

In February 2009, Batt oversaw the installment of a new Travel Leaders Corporate management team led by president David Holyoke. Building on those moves, Batt said the company achieved a “substantial critical mass in the business travel market” with significant marketshare gains in accounts with $2 million to $15 million in air volume, helping grow the entire group’s annual sales to more than $6 billion.

Travel Leaders Group has more than 1,300 company-owned and franchise operations in North America. Its gains in the corporate arena also have given its franchisees a stronger business travel presence.

“When we were part of Carlson, that business was focused on the mega global agency, and they also sold smaller accounts as well,” said Batt. “Everything they were geared for tends to be for the larger corporate accounts. When we merged with Tzell to bring it into Travel Leaders, our sweet spot became the $2 million to $15 million range—the same as the franchisees. We are far better today than when we were part of Carlson.”
for the past couple of years, trying to make sure that these weren’t short-term reactions to adverse market conditions, that these were fundamental changes in how the domestic market was going to operate going forward. Based on that, we felt pretty comfortable that there was going to be an opportunity for an existing brand to redefine its product attributes that customers really value, and has a baseline of service that was safe, clean, comfortable and reliable. Those are the brand promises that both Frontier and Midwest have. The question is, can we look at the attributes that each one of those have, pick the best of both products and get them to the entire 16 million customer base of the combined entity? That’s really the work in progress that we have before us now.”

Republic in June announced plans to acquire Midwest from private equity firm TPG Capital. That same month, Republic submitted its bid to acquire Frontier. Success came two months later, as Republic not only shifted ownership of the country’s 12th largest airline, as measured by available seat miles, but also prevented ownership by Southwest, which sought to out-bid Republic and consume the Frontier brand.

“I admit there was certainly a lot more value for Southwest in buying Frontier than there was for Republic buying Frontier,” Bedford said. “We thought we brought good things to the deal as it related to the Denver marketplace—retaining a competitor in the marketplace, whereas if Southwest had been successful they would have eliminated a competitor, and I think we all know what that means to the cost of travel.”

STEVEN BRILL
Former CEO
Verified Identity Pass

When Verified Identity Pass suddenly folded last summer, it brought the Registered Traveler industry to a halt, leading to the immediate shutdown of the firm’s Clear expedited security screening checkpoints, prompting one competitor to fold and another to suspend operations and spurring several lawsuits from members.

To customers, the company’s demise came abruptly on June 22: Clear was up and running at airports one day and shut down the next with little more than a brief explanation on its Web site that cited a failure to secure necessary funding. Court documents show VIP’s struggle against insolvency took root during the tenure of CEO Steven Brill, who was crucial in forming the industry that crumbled in the wake of his exit from it.

Since its launch at Orlando International Airport in 2005, VIP grew to become the dominant player in an emerging business that sought to speed through airport security passengers who elected to pay an annual fee and undergo a threat assessment. Within four years, VIP grew to run the Clear program at all but a few of the 21 airports in the United States that hosted Registered Traveler lanes and helped spawn competitors like Flo Corp. and Vigilant Solutions, the latter folding in the wake of VIP’s demise and the former suspending operations at the only airport where it hosted lanes.

The company’s troubles were well established early last year when the board of directors replaced Brill with new president James Moroney and secured the services of a firm that specializes in troubled companies. The board made those changes, court documents state, “as a result of concerns over continuing losses and substantially diminished working capital.”

Moroney, who in a court affidavit alleged that he was in the process of restructuring the company, said in documents that “during Mr. Brill’s tenure, VIP had lost in excess of $100,000,000, which included all of the equity investment and the proceeds from a secured loan by Morgan Stanley,” in excess of $30 million.

After taking the helm, Moroney testified that the company sought additional financing, attempted to restructure its debt and aimed to continue operations. “Those efforts ceased in June of 2009 when it became obvious that VIP was not going to be able to obtain sufficient working capital to continue as a going concern,” court documents said.

With Moroney as the “sole representative of the debtor’s senior management,” VIP filed for Chapter 11 bankruptcy protection in December.

THE 25 MOST INFLUENTIAL EXECUTIVES OF 2009

PHILIPPE BRUYÈRE
Global head, passenger
International Air Transport Association

The International Air Transport Association late last year set an end-of-year 2012 deadline for airlines to have electronic miscellaneous document capabilities and to use the ancillary service reporting and settlement standard with bank settlement plans by the end of 2013. The EMD is the last electronic piece that needs to be put in place to eliminate paper from the air travel process, following the footsteps of other moves to electronic means, including e-ticketing and barcode-enabled boarding passes.

While IATA expects EMDs to generate billions of dollars in savings for airlines, they also are being used by carriers and travel agencies as the standard to track and report such ancillary purchases as baggage charges.

During the past several years, IATA has been working through the technical hurdles of EMD as part of its overarching Simplifying the Business program, but in 2009, led by global passenger head Philippe Bruyère, the association’s team developed the business case that eventually would gain the EMD standard buy-in as a “win-win-win value proposition that was clear, formalized and making sense for every stakeholder,” said Bruyère.

Bruyère and his team’s plan won out as distribution providers and the IATA board of governors—comprised of airline CEOs—saw the standard EMD as the next step in the e-travel process and the future of tracking and reporting on their evolving merchandizing initiatives.

“If you don’t have a strong business case, then you don’t have any business,” said Bruyère. “You may understand that you have an issue, may have identified an opportunity to solve the issue from a technical point of view, but until you formalize the value it will create to the stakeholders in the form of a business case, it is impossible to have the traction leading to a global effort and global success.”

JOHN BYERLY
Deputy assistant secretary for transportation affairs
U.S. State Department

As 2009 drew to a close, United Airlines, Continental Airlines and Star Alliance partner All Nippon Airways, Japan’s number-two carrier, asked the United States permission to create the country’s first-ever antitrust-immune joint venture with Japan. That
wouldn’t have happened without John Byerly.

The State Department deputy assistant secretary for transportation affairs served as the lead U.S. negotiator for the Open Skies agreement with Japan, setting into motion that joint venture and similar plans from Japan Airlines, the country’s largest airline, to follow suit with a U.S. partner.

Negotiations between the U.S. and Japan lasted five rounds beginning in May and culminated in a memorandum of understanding in December. Within days of the agreement, Japanese and U.S. carriers set into motion their plans, similar to transatlantic joint ventures immune from rules on pricing, scheduling and planning airline service that proliferated after the 2007 U.S.-EU Open Skies agreement.

Though the Japanese agreement spurred new arrangements across the Pacific and closer cooperation among passenger carriers, a finalized Open Skies deal faces one last hurdle—the approval of those antitrust-immunity applications, a process that could last through much of this year.

“The Japanese side from early on made clear that doing Open Skies was not an act they were prepared to do in and of itself, but like some other countries, Japan was prepared to go forward with an Open Skies agreement if their carriers were granted immunity from the Department of Transportation,” Byerly said.

Once enacted, the deal will enable U.S. and Japanese carriers to operate between both countries without restrictions on number of flights, level of capacity or pricing. DOT said the deal also would “provide unlimited opportunities for cooperative marketing arrangements, including codesharing,” lift operating restrictions at Tokyo’s Narita International Airport and open up new opportunities at Haneda Airport, which is closer to Tokyo’s city center but restricts airline access.

“It was a challenging, long, often difficult negotiation,” Byerly said. “The Japanese are exceptionally talented and tenacious negotiators, but we came away with a text that, if brought into force, constitutes a full Open Skies agreement.”

**RICHARD CRUM**

**President**

**ACTE, AirPlus International**

Late in 2008, nearing the end of his first term as president of the Association of Corporate Travel Executives, AirPlus International president Richard Crum told *BTN* why, in the midst of a deepening recession, a merger with the National Business Travel Association was unlikely to occur.

“Structurally, culturally, strategically and operationally, they are different,” he said. “They have a lobbying arm. We’re more of an advocacy group. We’ve got equal membership, they separate buyers and suppliers into two different ranks. We are more different than you can imagine, and I don’t think the industry would be better off if the two merged. We’d end up disenfranchising one group or the other.”

Crum maintained that members showed no interest, but his successor as ACTE president, Booz & Co. director of global sourcing and travel Doug Weeks, took a sharply different view. Along with ACTE treasurer-elect Mary Ellen George, general manager of BCD Travel’s Advito consulting unit, Weeks in early April met with NBTA president Kevin Maguire, University of Texas manager of travel for intercollegiate athletics, and Allied Leadership Council president Scott Solombrino, president and CEO of Dav El Chauffeured Transportation Network, to find a way to bring the two organizations together. During the following two months, the group met most weekly, slowly widening the discussion circle to include other members of each association’s board.

When Weeks presented the proposal that he had helped create to an ACTE board meeting in June, however, he was met with resistance and the backing of far fewer than the two-thirds of the board required by ACTE’s bylaws to bring such a proposal to a vote by its members.

Crum’s opposition and stature as immediate past president played an important role in the board essentially rejecting the idea without a vote.

“I was not alone in opposing it,” Crum said. “It is a fact that the board never voted on a merger proposal. There were documents that we looked at. There were terms that were discussed. You can’t say the board didn’t consider it, because we spent a lot of time as a board talking about it, but we never took a formal vote. We never got to the point where we had the majority of our own board, even prior to any board members leaving, feeling like the terms that were proposed represented a value proposition that we were confident we could take to our members and get approved.”

The board instead decided during that meeting to create a strategic alliance with the Professional Convention Management Association that Crum said was meant to be a “shared services arrangement, where some non-member-facing activities—finance, IT—can be outsourced to either party, so that one group can take it over and the other one pay a fee.”

Following that meeting, Weeks resigned from the presidency and the board, and George, treasurer Brad Seitz, president and CEO of Topaz International, and board member Michele Bryant, director of travel and procurement for Deloitte Services LP, resigned as well.

Subsequent pressure from sponsors and members prompted the ACTE board to issue its own proposal for merging with NBTA, which PCMA cited as a factor in pulling the plug on its alliance with ACTE, before NBTA rejected it.

Crum’s impromptu term as substitute president will end at ACTE’s May conference in Chicago, when BCD Travel senior vice president of sales for Europe, the Middle East and Africa and Asia/Pacific Chris Crowley, who became ACTE’s president-elect on Jan. 1, assumes the presidency.

In coming back as president, in keeping with the association’s succession plan, Crum said he was able “to bring some stability to the organization and get us back on the good path, which we’re now on. “A merger with NBTA hasn’t been in the cards, even with some effort this year in trying to find a way to make it work. That’s not to say that it’s impossible to merge, whether it’s NBTA or another organization, and create that value, but we weren’t able to do that.”

**DEBBIE DAYTON**

**Global head of travel services**

**Deutsche Bank**

*Business Travel News* 2009 International Travel Manager of the Year and Deutsche Bank global head of travel-related services Debbie Dayton saw her company’s two-year strategic meetings management reengineering initiative reach new heights as the company expanded its program in Asia/Pacific and Europe, while changing the behavior of the local supplier community and driving meetings management technology provider StarCite to revamp some of its technology and build new tools into its platform.

Dayton and her team worked with StarCite to develop new electronic meetings management processes including requests for proposals, reporting, reconciliation and data modules that have been incorporated into...
In the early 2009 torrent of public criticism of spending by corporations that received U.S. Troubled Asset Relief Program funding from the federal government, proposed legislation that would place strong restrictions on such companies’ travel expenditures seemed a real possibility. Lobbying efforts, though, by travel industry associations and chief executives led by U.S. Travel Association president and CEO Roger Dow helped persuade legislators to ratchet down such efforts, eventually leading to new U.S. Treasury Department regulations that, while significant, were far less onerous than those threatened.

The regulations, which require TARP recipients “to eliminate excessive and luxury expenditures,” among other restrictions, represent a dodged bullet for the travel industry, given that other proposals, including one from Sen. John Kerry (D-Mass.), would have prevented TARP recipients from hosting, sponsoring or paying for conferences and events.

“As meetings and business travel were being vilified by the media and the U.S. government, we stepped in with a coalition of eight associations to say that we’re not going to fix the economy and get things moving by bash- ing meetings,” Dow said. “We had a role in shutting down phenomenally damaging legislation that most people don’t even know about.”

The successful lobbying effort, Dow said, centered on the theoretical financial impact of such legislation on, in Kerry’s case, major Boston convention hotels. “We moved the argument from the fat cats to the real businesspeople who get harmed by this,” Dow said. “We met with Kerry, and we tried to bring home that when you shoot business travel in the foot, you’re hurting communities. People lose their jobs—cab drivers, lunch-truck vendors—and that harms the economy. Business travel is pervasive.”

Dow and a dozen CEOs of major travel industry suppliers met with President Barack Obama, himself at the center of an industry controversy after February remarks citing trips to Las Vegas as an example of lack of corporate financial restraint. “The administration was vilifying certain destinations. There was a lot at stake,” Dow said, noting that the presidential audience for the industry had little, if any, precedent.

The association also pushed to quell public concern about air travel in light of the spread of swine flu and focused attention on the federal response to the attempted Dec. 25 bombing of a U.S.-bound jet.

“Security is job one, but you can have a secure process and an efficient process,” he said. “We’re against window dressing and knee-jerk reactions. Long lines don’t always mean good security.”

Timothy Geithner
Secretary
U.S. Treasury Department

The U.S. government on June 15 published new rules in the Federal Register governing some meeting, event, incentive and travel expenses for companies that received Troubled Asset Relief Program funds.

The rules—established by Secretary Timothy Geithner’s Treasury Department—not only required travel and meetings policy action from hundreds of banks and others that received hundreds of billions of dollars in TARP funds, but also highlighted the significance of travel and meetings management.

Though the new guidelines focused on executive compensation and corporate governance, they also required TARP recipients “to eliminate excessive and luxury expenditures,” as defined by the Treasury Secretary, including “entertainment or events, office and facility renovations, aviation or other transportation services, and other similar items, activities or events.”

According to the guidelines, TARP-receiving companies had to identify such expenses, establish policies, set approval processes, require “prompt internal reporting of violations” and “mandate accountability for adherence” to such policies.

Fearing the worst, some industry organizations applauded the new guidelines. U.S. Travel Association president and CEO Roger Dow in a statement claimed to be “pleased that after months of discussion with the Obama Administration and our industry’s full-court press on the value of meetings, events and incentives, these regulations do not do any further harm to the meetings and events marketplace.”

The National Business Travel Association said the Treasury Department’s rule recognized “the value of an effective corporate travel and meetings policy.” Then-president Kevin Maguire said, “NBTA is pleased Treasury has pointed to travel management as a tool to contain costs and ensure efficient and effective corporate travel and practices.”

Bram Gräber
Senior vice president and Benelux area manager
Air France-KLM

KLM director for the Netherlands and senior vice president and Benelux area manager for Air France-KLM Bram Gräber last year took actions that were influential, though not necessarily popular. “I did not anticipate too much applause,” he said of his introduction
of a €7.50 credit card merchant fee surcharge for bookings through Dutch travel agents in August 2009. He was right.

The Netherlands initiative only was for heavily restricted fare types on KLM, but in December the project went one step further: Both KLM and Air France introduced a surcharge on all fare types—with a few exceptions, such as corporate net fares—booked through agents in Sweden.

KLM thereby became the first airline to fulfill the prediction of numerous corporate travel pundits that carriers would tackle card merchant fees as the next front in their war on distribution costs. Around the same time, United Airlines ceased to accept bookings through its merchant agreement from a few dozen United States travel agencies, but the KLM model is more far-reaching and more likely to be adopted by other carriers. SN Brussels and Finnair already followed suit in the Netherlands, and Finnair said it is likely to do something similar in its home market this May. Travel management companies report that several other airlines in Europe are watching the KLM experiment closely and are likely to act in 2010.

While some travel managers threatened to switch bookings elsewhere in protest of what they perceived as a back-door price increase by KLM, there has been no evidence of a widespread revolt. Gräber, a 15-year KLM veteran with four years in his current role, is convinced he did the right thing. He accepts the argument of buyers and TMCs that corporate cards are an excellent payment mechanism for airlines as well as the client and intermediary. However, he said, “we all benefit, but there is an imbalance. Airlines are paying for the benefit of all three parties, and that is not right.”


dated by the carriers of a particular alliance.

The U.S. Department of Transportation in July acceded to Justice Department requests to deny Continental Airlines immunity with other Star Alliance carriers on seven international routes from New York City and three others between the United States and Canada—while denying other DOJ requests—and DOJ continues to oppose the grant of immunity to American Airlines and its OneWorld alliance partners on six key routes. In both cases, the Justice Department cited insufficient competition to protect consumers from immunized carriers’ ability to jointly set fares and schedules.

“This Department of Justice appears to be a tad more aggressive than that of the prior administration,” said Continental then-president Jeff Smisek, since named CEO, in July.

That aggression has considerable implications for an airline industry that in the past decade has developed the alliance structure as the dominant mechanism for transatlantic service. As alliance deals gain further traction with corporate buyers, DOJ’s moves could help to limit routes dominated by the carriers of a particular alliance.

SkyTeam alliance carriers received antitrust immunity in May 2008, nine months before Holder’s appointment as attorney general.

While DOJ’s comments appear to claim that all alliances are equal in their ability to compete for transatlantic traffic, the reality is that some are now more equal than others, American Airlines said in a DOT filing last sum-

mer. “Ruling on one application inconsistently with the others would tip the scales and deny consumers the benefits of full inter-alliance competition.” SkyTeam’s immunity has since been amended by DOT to require annual reports demonstrating they are “producing benefits for consumers.”

CARLSON COMPANIES

Carlson Companies president and CEO Hubert Joly in 2009 primed his company to focus more resources on travel and hospitality by taking direct control of its hotel operations and by overseeing the sale of the company’s legacy marketing arm.

The company in December closed the sale of Carlson Marketing, the original company from which Carlson sprung, to Groupe Aeroplan for just over $175 million. While Joly, the first non-Carlson family member to helm the company, said the decision was an emotional one for the company, he compared it to a tree outgrowing its roots. The company now can hone its focus on its restaurants, Carlson Wagonlit Travel and its hotels, which include the Radisson, Regent, Park Plaza and Country Inns & Suites brands.

“Its good for the clients, good for the employees of Carlson Marketing and good for Groupe Aeroplan,” Joly said. “For us, it frees up significant resources to invest in the hotel business.”

Joly also shifted his role this year to assume direct control of the hotel business, much in the same way that Gilles Pelisson heads both Accor as its CEO and Accor’s hotel operations, he said. With that change in place, Carlson this year is prepared to pour resources into its hotels.

“We are on the offensive on the hotels business, ready to invest around our key priorities,” Joly said. “We’ve set aside about $200 million to invest in the short term, particularly on our Radisson strategy.”

The company this year plans to concentrate on improving Radisson’s brand image within North America, importing some service concepts that have worked well internationally. Carlson also will be expanding development in emerging economies around the world, illustrated by its January announcement that it will add about 50 properties in India in the next few years, Joly said.

CARLSON COMPANIES

HUBERT JOLY
President and CEO
Carlson Companies

LARRY KELLNER
Former CEO
Continental Airlines

On Oct. 27, 2009, Continental Airlines became the first major airline ever to switch alliance loyalties, becoming Star Alliance’s 25th member while leaving behind SkyTeam, where it became the odd man out following the merger between former partners Delta Air Lines and Northwest Airlines.

The change in alliances activated a transatlantic joint venture with Star partners United Airlines, Lufthansa and Air Canada and led to December’s request to operate a similar venture with Japan’s All Nippon and United across the Pacific.

Smoothly transitioning Continental to Star was the last major goal CEO
Larry Kellner outlined for his tenure, which ended on Dec. 31, 2009, as he set out to join a new Houston-based private investment firm, Emerald Creek Group LLC.

The Star switch gave Continental’s business flyers new perks and a new network that leveraged the transatlantic strengths of United and Lufthansa, while removing those associated with SkyTeam. Corporate travel buyers, meanwhile, gained a viable transatlantic joint venture competitor to Delta-Air France-KLM, which spent last year courting corporate clients and pricing options available through its combined network.

Speaking with Business Travel News after announcing that Continental president and COO Jeff Smisek would succeed him, Kellner said of Continental’s joint venture with United, Lufthansa and Air Canada, “I feel good about the opportunities for that partnership, both working domestically closer with United and also working on the joint venture. This is a big increase in customer choice. Star will now have a true transatlantic joint venture, because while they had a great joint venture, they were kind of dark in New York and dark in Latin America, and that’s a huge part of this business.”

RAY LAHOOD
Secretary
U.S. Department of Transportation

When the U.S. Department of Transportation in late December gave airlines 120 days to enact a policy that allows passengers to deplane an aircraft that sits on a taxiway for more than three hours, Transportation Secretary Ray LaHood was using his position of power to dictate new airline rules that elated passenger rights advocates, enraged carriers and eluded Congress for a decade.

Although an airline passenger bill of rights that sought to impose the same rules on airlines inched closer to passage in the fall, the legislation stalled amid more pressing congressional matters. By the end of the year, LaHood determined that if he wanted something done, he’d do it himself.

“I was a member of Congress for 14 years,” LaHood, who served in the U.S. House of Representatives as a Republican from Illinois, told BTN, “and I know that it takes forever to get big things done in Congress, and this is a big thing. This is a big sea change, and it involved the airline industry. I know the airline industry has been fighting against this. I supported this type of legislation when I was a House member, and so we’re tired of sitting around waiting for other people to take action. It’s our job to do this, and that’s the reason we decided to do it.”

The ruling prompted the Business Travel Coalition to call LaHood “the über passenger advocate,” but the airlines probably called him much worse as they were forced to enact passenger protections they evaded for a decade. Those protections include a three-hour time limit on tarmac delays, a requirement to offer food and water for passengers stuck there for two hours, access to lavatories while on the ground and readily available information on the timeliness of regularly scheduled flights, among others.

Though vigorously opposed, Air Transport Association president and CEO James May on behalf of the largest U.S. airlines said, “We will comply with the new rule even though we believe it will lead to unintended consequences—more canceled flights and greater passenger inconvenience.”

“We know airlines don’t like this rule,” according to LaHood, “however, that’s irrelevant, because our job is really safety, number one, and looking out for passengers.”

PAUL LEYH
Secure Flight program director
Transportation Security Administration

Longtime airline executive Paul Leyh did what many in the industry wondered could ever be done: get the Secure Flight watchlist matching program off the drawing board and into operation. As program director, in 2009 he began the implementation phase and made the huge strides necessary to complete the transition to the system by all airlines flying to the United States by the end of 2010.

“We should meet our goal of having all of the domestic carriers cut over to Secure Flight by at the latest midyear and probably sooner,” Leyh said. “The original goal was to have all carriers on board by the end of 2010, and we haven’t backed off that goal. At the same time that we are bringing the domestic carriers completely on board, on a parallel track we’re starting to bring over the foreign flag carriers.”

He said his biggest accomplishment in the past year was “the day in January 2009 when we had the first airline go live, and we did watchlist matching for that airline.” That was the end of an embattled journey that began more than five years ago when the government scrapped its predecessor, the controversial CAPPS II program.

In another major milestone, the agency on Aug. 15 directed domestic airlines—and the travel agencies that support them—to begin collecting from passengers full names, dates of birth and gender.

Leyh, who worked for American Airlines for 17 years before becoming a partner in a travel agency and then joining US Airways for about eight years before joining TSA to head Secure Flight a few years ago, credited his experience for his success.

“My value in all of this,” he said, “was to be able to understand the process and to be able to integrate all of the pieces. When you are trying to get technical people in the government to understand how airlines work and airline people to understand how government works, you need someone who can speak both languages.”

Leyh worked with the stakeholders and created the program requirements so the technical architects could design and build the system about a year and a half ago. Testing began internally and with the U.S. Government Accountability Office before working with each individual carrier.

Different carriers had different technical challenges in the formats or frequency in which they sent the data, said Leyh. “Those are the things that you don’t find out until you start doing the testing. The industry was very good about working with us.”

SUSAN LICHTENSTEIN
Director of travel, meetings and events
Cisco Systems

Susan Lichtenstein, within a few years at the helm of Cisco Systems’ travel program, oversaw a massive overhaul of the company’s hotel program, creating a consolidated program with multiyear and dynamically priced agreements that hoteliers and buyers alike have sought to emulate.
For the 2009 hotel program, Cisco director of travel, meetings and events Lichtenstein and her travel team, rather than approach 50 or more different hoteliers, instead negotiated with six strategic, multibrand hotel companies, getting a commitment of 85 percent of the hotels within each chain. The agreements mixed fixed negotiated rates with a dynamic pricing component, so there was no need for midyear renegotiations when market conditions worsened for hoteliers. Lichtenstein also locked in the agreements for three years, so there was no need to return to the negotiating table at the end of the year.

“We have a long-term solution that is very strategic,” Lichtenstein said. “Not only were we able to achieve savings in a very tight economy, but our marketshare increased at our properties.”

The hotels initially resisted the strategy, Lichtenstein said, but ultimately embraced it to the degree that she found herself presenting the program at their board meetings. Other travel buyers have sought her help, too.

“Other companies have reached out to see how it was successful,” she said, “and the hotels now have a new way to sell their properties.”

Lichtenstein’s efforts with Cisco’s hotel program were a large part of what earned her the title of Business Travel News 2009 Travel Manager of the Year. Her other accomplishments included restructuring airline suppliers, consolidating to three call centers worldwide, bringing tighter controls and collaboration within Cisco’s meetings program and enhancing booking and social networking technology.

**JANET NAPOLITANO**

Secretary  
U.S. Department of Homeland Security

In her first year as Department of Homeland Security Secretary, Janet Napolitano advanced a series of initiatives set forth under the previous administration that had a direct effect on corporate travelers, most notably setting a course to make the trusted traveler Global Entry program permanent, championing the delay of the Real ID Act and securing aviation security funding.

The Global Entry program, run by the U.S. Customs and Border Protection agency, is available to U.S. travelers and visitors from select countries for a $100 enrollment fee and submission to a background check. The program allows travelers who pass the check to bypass customs lanes and scan their passports at automated kiosks, which take photos, issue customs declarations questions and take fingerprints. The program is designed to increase customs efficiency by reducing average wait times by 70 percent and “enable law enforcement to focus on higher-risk travelers,” Napolitano said in November.

At the conclusion of the pilot, Global Entry had tens of thousands of approved members and now is available at 20 major U.S. entry points, including some of the most heavily trafficked U.S. airports.

The third secretary in DHS history, Napolitano also advocated for the implementation of Pass ID, a less rigorous alternative to the heavily contested Real ID Act, which required states to start issuing national standard-based state-issued IDs and driver’s licenses by Jan. 1 of this year or risk federal agencies possible rejecting the IDs of states not in compliance with minimal standards. The deadline for full compliance in issuing new state IDs ultimately was extended to May 10, 2011.

DHS secured $1 billion in funding through the federal stimulus bill for such aviation security projects as enhanced systems for checked baggage and liquid explosives.

The Christmas Day attempted terrorist attack on a Northwest Airlines flight from Amsterdam to Detroit now has the department planning to further bolster its counterterrorist activities. Those plans include reevaluating and modifying terrorist watchlists, establishing a partnership with other federal departments to find “more effective technologies to deter and disrupt known threats,” accelerating deployment of advanced explosive detection systems, strengthening aviation law enforcement and developing international security partnerships with other countries.
The corporate travel industry in 2009 began to make strides in solving its need to track and report corporate expenditures on proliferating ancillary airline fees through the use of new electronic miscellaneous document standards. Though widespread adoption of a standard EMD—essentially an e-ticket for ancillary purchases—still is a few years away, several airlines, technology providers and payment systems have begun to work the standard into their solutions and the International Air Transport Association has set deadlines for when its members must comply with the standard.

At the forefront of the push to EMD standards was Airlines Reporting Corp., vice president of marketing, sales and customer care Michael Premo, who began his quest in late 2007 as carriers began to aggressively implement new ancillary charges, including baggage and seat selection fees.

“Being at ARC, realizing that our agency customers had no way of actually selling and servicing those sorts of revenues and getting a sense of the kind of success that carriers were having all around the world in offering these types of services, I was concerned that our agency community might get left behind if more aggressive action wasn’t forthcoming on the part of ARC, the GDSs and the carriers,” said Premo.

Premo pushed carriers and technology companies to adopt the EMD standard rather than develop individual solutions. He made a breakthrough in late 2008 when he suggested the idea to distribution technology provider Farelogix, which now is working with American Airlines, United Airlines and another unidentified U.S.-based carrier on EMD tracking and reporting.

ARC itself this year plans to deliver the settlement piece of the puzzle, which ultimately could provide agencies with the avenue through which to report back to corporate clients what they have spent on ancillaries.

Expense management technology supplier Concur in 2009 cast its eyes on Europe, acquiring a competitor that doubled its presence there and improved its capability to make a global expense reporting tool available to small and midmarket companies.

The company, led by acquisitive chairman and CEO Steve Singh, in August bought Paris-based Etap-On-Line, the provider of the Ulysse Travel & Expense Tool and supplier to about 200 corporate clients. With the deal, Concur gained new European operations centers and stated a goal of ultimately making European business comprise 30 percent of its revenues.

Singh said Concur is still working on the data level to make a truly global expense reporting tool a reality. “There’s still a lot of content that has to be integrated on a global basis,” Singh said. “Hotels are still very fragmented, but we’ve been making a lot of progress on ground transportation. Rail only in the last year has become integrated on a technology level.”

It was a perfect tale of corporate cluelessness and indifference, ready-made for politicians, anchormen and comedians alike to wag their fingers and shake their fists at Wall Street’s appalling greed and arrogance. The truth of American International Group’s September 2008 group incentive trip to California’s St. Regis Monarch Beach resort mere days after receiving billions of dollars in U.S. Troubled Asset Relief Program funding was far more complex, but the image of economy-wrecking wealthy executives enjoying ocean-side hot-stone massages on the taxpayer’s dime outweighed objections that the long-planned trip was designed to stimulate sales and generate revenue. Almost immediately, AIG cancelled similar incentives amid a media and political maelstrom, as did other companies of all stripes fearful of public retribution, and the AIG effect was born.

More than a year later, the outrage has subsided, but the AIG effect persists. Whether executives will remain scared of the possibility of a travel-related public shaming, or at least profess to, when the economy shows true improvement is an open question.

To represent the AIG effect on this annual list of most influential executives, BTN cites former AIG CEO Martin Sullivan, for without the implosion of AIG’s Financial Products division that occurred largely on Sullivan’s watch and the consequent bailout, nobody would have cared about AIG’s group incentive site selection. Instead, the business travel industry spent much of 2009 fighting public perception, and not always winning.

The National Business Travel Association’s announcement in early January 2010 that the United Kingdom and Ireland’s Institute of Travel & Meetings will run the newly formed NBTA Europe was fitting recognition that ITM has transformed itself in recent years from a sleepy national association into a dynamic force in international travel management.

Much of this success can be attributed to a succession of inspirational chairs, the most recent being AstraZeneca global category leader for business travel Caroline Strachan, whose two-year term ended on Dec. 31. Alongside each of them since 2005 has been CEO Paul Tilstone, whose most notable industry influence in 2009 was in securing important changes from a sleepy national association into a dynamic force in international travel management.

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duce the carbon footprint of their business travel. Last year saw more examples of how influential that program has become. Theresa Villiers, the United Kingdom’s shadow transport secretary and a likely government minister after this year’s forthcoming general election, frequently cited Icarus as an example of how British companies are taking tangible steps to reduce emissions. Meanwhile, environmental charity WWF offered Icarus to corporations signing up for its “1 in 5” campaign to cut emissions by 20 percent. Icarus will be offered to all members of NBTA Europe.

Tilstone and Strachan also ditched their organization’s original name, the Institute of Travel Management, after half a century. “If travel management simply focuses on facilitating the movement of individuals, that is a dwindling role,” Tilstone said.

**FRITS VAN PAASSCHEN**

President and CEO
Starwood Hotels & Resorts

Led by president and CEO Frits van Paasschen, Starwood Hotels & Resorts stopped a competitor’s new hotel brand launch cold in 2009 with a lawsuit alleging corporate espionage of the company’s trade secrets.

Hilton Worldwide in March announced the launch of Denizen Hotels, a global luxury lifestyle brand designed to premier in gateway cities around the globe. The next month, however, Starwood filed a lawsuit charging that two former executives who had joined Hilton the prior year—Ross Klein and Amar Lalvani—had stolen more than 100,000 electronic files from Starwood, including confidential information about Starwood’s W brand, for use in developing the Denizen brand.

Despite initially standing behind the Denizen brand, Hilton suspended its development within a few days after the lawsuit was filed. It also since has terminated both Klein and Lalvani.

Making a rare public commentary on the lawsuit as a guest blogger on USA Today’s Hotel Check-In, van Paasschen in April wrote of the amount of detail needed in developing a hotel brand. “To then take a successful formula and make it highly desirable for guests, profitable for owners and scalable so it succeeds whether in Hoboken or Hong Kong is incredibly complex,” van Paasschen wrote. “Clearly this is something we will fight to protect; it’s our ‘secret sauce.’ ”

The full impact of Starwood’s lawsuit on the industry remains to be seen. While the two sides appeared to be approaching a settlement late last year, Starwood in January filed an amended lawsuit broadening the scope of its accusations. The lawsuit now claims the use of its confidential information “was known to literally dozens of executives within the Hilton organization,” including at least five members of Hilton’s executive committee, all the way up to CEO Christopher Nassetta, and that the information has “infected” the development of all of Hilton’s luxury and lifestyle brands, including the Waldorf Astoria Collection, the Prestige Portfolio and Conrad Hotels.

**TERRY WELLESLEY**

Executive managing director
BMO Financial Group

Toronto-based BMO Financial Group catapulted its own position in the corporate card marketplace and breathed new life into a fading brand with its late-year acquisition of Diners Club’s North American franchise, a move led largely by BMO executive managing director and group head Terry Wellesley.

Diners Club’s North American franchise once enjoyed a position rivaled only by American Express in the corporate card sphere, but in recent years, owner Citigroup largely had relegated it to midmarket accounts while saving plum clients for its own corporate card offering. When it became apparent that Citigroup was looking to unload the franchise, Wellesley, a former Diners Club executive, saw an opportunity.

BMO had been eyeing ways to boost its position as a major corporate card issuer in North America, including considering buying GE Money’s corporate card unit, which American Express ultimately bought, Wellesley said. With Diners, which signed the deal Dec. 30, BMO now has global capabilities it never had before.

Diners, meanwhile, now has a chance to regain its relevance. With Diners, which still had retained some large corporate clients, such as accounting and consulting firms Deloitte and KPMG, BMO now is prepared to actively court large, multinational clients.

“We’re off the sidelines now,” Wellesley said. “We’re on the playing field now, and in a couple of years, we’ll match anyone on global deals out there.”