Key Travel

How Key Travel was able to grow its business by 20% in 2 years, with no additional staff and enjoy cost savings of over £500K.

Key Travel is a privately-held global Travel Management Company (TMC) dedicated to the not-for-profit sector. From its origins in the UK over 30 years ago, it has grown into Europe's leading TMC serving the unique travel needs of customers like universities, faith-based organizations and charities. It now operates offices in London and Manchester in the UK, Brussels, and a US office near Washington DC.

The Situation

In 2008, Key Travel embarked on an ambitious growth plan, and introduced a world of change into its organization. Hiring a new CFO and COO, it undertook an extensive overhaul of its technology infrastructure to facilitate these plans. In particular, Key Travel sought to expand into new markets, establishing an office in Brussels followed by an acquisition in North America. But these expansion plans could not move forward with the business systems Key Travel had in place.

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The Need

The company suffered from a lack of integration between its front, mid and back-office. These silos of information created data integration headaches, a high degree of manual reconciliation, and all the associated

potential for error. When questions arose (both internally and from its customers), Key Travel would find itself unable to respond effectively with the answers required because staff were working from multiple sources of data. Discussions could then deteriorate into debates over data quality rather than focusing on and solving core issues.

Furthermore, the company's systems were simply not scalable. With so much manual intervention involved in its business processes, Key Travel's ability to grow was hamstrung. The company needed a nimble system that would scale across multiple offices in different countries, and provide them with the agility to swiftly move on acquisition opportunities as they arose. "We would not have been able to scale our business with the legacy systems. The inability to make timely and informed business decisions would have broken our company," remarks Spence Knudson, CFO of Key Travel.

The Benefit

Key Travel selected Sabre® CentralCommand powered by Unit4 Business World (formerly Agresso) as its new back-office solution, beginning with its UK offices, and swiftly began seeing results. It was able to automate financial processes and pull information from across the business into CentralCommand, generating valuable management reporting, without any of the previous manual reconciliation. Everyone was using the same data and it was available on demand.

"The deployment of CentralCommand has moved our business forward a leap and a bound," asserts Knudson. "It has enabled us to automate areas of our business with the consequence that operations and finance are far more efficient. We can now respond rapidly with answers to questions that we were simply unable to ask before."

CentralCommand possesses the unique characteristic of post-implementation agility – it allows business users to interface other platforms, and create reports to easily extract information as they respond to evolving needs. Thus, accounting and finance staff are able to create their own reports and extract the data they needed without depending on constrained IT staff. In a dynamic environment like Key Travel, where it is acquiring companies, opening new offices and developing new services for its customers, this ability is crucial.

"We can pursue acquisition opportunities such as our new office in the US, without inflating our overhead," adds Knudson. "CentralCommand has helped us eliminate over £500K in labor and legacy system costs – which in turn allows us concentrate on growing our business."

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Reducing Costs

The most immediate benefits were realized when Key Travel was able to sunset a variety of disparate internal systems, each involving expensive annual license fees. Eliminating these fees, along with the internal administrative burden of maintaining multiple software systems delivered savings of almost £200k per annum.

Key Travel was also able to eliminate or re-deploy staff into more valuable roles. The open architecture of CentralCommand allowed it to very easily create interfaces to other systems and do away with a great deal of manual intervention.

For example, in the UK offices, Key Travel had 2 FTEs manually entering information from Trainline, a train ticket provider, into its system. It was a time-intensive and error-prone process. With a simple interface created in-house at negligible cost, Key Travel automated this process, drawing ticketing data directly into CentralCommand (via XML) and greatly simplifying the reconciliation process when settling with Trainline. The interface also improved Key Travel's ability to report on and address customer billing issues and account reconciliation.

Creating new interfaces with other partners and automating processes that would otherwise require additional staff allows Key Travel to pursue their growth plans unhindered. For many TMCs, the level of manual intervention required in back office processes represents a serious barrier and prevents them from expanding their business.

Increasing Revenue

Successful TMCs understand that being competitive means aggressively pursuing good prices for their customers and ensuring those customers are well looked-after.

Key Travel negotiates different air fare contracts and is able to dynamically switch-sell airlines to maximize profitability whilst returning the best deal for the customer. Using booking information from CentralCommand the Company supplier relations team can monitor performance against incentive targets. If it is close to a meeting such a target with a particular airline,

then reservation agents are instructed to preferentially book that carrier until the target is met. This program ensures Key Travel doesn't miss obvious opportunities and helps keeps prices lower for all its customers.

Providing quality information back to customers is another hallmark of a successful TMC. With CentralCommand, Key Travel has significantly improved its customer invoices, providing rich data, like PO numbers, budget codes and other desirable information. This level of service means far fewer customer inquiries... and consequently, significant improvements in their customer payment profile.

Likewise, demonstrating value is a critical component in maintaining and attracting new customers. With CentralCommand, Key Travel can provide its customers with hard evidence of the value it delivers. "We can now produce a "fare savings report" that details to our customers the savings they enjoyed by purchasing a ticket from us versus the fare price of the other available alternatives," recounts Knudson. Significantly, this reporting capability took only 10 days to develop using the in-house MIS team. It is now a key component of Key Travel's sales proposition and is helping the company win new business.

Implementing the System

A complete back-office revamp sounds daunting. But so often it is the critical hurdle TMCs must clear to position themselves for the future. Key Travel's experiences reveal that the implementation process is not as challenging as expectations might suggest.

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The initial roll-out of CentralCommand in the UK was not without its issues, but they were all resolved within 6 weeks of go-live. "There are so many variants of travel booking, and if you consider all the booking data elements that you pass into a back office, getting them all in the right box, at the right time, in the right order... well, you'll probably never get them all right the first time," recounts Knudson.

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The UK implementation was in short order a great success, and provided Key Travel with an easily replicated approach that could be deployed at any of their newly-acquired branches. Indeed, their recently-implemented Belgium and US offices enjoyed an exceptionally smooth deployment. "These projects could not have gone better," recalls Knudson. "We were on time and actually under budget. We now have a cookie cutter approach for integrating new offices or businesses that only requires configuration of local currency and tax handling rules, followed by the upload of new suppliers and customers," adds Knudson

Summary
"Key Travel is such a representative customer of a business living in change – a niche market that Unit4 Business Software addresses with its Central Command and Unit4 Business World products. It is an innovative leader that embraces change and exploits modern software technology to offer more to its customers," observes Unit4's Director of Travel Industry Solutions. In a far from ideal economic climate, Key Travel has seen solid growth and is reaping the rewards of its investment in the back office.

About Sabre Travel Network
We Power the Travel Industry
Sabre Travel Network® connects travel buyers and sellers through the world's largest travel marketplace, the Sabre® global distribution system (GDS). And, through advanced technological solutions and services that are uniquely ours, we bring travel to life for millions of people each year.

We link more than 55,000 travel agency locations with more than 400 airlines, 88,000 hotels, 24 car rental brands, 13 cruise lines—every type of travel supplier under the sun—enabling them to create unforgettable experiences for travelers and fuel our industry. The Sabre GDS is jaw-droppingly powerful. We process over 1 million transactions per minute, during peak times. Our GDS is the world's best at finding the lowest fares, saving on average, 10% globally.

About Unit4

Unit4 is a leading provider of enterprise applications empowering people in service organizations. With annual revenue over $550M and more than 4,000 employees world-wide, Unit4 delivers ERP, industry-focused and best-in-class applications. Thousands of organizations from sectors including professional services, education, public services, not-for-profit, real estate, wholesale and financial services benefit from Unit4 solutions. Unit4 is in business for people.

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