



OVATION

TRAVEL GROUP

COVID-19: CORPORATE TRAVEL BEYOND THE PAUSE
BEST PRACTICES FOR TRAVEL MANAGERS
AND TRENDS TO WATCH

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As some of the world starts to open up again, companies have responsibilities and decisions to make as it relates to the health and safety of their business travelers and working through changes that will take us into a new world for the future of corporate travel. Below are Ovation Travel Group's recommendations that companies should consider during this time.

TRAVEL POLICY

Work with your legal team, human resources, risk, security, finance and other key leadership to create an addendum to your current corporate travel policy specifically related to travel during the COVID-19 pandemic. It should be a short one-page document highlighting the most essential pieces of information so travelers have a clear understanding of what is acceptable for deciding when to go on the road again.

- Define "permissible" and "non-permissible" travel. Travelers will have their own definitions, so it is important for your organization to be clear in defining what is allowed and what is not during this period.
- Prioritize the type of business travel to allow first. Similar to defining what is permissible or not, taking a phased approach will help travelers prepare for the future. Consider client or prospect requested travel, domestic vs. international travel, traveling for a conference, visiting and opening up company offices, etc.
- Dust off your "maximum number of people on airplanes" policy. If you don't already have this in your travel policy, consider the risks involved if multiple employees are traveling together and if there is a health risk.
- Provide direction on expectations of what type of ground service travelers should use (taxis, black car, on-demand or public).
- Review your organization's insurance policy to ensure your organization is covered while employees are traveling on behalf of your organization.
- Decide if you need a pre-trip approval or revised pre-trip approval process. Pre-trip approval requirements are being shifted from a focus on cost and policy to now including company approved destinations and/or permissible travel.
- Post all policy changes where travelers have access (i.e., Intranet, mobile app, etc.)

Communicate any changes to Ovation Travel Group so we update all platforms including the online booking tool and train all critical staff of those policy changes.

RISK AND TRAVELER SAFETY

Traveler Risk Management becomes more of a priority during times of crises, but it is more critical now than ever to make sure you are able to provide support to your travelers by knowing where they are, where they have been and how to easily communicate with them will be key. Now is the time to think about travel consolidation and developing a repeatable process to enable you to have a fast response to any travel crisis that might come your way.

- Ensure you can trace all employees' future travel activity. Knowing where your travelers are in the event of a crisis will be essential in the post-COVID-19 world. Businesses are particularly vulnerable if you have travelers that are "booking on their own" outside of the travel program. Consolidation will be key for the future of business travel.
- If you don't have a Travel Risk Management program in place, you can view Ovation's Travel Risk Management Introductory Guide to get started. <https://www.ovationtravel.com/lp-risk-management>

- For travelers getting back on the road for international travel, there may be quarantine requirements when entering individual countries. Take into consideration the health and safety of the business traveler, the potential productivity constraints when quarantining and the return on investment when taking that trip.
- Consider traveler personal and family medical status and the risks associated with business travel.

BUDGETS

Many companies have halted business travel for the time being but preparation for when business travel resumes is important. Understanding the scope of the budget you have available for travel in the future and over what timeframe will be important.

- Meet with your finance and procurement teams to update your budget for travel until the end of 2020.
- Get a handle on your refunds (air, rail, hotel, car) and what if anything is outstanding.
- Unused ticket tracking will be paramount for future travel. Ovation will apply all viable unused tickets for future travel. Consider the value of the outstanding balance as it relates to what tickets can be applied for future travel and factor into your budget.
- Expect the unexpected as it relates to future travel pricing.
 - o Airline capacity will be limited in the short term and if travel demand rises, prices will go up. Airlines are predicted to have short-term deals to encourage travelers return, but due to capacity constraints, those deals may be hard to find.
 - o It is possible that some hotels may not reopen and that states will enforce the limiting of available hotel rooms per hotel. It is predicted that hotel rates will be soft but there is a possibility that there may not be enough inventory in certain cities and prices could be higher than expected. Booking through Ovation will ensure your travelers are getting the best rates as you are protected with our Preferred Hotel Partners Program and our LRA negotiated static rates as well as our percentage discount off Best Available rates at 80% of hotels participating in our program. See Ovation's predictions and recommendations here: [Hotel Rate Negotiations 2021](#)
 - o Supplier costs will likely increase due to the new requirement of enhanced maintenance costs. Additional supplies and staff may increase expenses. Factor that possibility into your budgets.

TRAVELER LISTENING, LEARNING AND COMMUNICATING

Find out the general sense of the concerns of your road warriors. Are they itching to get back on the road or are they concerned for their health and safety? Allow these conversations to inform the decisions you and your organization's leadership will make as it relates to travel in the short term. Prepare your travelers that travel post COVID-19 will look a lot different than before.

- Travelers will be required to wear masks and in some cases gloves, temperature checks and even blood tests will be required while on the road.
- Arrival times at the airport will be extended. Getting to the airport several hours before your flight will become the new normal.
- Check out www.ovationtravel.com/covid-19-health-safety for a listing of supplier health and safety regulations for traveling.
- Be prepared to wait and have patience. There will be longer security lines at the airport and longer waiting times to check-in to your hotel or rent a car.

- Most travelers will desire an experience as touchless as possible. TSA-PreCheck (<https://www.tsa.gov/precheck>) and CLEAR Memberships (<https://www.clearme.com/enroll/?p=crov19>) will be important to get through security. Priority boarding may not be in effect depending on the carrier, and seat selection will be an important part of the travel booking process. The boarding process could be modified (e.g., boarding from back to front).
- Ovation itineraries will have links to the most relevant travel information.
- Encourage travelers to subscribe to Trip Alerts if they have not already. www.ovationtravel.com/alerts
- There are significant delays when applying for US passports and only “life or death” emergencies will allow expedited processing. Encourage travelers to reapply immediately for passports if theirs will expire in the short term.



COVID-19 TRAVEL TRENDS TO WATCH

SUPPLIER MANAGEMENT TRENDS AND PREDICTIONS

Airline

- The airline industry has reached its lowest capacity in its history. As of May 2020, 82% of capacity is solely on domestic routes.
- Many airlines are using cash reserves quickly. The average burn rate for large airlines is about \$60-70 million per day.
- Most airlines have stated that they will make decisions to consolidate and emerge as smaller entities post COVID-19. This will reduce capacity which could mean price increases if demand increases.
- Airlines expect to manage to social distancing requirements by operating at a reduced capacity. This could be a catalyst for price increases. It will depend on the length of time they may be required to do this.
- Airlines are restructuring fleets in favor of operating more efficient aircraft.
- U.S. airlines will have layoffs in 4th quarter once the CARES Act prohibitions end (September 30, 2020)
- Aircraft cleanliness is a new requirement. Airlines will use marketing to make this a differentiator between competitors.
- International carriers may drastically reduce domestic in-country travel which may force travelers to use more ground and rail services. This could require more extensive travel planning for non-local visitors and/or require more creative connections. This has a potential added benefit for companies who promote and manage sustainability metrics.
- Pilots on furlough will require re-certification/training prior to getting back in-flight. This may slow down the increase in schedules and capacity if/when demand increases. Booking in advance may be more important than ever.
- Airlines have pulled back service from smaller airports and cities because the routes are not profitable in this environment. Pre-COVID service and capacity is not expected to return in the near term.
- Department of Transportation is holding airlines to its commitments on refunding tickets in a timely manner. Most firms want their money back as it is considered working capital.
- “Normal” service is expected to be a longer-term process and may have permanent changes like we saw after 9/11.
- Airline route networks will be prioritized by profitability and demand.
- Airlines will have to run at a reduced capacity to manage to social distancing guidelines to build traveler confidence.

Hotel

- Over 24,000 hotels remain closed globally. Some hotels may never re-open.
- Pre-negotiated static rates are more than likely no longer competitive for 2020. Re-negotiating rates for the remainder of 2020 will prove challenging as most hotels have furloughed key workers. See recommendation of using Ovation's Preferred Hotel Partners Program on page 3.
- Many hotel revenue managers have reduced rates 40-45% since the outbreak of COVID-19.
- Like the airlines, hotels are launching new cleanliness programs and creating marketing campaigns to gain trust and confidence from travelers.
- See Ovation's predictions and recommendations here: [Hotel Rate Negotiations 2021](#)

Ground Transportation

- Experts are predicting that for the first time in years there may be an increase in the spend and use of black cars, rental cars, and personal cars. This is due to health concerns from taxis and on-demand ride services.
- Travelers may be willing to drive 5-6 hours for increased safety with less hassle of the "new normal" of passing through security at airports.
- Travel will gradually come back beginning with short, domestic journeys via ground transportation.



COVID-19 ADDITIONAL TRAVEL RESOURCES

We remain committed to providing excellent service to our valued clients throughout the COVID-19 global pandemic.

See our link www.ovationtravel.com/covid-19-resources-guide to view travel information regarding COVID-19 including: travel information, traveler health and safety and other news, updates and more.