



GLOBALSTAR<sup>™</sup>  
travel management

## NEWS RELEASE

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## Local Expertise Fosters Globalization in Travel Management: Key Learning at GlobalStar Forum

*Third annual travel management industry forum provides insight into globalization*

**ROCHELLE PARK, N.J. (May 22, 2007)** – GlobalStar Travel Management, a long-term equity partnership comprised of the world's foremost independent travel management firms, recently held its third annual Industry Forum in Las Vegas on May 2. The forum featured keynote speeches from travel industry experts Kevin Mitchell, founder and chairman of the Business Travel Coalition, and Norman Rose, president of Travel Tech Consulting and analyst for PhoCusWright. Expert panelists from global travel technology companies and travel managers from international corporations. Nearly 120 travel leaders from around the world came to this year's forum to discuss globalization from various perspectives – travel managers, travel technology suppliers and international travel leaders from global markets, including Asia-Pacific, Europe, India and Latin America.

"GlobalStar's forum was successful in educating corporate clients and travel executives on the impact of globalization and how localization fosters it," said Peter Klebanow, worldwide chairman of GlobalStar. "As many of our speakers discussed, globalization is really about being a local expert with a global reach through a network of partners and technology."

Numerous complexities surround globalization models and emerging technology for both travel management companies and clients. Sessions at GlobalStar's forum addressed global safety, travel management practices and technology.

### TRENDS IN GLOBAL SAFETY

One of the main drivers of corporate travel management policy adoption and compliance is global safety practices. In fact, Bruce McIndoe, CEO of IJet discussed that the fragmentation of business operations in the United States – offshoring and outsourcing – have created more awareness of global travel efforts. This has created more productive and prepared business travelers, reduced the number of costly incidents, decreased the cost of response to natural disasters, reduced overall liability of employee travel and created peace of mind for travelers, travel managers and C-level executives.

## **SERVICE & LOCAL EXPERTISE ARE KEY IN GLOBAL TRAVEL MANAGEMENT**

According to Kevin Mitchell, The United States and China are the markets with the largest number of business travelers; China is the global leader, while India and Dubai are emerging markets for many companies expanding globally. Companies are traveling globally for client needs and to compete in the global marketplace for new business opportunities. With an international presence, GlobalStar shares worldwide best practices and localizes them for individual clients in each market – the perfect example of local experts with global reach to serve clients' needs.

“Travel management companies are consistent in expressing concerns surrounding globalization in corporate travel, such as companies placing too much emphasis on individual travel fees rather than total cost and service,” said Kevin Mitchell, founder of the Business Travel Coalition. “Corporations need to understand that travel drives sales and shareholder value and should be seen as a sales tool rather than a means to get from point A to point B.”

Mitchell also commented that global travel solutions are not working due to a lack of focus on local situations. Global headquarters are pushing down their culture and business processes with inadequate attention to all locations. There is an opportunity for service-orientated entrepreneurs, like those of GlobalStar to address this weakness.

### **Travel Manager Perspective on Globalization**

For the majority of corporations and travel managers, globalization is client driven. In order to meet client needs, companies expand their operations and travel for clients. At the GlobalStar industry forum, travel managers from various industries – banking, law and consulting – confirmed that “cookie cutter” travel programs are not ideal from a travel management company (TMC). Programs need to be company and client specific, not a one-size-fits-all approach. Many travel managers are opting for smaller local TMCs that are a part of a global network due to their level of client service and expertise of local markets.

Additionally, they reported choosing travel management companies based on the rapport that TMCs had with their company and whether or not the TMC adheres to a company's mission statement. They also consider types of technology used and capabilities of such technology. Many travel managers also research TMC size and number of clients represented, seeking more personalized service from smaller more localized firms.

## **MOBILE CONNECTIVITY AND TAILORED INFORMATION WITH TRAVEL TECHNOLOGY**

With the technological capabilities available today, Norm Rose expressed that people are more mobile than ever and it's important that they are connected to one another through 24/7 access. Through these connections, TMCs have global reach through partners, but remain experts in local markets, similar to GlobalStar's network.

Additionally, Web 2.0 is changing the corporate travel experience and content. Blogs and user-generated content are impacting and influencing the perception and behaviors of corporate travelers, often leading to employees booking travel outside of corporate policy. Advancements in consumer online travel continue to impact the corporate marketplace and many corporate booking tools are following leisure travel tools in terms of ease of use interfaces, features, offerings and capabilities. With the large number of people self-booking leisure travel, employees often use that mentality when booking corporate travel, thinking they can find the cheapest deal to save the company money.

## **Travel Technology Supplier and Cultural Perspective on Globalization**

Changes in travel technology are playing a significant role in local travel management companies expanding globally.

Bev Heinritz, general manager of GetThere said “corporate booking tools are becoming more complex due to regulations, airline rules, GDSs, cultural differences and travel option comparisons. Companies want more capabilities and more features and with rules in travel constantly changing, it is difficult for technology to keep up.”

At the GlobalStar forum, the travel technology supplier panel agreed that cultural differences in doing business is one of the main pitfalls associated with globalization. Companies in the United States have embraced technology and are content doing business virtually, where Europe, Asia and Latin America prefer a more relationship-driven, in-person form of business. With more companies expanding globally, the challenges lie in adapting to a culture’s way of doing business. For example, 90 percent of all air travel in Latin America is not available by GDS, but through independent Web sites. Companies need to consider this when doing business in Latin America. Additionally, India is an emerging market for global business and travel; however, hotel rooms are scarce and expensive. Local TMCs in India recognize this and are offering clients sponsored housing and other accommodations to fit their needs.

Although there are cultural differences, technology helps tie travelers and TMCs together to share information worldwide. GlobalStar is doing this with local market experts supported by a global network of partners.

### **About GlobalStar Travel Management**

GlobalStar is a long-term equity partnership comprised of the world’s foremost independent travel management firms dedicated to managing and serving their clients’ global travel needs. This premier collection provides clients with innovative technology, local expertise and exceptional value through a true commitment to personal service and a spirit of collaboration so clients benefit from the utmost in worldwide account control.

Located in more than 60 countries around the world, GlobalStar partners possess a deep commitment to personal service that begins with a hands-on approach and is delivered to clients by experienced agents and accessible management teams. For more information, please visit [www.globalstartravel.net](http://www.globalstartravel.net).

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