

**Insight. Action. Results.**

## **The Impact of Automation On Efficiencies and Bottom-Line Savings**

*Trx is a world leading travel technology and services provider offering more than twenty software utilities for online booking, reservation, data intelligence, and process automation. We provide patented savings maximization solutions, travel analytics consulting practice, extended management services to travel buyers all over the world. We complement all of these offerings with*

**Today's  
Presentation:**

# **The Impact of Automation On Efficiencies and Bottom-Line Savings**

**Presented by:**



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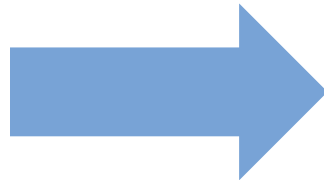
# Current Business Environment

Cost  
Containment

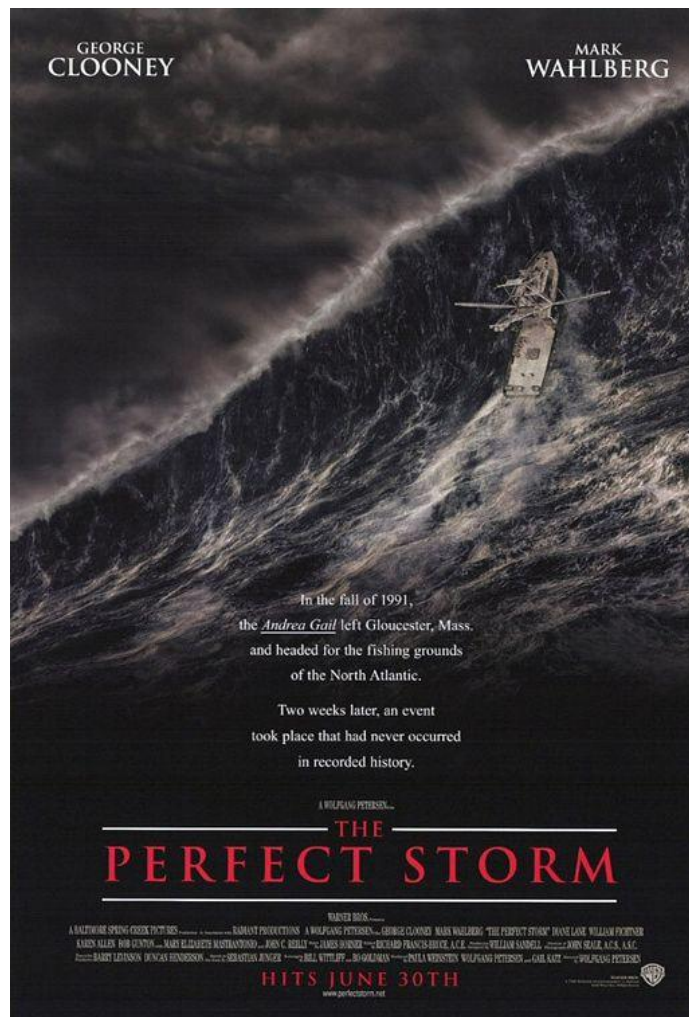
Improve  
Service

Competitive  
Pressures

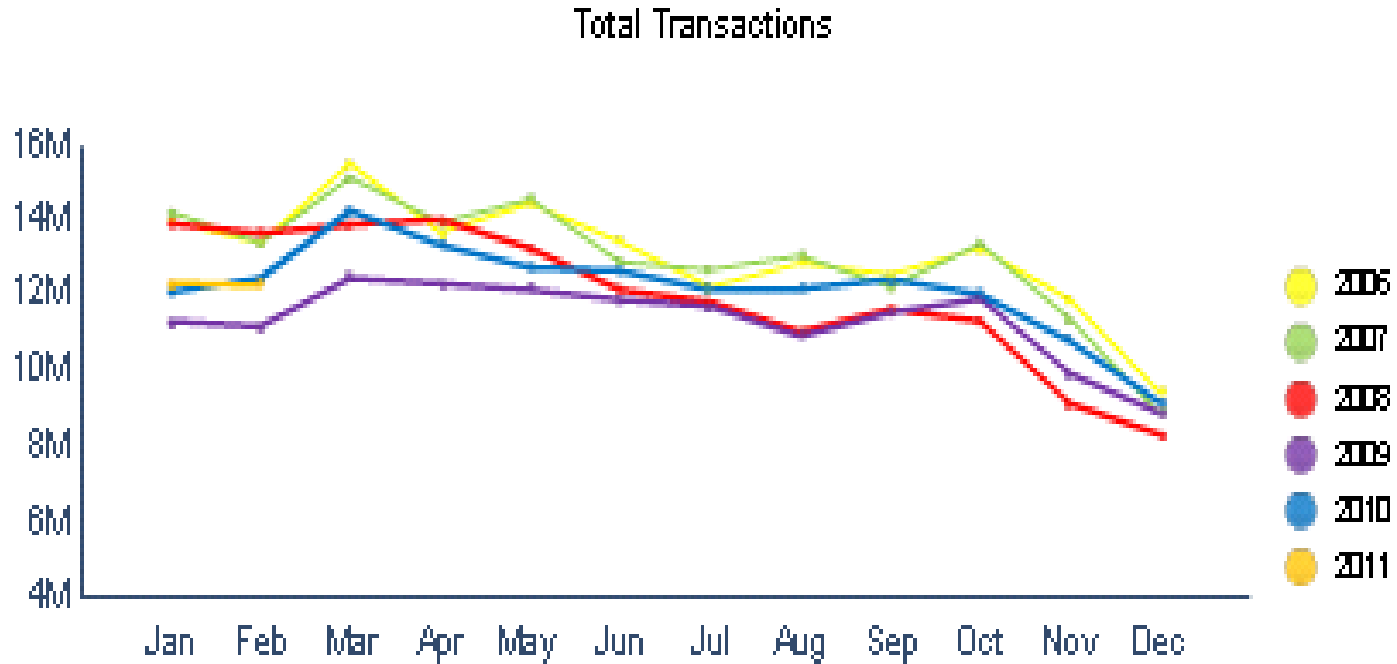
Loss of Pricing  
Power



“You can no longer raise prices to improve profitability”



# Let's take a look back over the last 5 years or so...



**Number of transactions**



**Number of travel agencies**

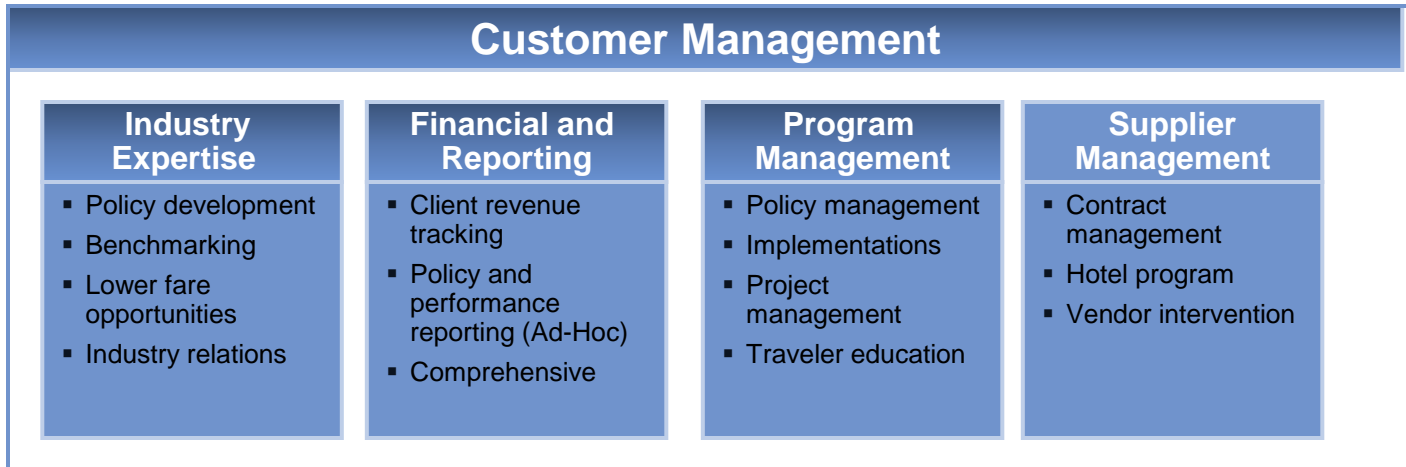


**Fees**

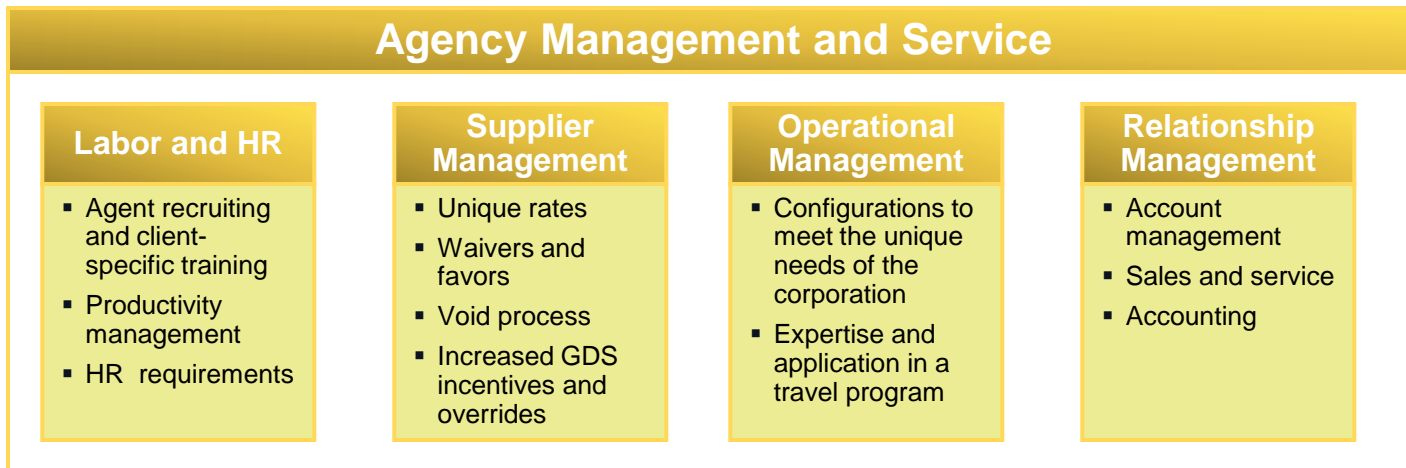


Source: ARC

# Not to mention your plate is full...



## Travel Operations



**But, unlike the crew of the Andrea Gail...**



**...you don't have to be lost at sea**

## **au-to-ma-tion**

the technique, method, or system of operating or controlling a process by highly automatic means, as by electronic devices, reducing human intervention to a minimum

## Questions to consider

- **Why should you automate?**
- **What can you automate?**
- **What are the obstacles?**

# So, why should you automate?



## Cut Costs

- Labor
- After-hours services
- Missed Ticketing
- Reduction in ADMs and agent error payouts



## Maximize Revenue

- Improvements in contract performance
- Accurate collection of service fees
- Improves scalability
- Allows for reallocation of staff



## Beat the competition

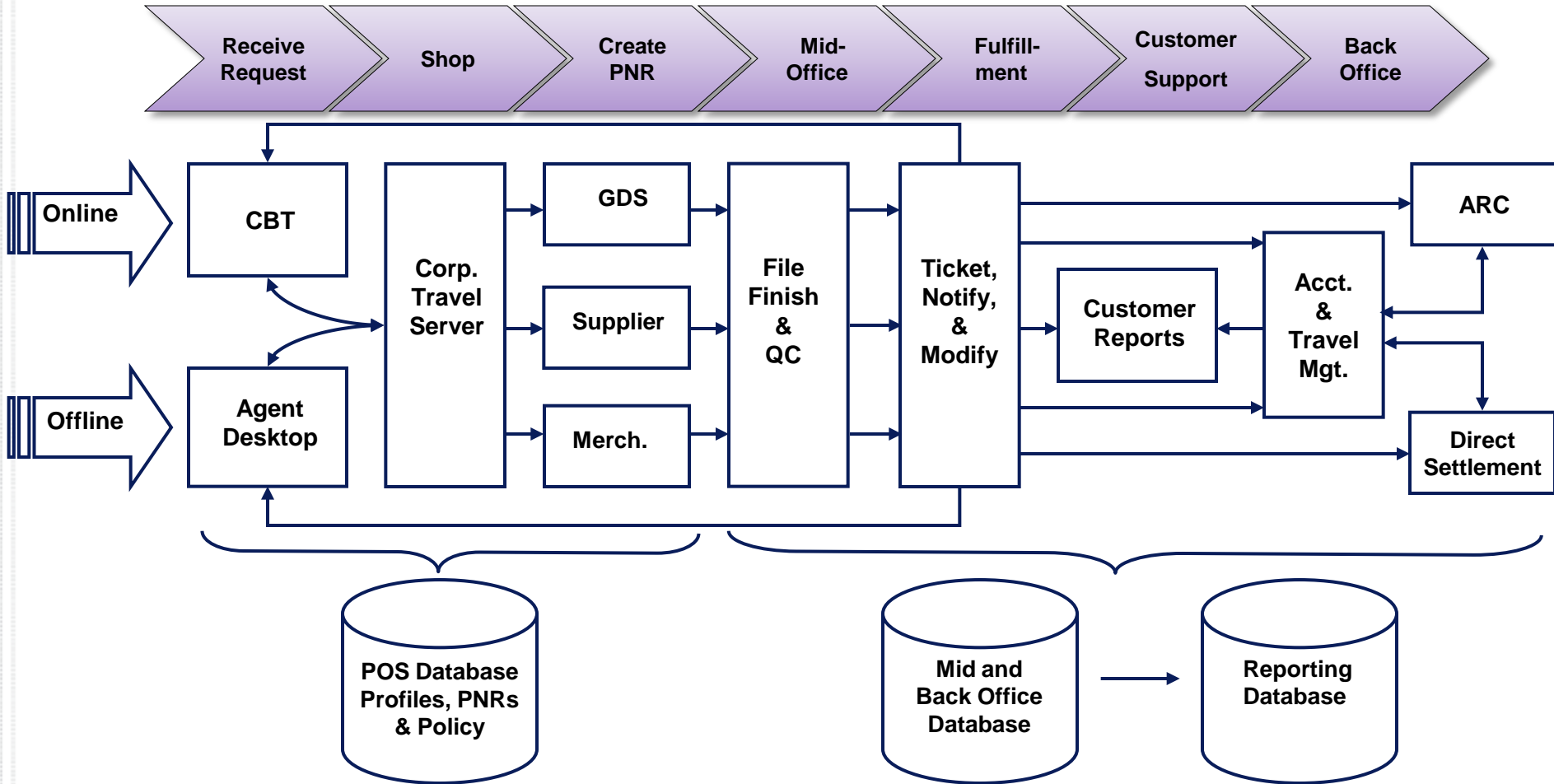
- Offer what the “big 3” do
- Retain your current customers
- Value-added services
  - Integrations with OLBT and BI tools
  - Trip Improvements

# So, what can you automate?



# The travel operations process is COMPLICATED ...

## Travel Operational Processes



# Here are a few things that can be automated

## Top 10 automated activities

1. Ticket issuance activities
  - a. Split ticketing
  - b. Invoicing
  - c. Service fees
2. Schedule change handling
  - a. Defining minor or major
  - b. Acceptance and communication of minor
3. Email
  - a. Invoice/Itinerary
  - b. Notice of action required
4. Unused e-ticket tracking and reporting
  - a. Validation of unused e-tickets
  - b. Profile updates
5. Data collection for reporting
  - a. Pre-trip information for BI applications
  - b. Unused e-ticket for OLBT

# Here are a few things that can be automated

6. Queue maintenance
  - a. Qroll/Spectra
  - b. Queue Sorts
7. File-finishing activities
  - a. UDIDs
  - b. Remark fields
8. Air commission contract management
  - a. Validate or apply air commissions
  - b. IT Codes
  - c. Endorsement lines
9. Value-added activities for your accounts
  - a. Seat Search
  - b. Low Fare Search
  - c. Waitlist Clearance
10. Reservation accuracy
  - a. Itinerary continuity
  - b. Common agent errors

# So, how **SHOULD** you move forward with automation?

## ➤ **Identify opportunities**

- Cost Cutting
  - List existing manual processes
  - Conduct a time study
- Cost Reduction
  - Review financials
  - Determine cause of cost

## ➤ **Document the process flow**

- Include key personnel in discussions to aid in identifying redundancies and possible efficiencies
- Complete a simple block diagram

# So, how SHOULD you move forward with automation?

## ➤ Determine ROI for implementing

- Build a quick ROI calculator in Excel

Number of FTEs	20
Cost per FTE	\$35,000
Time spent per day (minutes)	180
Work days per year	260
Productivity per day	50
Cost per message	\$1.01
Cost per year	\$262,500
Equivalent minimum contract (years)	3
Total cost of equivalent contract period	\$787,500

Number of FTEs	20
Cost per FTE	\$35,000
Time spent per day (minutes)	10
Work days per year	260
Productivity per day	3
Cost per message	\$0.93
Cost per year	\$14,583.33
Equivalent minimum contract (years)	3
Total cost of equivalent contract period	\$43,750.00
TRX Implementation & dev yr 1	\$50,000
Fees for duration of contract	\$130,000
Total for CORREX over contract period	\$180,000
Total Staff and TRX cost over contract period	\$223,750

SAVINGS	\$563,750
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## ➤ Develop the automated solution

- Work with partner like TRX to implement solution

# What are the obstacles to automating?

## Survival vs. Growth Mentality

**“We do all of that now just fine”**



**Staff reluctance to change**

**No time to devote to it**

# Change Management

## > 5 Tips for Change Management

- Start early
- Apply structure
- Customize your approach
- Engage employee-facing “advocates”
- Focus on the individual



# What can you do right now?

## > Start off with a subset of standard automation services to achieve quick initial ROI

- Auto-ticketing
- Email communications
- Schedule Changes

Example ROI for a TMC with 50K PNRs, 35K p/FTE in costs and a conservative 80% automation success rate

Auto-ticketing	\$33,600
Email	\$22,430
Schedule Chg	<u>\$6,731</u>
Total	\$62,671
Est. Cost – 1 <sup>st</sup> yr	<u>-\$16,500</u>
Savings – 1 <sup>st</sup> yr	\$46,171

# Questions & Answers



# THANK YOU