



TRAVEL POLICY REVISIONS FOR THE PANDEMIC AND BEYOND

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With much of their travel on pause last year, many travel managers took the opportunity to review and refresh travel policies. In fact, 56% of more than 460 corporate travel professionals recently polled said they had changed their travel policies since 2020. Of the total, 16% said they updated travel policy just this year.

Pre-trip approval processes, duty of care, compliance, and simplification have been among major areas of focus. For many, the past year has expanded stakeholder involvement in travel policy and process creation and approvals. For some, it also has given travel managers a seat at the table with executives as they created, debated, and approved new travel policies and processes designed to protect travelers and help the company meet business objectives.

As COVID-19 vaccinations become more widely available and business travel begins to pick up, travel managers will play a critical role in continuing to evolve travel policies and automating processes as they continually balance priorities. Travel decision makers can also take advantage of a unique opportunity to play a far more strategic role in shaping how travel policy supports their organization's business goals in an era of widespread economic disruption and recovery.



As business travel management moves into the final phase of responding to COVID-19 and prepares for a post-pandemic future, travel managers will have heightened expectations for the sophistication and flexibility of the tools offered by corporate travel and spend solutions to help them and their travelers keep pace with changing dynamics.

Read on for research, insights, and practical approaches that leading practitioners have taken in crafting and updating travel policies in recent months.

WHAT IS 'NECESSARY TRAVEL' IN THE TIME OF COVID-19?

Defining what constitutes necessary business travel in a global pandemic continues to be foundational to pandemic-response travel policy, and businesses have taken a variety of approaches for identifying terminology and establishing criteria.

Essential travel, mission-critical travel, business-critical travel, and permissible travel have all made their way

into the lexicon of pandemic travel policy. Some policies focus on preventing damage to the organization or emphasize solving problems for clients or partners; others include both imperatives. All are subjective and shaped by an organization's operations and culture.

Essential travel is one of the most common formulations. In BTN's most recent [Business Travel Buyer's Handbook](#), one possible definition of essential travel is described as "a trip which, if not taken, would harm the business or organization."

That puts the focus on return on investment (ROI), according to Andy Menkes, founder and CEO of Partnership Travel Consulting, and could be interpreted to include sales trips—particularly as road warriors in every industry are itching to get back out into the field.

"If a salesperson needs to go out and visit with a client or a prospect because they are trying to close a deal, that can be defined as essential travel because it's revenue-producing," he said. "The stronger phrase I've seen in use is mission critical. Travel is mission critical if

Defining Essential Travel: How Specific Should You Be?

There are different perspectives on how detailed companies should be in their pandemic-response travel policy in setting down specific criteria for what constitutes necessary travel.

Rebecca H. Stephens, a senior associate with Farella Braun + Martel law firm, is an advocate of putting it all in writing. "Having some kind of policy in writing helps to set clear expectations for both employees and the company," she said. "Where employees are still traveling, it also ensures that everybody is following the same set of rules and guidance. You don't want a situation where individual managers or employees are making their own decisions on a case-by-case basis without any input or guidance from the company. That results in inconsistency, confusion, and disarray."

GoldSpring Consulting's Neil Hammond has a different perspective. "Normally, by just coining the phrase 'necessary travel' or 'essential travel,' the CEO or the C suite is passing the message to the organization to keep travel under control," he said.

"The less they define it, the less time they will have to spend making exceptions. It's less complicated. Good management practice is that once you pass the message on, let the managers determine what is essential and what isn't in their world."

Ultimately, each organization will need to evaluate what works best in keeping COVID-19 travel policy current and enforceable for their operation and corporate culture.



WHY COMPANIES USE TRAVEL POLICIES

Travel policies have long been used by companies, associations, universities, and governments to guide their employees on how to book, purchase, and seek reimbursement for trips. Some policies stipulate suppliers or classes of service that employees must use. Like all corporate policies, travel policies need to be reviewed periodically and updated to reflect company or market changes.

SIMPLIFICATION: Policies can be as short as one sentence (i.e., “Spend company money as you spend your own.”) Most are longer. Among the trends: Simplification of travel policies to a couple pages; and more clarity on what may and may not be reimbursed. In recent years, many companies have extracted extensive details from travel policies and programmed them into expense-reimbursement systems. This immediately identifies for employees whether an expense entry is within policy or not—saving them and their company’s finance department from the hassle of sorting out (or fighting over) repayments. Even so, many policies continue to state that expenses may be up to an individual manager’s decision.

GUIDELINES OR MANDATES: Companies may issue travel policies as guidelines that are strongly encouraged or mandated. At their core, policies inform employees how to book and pay for travel, expense and reconcile charges, and get reimbursement of expenses not centrally charged. Because the federal [Internal Revenue Service](#) dictates what expenses a business may deduct and what records they must retain in case of an audit, company policies typically reflect IRS guidelines. These might include the cost per mile for use of a personal car, or requirements for receipts over a certain dollar threshold.

AUTOMATION: To make it as easy as possible for employees to book travel within the changing landscape, corporate travel platforms have significantly enhanced their automation to quickly handle changes around policy and booking. Policies can be integrated into booking tools to highlight only allowable options. To simplify and improve selections, some tools can suggest a limited number of itineraries that factor in traveler and company preferences and safety considerations. Among options to look for:

- Pre-trip approval process for managers
- Custom policy levels to ensure certain travelers can travel when necessary
- Destination restrictions by policy level for essential workers
- Destination blockers that disallow travel to an area considered unsafe

not going out to the location creates a problem for the client. For example, onsite repair of a device is mission critical, especially if it’s a medical device.”

At Toyota Motors North America, Travel and Event Services Manager Rebecca Jeffries first benchmarked practices in the industry, then worked with human resources to develop criteria defining essential and business-critical travel. “We use the term business-critical interchangeably with essential travel, and we have both in our interim policy,” she said.

Defining criteria include travel that ensures business continuity for Toyota and/or maintains the company’s competitive advantage in the marketplace, as well as travel that could result in significant and highly likely negative operational, safety, or financial consequences if postponed or canceled.

Creating New Standards Based on Culture

Even with defining criteria in place, terms like essential, mission critical, and business critical still leave a wide field open for interpretation within an organization, according to Caroline Strachan, managing partner with Festive Road travel consultancy. “What is mission critical or essential travel to one business leader is different for another, so they are all coming up with their own rules,” she said. “You need a standard view across an organization.”

Festive Road’s solution was to develop [The Permissible Travel Framework](#), based on a trio of internal permissions Strachan said are at the foundation of developing and updating a pandemic-response travel policy: the company, employees, and governments.

“All three of those things have to be in place in order for a trip to happen,” she explained. “The company could say ‘I want you on a plane,’ and the government may say travel is allowed, but the employee could be very fearful to travel because they are a caregiver, and they have a vulnerable relative at home. That could cause you legal issues or employee engagement issues if you forced that trip ahead.”



As vaccinations become more widely available and travel restrictions begin to ease, defining—or redefining—what constitutes necessary travel in the era of COVID-19 will continue to be a critical component of any pandemic-response travel policy. The focus will continue to be on duty of care and traveler safety, as companies continue to balance those factors with business objectives.

DIFFERENT APPROACHES TO POLICY MODIFICATIONS

Businesses have taken a variety of approaches to changing or modifying their travel policies in response to COVID-19. Some are more formal than others—from developing a set of guidelines or making temporary policy modifications to crafting an entire interim pandemic-response travel policy.

Most businesses have done some version of the latter. Strachan is an advocate of this interim approach, which she describes as an “extraordinary travel policy.”

“One of our clients calls it an even better name. She calls it a pop-up policy, like a circus tent. You put it up for a time then pull it down,” Strachan said. “Sadly, there may be another pandemic in the future, or something else that impacts us on a global scale. If you’ve already got your pandemic response written you can pop it up again and make some adjustments, and you won’t have to go through the pain that travel managers went through in 2020.”

Cargill Modifies its Existing Policy

Partly as a matter of timing, Cargill decided to make temporary modifications to its existing travel policy rather than writing an interim pandemic-response policy document.

A multi-disciplinary team including finance, global security, and health was already scheduled to conduct a review of Cargill’s travel policy just as the pandemic hit in early 2020, “so we took the opportunity to tweak the policy and adopt additional clauses with regard to COVID,” said Noelia Marín Garzón, Cargill’s Regional Travel Lead EMEA, Strategic Sourcing and Procurement. The policy’s “safe travel section” was enhanced to reference the company’s current pandemic-related

restrictions and resources, and some sections of the policy were flagged with temporary callouts that redirected employees to relevant information and advisories via live links.

“We are not embedding travel restrictions into the policy,” Marín Garzón said. “That was the only way we have found to make sure the very fluid guidance we are getting from our different stakeholders is accurate and up to date. During this time when there is very little travel, we have focused on our communication strategy and building a robust portal as the source of truth for our travelers.”

The Cargill team also made its policy review process more flexible so the travel management department can make changes quickly.

Others, including ITW, reviewed its policy but opted to keep it static and instead change booking procedures that reflected executive views on travel through the pandemic, according to Cathy Sharpe, Director of Strategic Sourcing, Global Travel & Expense Management Services.

STAKEHOLDERS TAKE ON A BIGGER ROLE

Depending on company size and culture, human resources, legal, security, procurement, communications, and leadership have worked with travel management to decide policy or process revisions through COVID-19. During normal times or post-pandemic, a travel policy task force might include key stakeholder groups, such as travelers, sales, business unit owners with the most travel, risk management, treasury or finance, procurement, human resources, or even top policy violators.

“The original stakeholders haven’t gone away,” noted Strachan. “It’s just that some have taken on a bigger role.”

Security departments are a case in point. “What we are seeing is that travel and risk management are in greater communication now, and the risk management group has greater input,” said Neil Hammond, a partner at GoldSpring Consulting.



Insights on How to Mitigate Risk in Your Pandemic Travel Policy

Updating travel policy in the time of COVID-19 poses multiple challenges for organizations, including legal concerns.

Rebecca H. Stephens, senior associate with [Farella Braun + Martel](#), a San Francisco-based law firm, works with clients to write and update interim travel policies that support traveler safety and help protect employers against potential litigation and worker's compensation.

Here are Stephens' top-level recommendations on key elements to consider including in pandemic-response policies or guidelines.



Lock in multiple layers of review and approval for every business trip

"This will ensure that any business trip has been carefully considered and carefully thought out, and is consistent with the guidance from various authorities," Stephens said. "There is so much information coming out on a daily basis about the pandemic and the safeguards we are supposed to be taking; if you only have one person approving these decisions, it's possible that they'll miss something. If you have multiple levels of review and approval that are required, that will help ensure that any business trip that's approved will be consistent with the current guidelines and safeguards."



Make travel optional

"You really want employees to feel comfortable sharing concerns, coming forward and saying, 'I'm just not comfortable going out this trip' without the fear of retaliation or being forced on the trip," she said. Not to do so will

breed mistrust with the company and create morale issues and, potentially, legal issues down the line.



Keep current on health guidelines and orders

This is one of the most challenging areas for companies in the time of COVID-19, and many organizations large and small work with outside risk management companies to keep current. "Everyone that's going to be making travel decisions has to familiarize themselves with up-to-date CDC guidance and applicable state and local public health orders, both where your employees currently are and where they are intending to go," Stephens advises. "That's where you will find the most up-to-date guidance about what's safe, what's not safe, and what precautions people need to take when they are traveling, so you can adapt accordingly and make sure your employees have all the resources they need so they can safely travel."



Carefully consider employee and vendor safeguards

"Make sure that in your policy you are imposing really thoughtful safeguards around every single step of the travel process," she said. Multiple processes need to be managed, including: asking employees to self-isolate before they travel; providing PPE, masks, and hand sanitizer for a flight so they can remain safe; establishing clear guidelines regarding who is responsible for selecting the vendors that will be used for each trip; deciding who will evaluate whether those vendors have appropriate safeguards in place; and setting guidelines around how long an employee is advised to self-isolate when they return.



Put it in writing

Putting these and other requirements and processes in writing in some form is a crucial layer of protection. "Having something in writing that's very clear and thoughtful and that's in accordance with guidance from the CDC and local and state authorities can help the company defend itself if an issue does arrive," Stephens said. "It shows you took the issue seriously, you put some thought into it, and you put in place appropriate safeguards. Having a temporary travel policy that meets all those criteria would be useful evidence in a case to show that the company took it seriously and did everything that it was supposed to do."



Security/risk management inside companies are not the only safety-focused stakeholders playing a bigger role in shaping travel policy during the time of COVID.

“A lot of companies, especially larger companies with an extended or global travel program, already deploy the services of a third-party security company that traditionally provides guidance to travelers about safety and security issues going to a particular destination, typically about strikes, political issues, neighborhoods to be careful of,” noted Menkes. “Now, those very same security companies are getting proactively involved in health and safety issues in terms of providing guidance for the traveler before they go.”

Menkes has seen significantly more organizations sign on with third-party security companies since last spring, including smaller companies. He anticipates that change will become a permanent addition for many of those businesses. It’s another argument for implementing a tech-forward platform, which can easily weave security and visibility into a company’s policy.

In many instances, human resources and legal have also been more involved and/or have taken on a more prominent role in shaping pandemic-response travel policy.

At Toyota, HR led a cross-functional team that developed company-wide pandemic-response interim policies, including separate policies for business travel and events, according to Jeffries. While human resources and legal were previously engaged in the process of developing or modifying travel policy, they had significantly more input in crafting the company’s interim travel policy, she added.

While it is hardly surprising that risk, HR and legal have become more involved in pandemic-response travel policy, the involvement of more communications departments is an unexpected development.

A New Voice in Travel Policy

“Probably for the first time, certainly since I’ve been in the industry, travel has become the number one item that communications absolutely wants to be involved in,” Strachan said. “That’s because travel has become

woven into a company’s DNA about how we treat our employees. Communicating that message is not down to the travel manager; corporate communications wants to put across the right message. Communications has been incredibly professionalized through this process because of having to make sure you get the tone right around traveling in a pandemic.”

Communicating the big picture about company concern for employee health and safety as reflected in broad changes to company travel policy and getting the word out about specifics in pandemic-response policy are two different things.

“Right now, it’s probably not the best idea to send out a company-wide broadcast about your pandemic travel policy when next to nobody is traveling,” said Menkes, “A more laser focus on communicating with the employee base that is traveling is more effective than a system-wide update.”

PRE-TRIP APPROVAL ESCALATIONS

Perhaps the most common adjustment companies made to travel policies in the early days of the pandemic was to increase pre-trip approvals. Of companies that had approval protocols in place before, nearly half increased the number of approvers required before a trip was authorized. Responding to new approval requirements, some corporate travel and spend solutions developed or enhanced automated processes to route trip requests and secure approvals quickly.

“We are seeing elevated levels of approval making their way into travel policy and processes,” said GoldSpring Consulting’s Hammond. “In most cases, prior to the pandemic, the decision to approve travel has been made by the traveler’s direct manager or a budget manager. Now the level of who has to approve travel has gone up in many organizations, and not just by one level, but by two or three levels, to a much more senior person. Now you might have someone just below or at C-suite level approving travel.”

Travel buyers confirm the trend. At Toyota, “We require the highest-level executive approval now,” said Jeffries. “Previously it was only manager level.”



The same is true at Cargill, where all international travel must now be approved by the company's executive team, according to Marín Garzón. Localized approval protocols are required for domestic travel within the countries and regions where Cargill has operations, she added. Those approval requirements vary, ranging from lower-level managers up to general managers.

Fidelity International added a "quite stringent reviewing and approval process," as part of an interim policy, said Carol Fergus, Global Travel Manager. "The policy didn't change in terms of whether you travel business, economy, or premium economy class. What changed is the approval process."

For now, "Anyone who wants to do any business travel, it has to be essential and it has to go through travel, security, and senior management," Fergus said. "We

use our TMC as the front line to give us the information we need on that booking. Then three individuals have to have eyes on that booking, and they determine whether the booking should happen or not. This is a new layer that we've introduced that allows us to ensure the safety of our travelers."

For most companies, changes to approval protocol are not likely to outlive the COVID-19 pandemic. In BTN's [2020 State of the Industry Report](#), 41% of the 337 travel buyer survey respondents who said they implemented pandemic-response pre-trip approvals expect those changes to be temporary. Just under 9% expect to make the pre-trip pandemic-response approvals they put in place a permanent addition to travel policy.

The pandemic has made clear the importance of pivoting quickly when the situation demands—whether

How Travel Managers Can Create a New Era of Purposeful Travel

Start with why. That's the advice to travel managers offered by Caroline Strachan, managing partner with Festive Road travel consultancy, as the best way to begin the debate over budgeting for the return of business travel.

"You've had that money taken away and you need to get it back on the budget, but you've got to justify it," she said. "It's like a global zero-based budgeting exercise."

Strachan sees the budgeting process as "a brilliant time" for travel managers to orchestrate an in-depth evaluation about what types of trips the company should resume based on how and why they are a valuable investment for the business.

To that end, Festive Road has developed a [Purposeful Travel Model](#) to help travel managers chart a different future for business travel in their organizations, while simultaneously positioning themselves as strategic partners in building the business.

The model was developed based on input from travel managers, HR associations, and a variety of experts in the future of work and is available free of charge from the Festive Road website. It guides travel managers through different stages of evaluating the need for and impact of business travel on three areas common to all companies: the organization, its customers, and its people, which includes attracting, developing, and retaining talent.

"Within this purposeful travel model, we walk the travel manager through those stages and then we have an example executive summary they can then take to their leadership to say, 'This is what we think the investment for travel should be in the future, here are the reasons why, and guess what—it's only 50% or 82% of what we did in 2019,'" Strachan said. "It will be different for each company, but this gets you to the point where travel isn't the default. It's purposeful and based on well-thought-through decisions about when and why to actually take a trip."



it's adding layers to the approval process or shifting the responsibility for those approvals. Also essential now is having real-time travel and spend visibility, health data, and duty-of-care features all integrated into the booking flow and approval tiers. That means having access to dynamic policy tools built into a modern travel platform.

COMPLIANCE: THE "C" WORD

Many companies have stepped back from mandating compliance with travel policy, particularly around preferred suppliers. Some corporate travel and spend solutions have added technology that enables changes in compliance mandates as policy evolves—an essential feature in the fast-changing landscape.

"I would say compliance is more relaxed now, in that we allow people to drive where they may normally fly, and when they fly, they can select a carrier that blocks middle seats," said Toyota's Jeffries.

Strachan observed an even broader, albeit temporary, hiatus on compliance among clients and in the broader industry. "I've hardly heard that C word for a year," she said. "Compliance is almost a non-issue, because when you are traveling during the pandemic it's not about the lowest logical fare or can you save \$50. It's about traveling in the safest way possible. The word will come back at some time in the future, but for now it's like an alien that you barely see."

Policy compliance regarding expense limits, particularly around supplier selection, is still being enforced, but primarily in companies that have been hard-hit by economic losses due to the pandemic.

"Some companies are doing well or better in the pandemic, and there are others that are not doing so well," noted Hammond. "In companies where we see slimmer margins, there is more scrutiny on travel from a cost-control perspective, because travel is one of the first places that typically management looks to control and make cuts."

No matter what the policy might be now, however, change is inevitable. When that time comes, having

STAY CALM AND CARRY ON:

"Don't get overwhelmed with all the information. One size doesn't fit all, and each culture is different. Look at your landscape and your culture and make your decisions as to the best ways of managing your travel around that. The key things are safety, security, and accountability. It's about your people, providing a service, and giving your people clarity on the rules of the game so they can travel seamlessly, with ease, and feeling that they are safe and secure. You can't do any more than that as a buyer."

— Carol Fergus, Global Travel Manager,
Fidelity International

a modern travel and spend platform will make those adjustments easier than ever. Whether it's creating new levels of approvals or blocking out-of-policy spend before it happens, the result is one that every company is looking for: cost control.

TRAVEL POLICY CHALLENGES IN 2021 AND BEYOND

As COVID-19 vaccination rates grow and travel and meeting restrictions ease, many expect business travel to increase. That will prompt even more attention on policy and process updates for most travel managers.

Some travel managers or TMC representatives are currently working one-on-one with travelers to prepare them for travel and what to expect at airports, security, hotels, and with ground transportation providers. But they acknowledge that such high-touch interactions won't be possible once travel ramps up.

As business travel increases, booking app innovations and other technology solutions that automate more cumbersome manual processes will be increasingly important—and expected—features. According to BTN's survey results, 34% of buyers said their booking technology will be more important going forward.



On the immediate horizon, organizations will need to decide whether testing and/or vaccination mandates—or recommendations—have a place in their 2021 pandemic-response travel policies.

It's on the radar as a consideration for many companies and travel providers. In an online flash poll of corporate travel managers and suppliers conducted by the Global Business Travel Association in February 2021, nearly half of respondents (49%) said policy mandating COVID-19 testing before an employee can travel for work is a "good idea." Most of those respondents (69%) said customers and clients would feel safe having face-to-face meetings if they knew the employee had tested negative, and 58% said testing would help them monitor employee safety and wellness.

Decisions will also have to be made on how, or if, practices adopted during the height of the pandemic should remain in travel policy, and if so, to what extent.

Processes added to pandemic-response policy as temporary measures, including expanded stakeholder involvement and enhanced pre-trip approval requirements, could make their way into post-pandemic policy on a more permanent basis.

In short, there are few certainties about the shape of business travel policy in the months to come.

In its report on creating a post-COVID corporate travel policy, Fairfly, a corporate airfare tracking platform, said the COVID-19 pandemic catalyzed new ways of thinking across many industries, travel included, to

the extent that "pre-COVID corporate travel policy best practices are now irrelevant and ineffective."

While the verdict is still out on that evaluation, Strachan believes that the pandemic has given travel managers a unique opening to reposition themselves as strategic business enablers for their companies rather than managers of a commoditized item on the P&L.

"This is such an amazing opportunity for travel managers. The real call to action here is travel managers have the chance to lead their companies through this and really show up beautifully, or they can sit back and wait for others to take the lead and be told what to do," she said. "It's a whole new opportunity for travel managers, for their role to be something bigger and better than it was before."

And a modern travel and spend management platform can help them get there. A dynamic policy, for example, gives travel managers the flexibility to make changes quickly and with full visibility for travelers, who can easily see the rationale behind why out-of-policy bookings are being denied.

Duty of care, too, gets a needed boost from today's technology solutions. Locating each traveler at any given moment is no longer a mystery, while destination blockers help to prevent travelers from booking trips to areas flagged as "hot spots." Plus, management dashboards give travel managers real-time visibility into all facets of their program, offering the data they need to drive decisions and the tools to create and change policy as the situation demands. ■

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