

How to write a business travel policy



Dolor Set Amet

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Introduction

Whether you're completely new to implementing a business travel policy, or your established policy is in need of an update. This helpful guide will help you write, implement and enforce an effective travel policy that will:

- ✓ Guide employees through the travel booking process
- ✓ Answer employee travel questions
- ✓ Help control your travel spend
- ✓ Reduce business travel costs
- ✓ Help ensure duty of care

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Why is a business travel policy important?

A travel policy should provide guidelines to your employees who need to travel as part of their job. Without one, employees are left to make their own choices, which leaves your business open to risk of overspend and lack of control.

Defining a travel policy will ensure your employees book travel in the way you want them to, comply to your guidelines on what they're entitled to and how much they can spend, and also help them prepare for their trips to ensure their safety.



Which stakeholders should be consulted?

A travel policy needs to be thought through, as many factors can influence the approach you take when defining what rules you wish impose.

Company culture needs to be considered, as this is what will determine how strict your travel policy controls are. A laid back culture tends to allow more flexibility and trust in employees to make the right choices, yet some organisations choose a strict approach to what their employees can or can't do.

Speak with the different areas of your business that have an opinion about the purpose of the travel policy. Your Finance Director may be focused on controlling travel costs, yet your HR Manager may be more concerned about risk management and keeping your most frequent travellers happy to boost staff retention.

Once you understand the business' objectives, you can create a policy that balances costs with traveller wellbeing, according to your company's objectives.

Don't forget to consult your travellers too...

Speaking to travellers will help you understand how business travel impacts on their business and personal lives, which is crucial when deciding what travellers should be entitled to.

Consider who your most frequent travellers are, if they travel excessively, should they be entitled to an extra level of comfort to compensate them for the stress of a busy travel schedule? If your budget can't stretch

to business class or a better rated hotel, consider smaller perks such as lounges at the airport or a chauffeur driven car to make their trip just a little bit more enjoyable.

Little gestures like this can go a long way to letting an employee know they're efforts are appreciated, which makes a big difference to employee satisfaction.

What should it cover?

The key to writing a travel policy your employees will actually read is to keep it simple and short. No one is going to read a 30 page document in full, so keep it succinct and to the point.

As a minimum we suggest you cover the following:

1. Where should your people book travel?
2. How should they pay?
3. Is there an approval process?
4. How are expense claims paid back?
5. Flights, hotels, rail, and ground transport booking guidelines
- what are they permitted to book?



1. Where should your people book travel?

Your guidelines here will depend on your approach to booking business travel. If you use a travel management company, you'll want your employees to book all travel through your preferred partner. This way, all bookings can be tracked and reported on, and you'll know they are enforcing your travel policy on your behalf.

But if you don't use a travel management company you need to consider how you keep track of all the bookings. Some businesses have some staff members identified as 'travel bookers' who book travel on behalf of the business. Travel bookers can keep a log of trips and make sure all trips are in line with policy.

If you're happy for travellers to book travel for themselves, can they book anywhere they like? How do you know what has been booked? Make sure there is a process in place so every booking is accounted for and you have a log of bookings so you know where your travellers are when they're travelling on business.

Whether your approach to booking travel is managed or unmanaged, keeping track of travel data will help you review travel spend in the future so you can improve and make changes to your travel policy as your business or employee needs change

Quick tips...

Travel Management Company

If you use a travel management company include the following in your travel policy:

- Name and contact details
- 24 hour emergency phone number
- URL for online booking tool
- Escalation contact in the event of an issue

Unmanaged Travel

If you manage travel in-house include the following in your policy:

- Names and contact details for any travel bookers
- Details of any preferred suppliers
- What to do in the event of an emergency
- Process for logging trips booked

2. How should they pay?

Outline clearly how travel is paid for. Do you have a centralised payment solution or are employees expected to pay for travel out of their own pocket and claim it back via an expenses process?

Typically, businesses will have one of or a combination of the following in place:

Credit account with a travel management company

The traveller doesn't have to pay anything, the travel management company will invoice the business on an agreed basis.

Corporate credit cards

Travellers will have their own corporate credit card that they charge all travel expenses to.

Claim via expenses

Travellers are expected to pay upfront using their own credit card and have to reclaim the monies paid via the expenses process.

Make sure the guidelines are clear to avoid confusion and consider scenarios where exceptions may occur, such as payment for a guest traveller or an employee who doesn't have their own credit card.



3. Is there an approval process?

If you're using a travel management company, you may be so confident in their ability to enforce your policy, that you only need to approve specific bookings in exceptional circumstances, and if so, your travel management company will guide the user through whatever process you have in place. Some businesses have a manual process, whereby the travel consultant will seek authorisation from the appropriate person, whilst others will have an automated system that will seek approval from the correct person automatically.

If you manage travel in-house, you'll probably have an internal process where someone in the business approves all trips, or this responsibility may lie with the traveller's Line Manager.

Regardless of how you approve your business travel trips, make sure the process is described clearly within your travel policy so travellers know that they're doing the right thing.

Documenting the correct procedure will save time later as travellers understand their obligations straight away, rather than seeking guidance every time they make a travel booking.

Don't forget to include links to any forms travellers may have to complete prior to booking and make sure there is an audit trail of approvals for your records.

A photograph of a woman with short blonde hair, wearing a dark jacket, talking on a mobile phone. The image is overlaid with a semi-transparent blue filter. The text 'Documenting the correct procedure will save time later...' is written in white over the right side of the image.

Documenting the correct procedure
will save time later...

4. How are expenses claimed?

If your business has employees travelling on business, you'll no doubt have some form of expenses process in place already. Within your travel policy, make sure you cover:

The expense reporting process

Do you use expense reporting software? If so, outline which software this is and how users can access it. If you have a manual process in place, include links to the relevant documentation so travellers can quickly find everything they need to claim their expenses.

Supporting documents

What supporting information do you need from your employees to ensure their claim is processed quickly? It's likely you'll want to receive a copy of all receipts being claimed for along with details of the purpose of the trip.

Timescales

No one wants to risk not getting their money back! To make sure your people put their expense claims in promptly, outline the timescale by which the claim has to be made, such as, within 30 days of receipt date. Processing claims whilst it's fresh in the traveller's mind helps if there are any queries.



5. Booking guidelines

The 5 key areas you should cover in your business travel policy are:

- Flights
- Hotels
- Trains
- Ground transport, such as car hire or taxis
- Duty of care, such as managing traveller risk

If you cover each of these within your travel policy, you'll have most eventualities covered.

What's important here is that you give simple and clear guidance so the traveller can easily understand what can and can't be booked.

Try not to leave anything to interpretation as this will help avoid questions later and also reduce the amount non-compliant bookings.

One size might not fit all...

It's always been common practice to have a policy for the majority and a different set of guidelines for the most senior employees, but does this traditional approach go far enough?

Consider who your most frequent travellers are, and if different employees should have the same or varying travel guidelines depending on their circumstances.

Flights



The most obvious thing to consider when it comes to flights is which class of travel the traveller can book. However, it's worth bearing in mind that within each class of travel there are a number of different ticket types with wildly different costs - usually depending on the flexibility of the ticket conditions.

So, asking your employees to always book an economy ticket, doesn't mean they will be booking the cheapest option. Here's an example:

Ticket A - Economy £300 (No refunds, no changes)

Ticket B - Economy £500 (No refunds, changes for a fee)

Ticket C - Economy £700 (Fully refundable)

If your travel policy says the traveller must travel in economy class, the traveller could legitimately book Ticket C, and cost the business £400 more than if they booked Ticket A.

Sometimes, a business class ticket can even be cheaper than a more flexible economy option. Try to build these scenarios into your travel policy so travellers know what's ok in these situations.

Some businesses allow premium economy or business class if the flight is over a certain duration. And some have different rules for different employees - influenced by the seniority of the position or the number of hours spent travelling, for example.

Consider what optional extras are permitted too, which are common amongst budget airlines, such as, priority boarding, allocated seating or on board meals.

Hotels

Hotels range massively when it comes to quality standards and price, that's why it's important to be clear on what travellers are entitled to. Some organisations specify that travellers can only stay in 3* hotels, but what if the 4* round the corner is the same price?

An effective way to manage hotel policy is to set a maximum price limit, but travellers should still be encouraged to book cheaper rates than this whenever possible.

If you have a negotiated rate programme, should these hotels and rates be booked every time or only if it's the cheapest option? What about budget chains? Are there any that aren't up to scratch that shouldn't be booked at all?

For long stay bookings, it can be more cost effective to book a serviced apartment and a better experience for your traveller too. Consider building this guidance into your policy once booking durations go over a certain number of days.

Don't forget to outline the incidental expenses that are permitted too such as newspapers, bar bills and laundry charges.

Remember the sharing economy...

Are you happy for your employees to book through airbnb or stay with friends when traveling on business? Use your travel policy to give your travellers guidance on what is acceptable.

Rail

Rail tickets can be confusing for travellers so it's important your travel policy makes purchasing them as simple as possible.

Most businesses will tell their employees to book a standard ticket, but like air travel, the variances in price is vast depending on the ticket's flexibility. When travelling by rail, travellers typically like to travel home whenever they are ready, rather than being fixed to a particular train, but this often means they book the most expensive fare.

To get around this, it may be wise to tell travellers to buy a flexible ticket for the return part of their journey, but they must buy the cheapest fixed outbound ticket. This means your average ticket prices will likely come down, but travellers aren't inconvenienced because they already know which train they'll get on their outbound journey.

Like air travel, will you allow your traveller to book a business class ticket if it's the same price or less than the standard class option?

If you document these frequently asked questions in your policy from the beginning, it will avoid lots of questions being asked later on.

Ground Transportation

When giving guidance on hiring a vehicle, consider the following questions:

- 1) Under which circumstances can an employee hire a car?
- 2) What standard of car is considered fit for purpose? Economy, Luxury or somewhere in-between?
- 3) How does the employee claim for refueling?
- 4) What insurance is required? Is there a company policy already?
- 5) Are there any preferred suppliers? If so, how should they be booked?
- 6) Are there any countries when car hire is not permitted due to safety reasons, for example?

Other ground transport options include taxis, chauffeur driven cars, airport transfers, public transport and personal car usage.

Be clear in your policy if any forms of ground transport are not advised in locations where it is not considered safe to do so.

Duty of care

Use your travel policy to help ensure your employees' duty of care when they're travelling on business. Work with your HR department to ensure you are supporting travellers before, during and after travel.

Communication

How will you keep in touch with your employee and vice versa when they are travelling? If you use a travel management company, this information should be added to every booking automatically from the traveller's profile. Make sure travellers also provide you with their mobile contact information and ensure they have the correct numbers to call if they need support.

Traveller Tracking

If you use a travel management company, they should be tracking your travellers for you. If you book things in-house make sure you have your own record of travellers' bookings and that your policy outlines this process clearly.

Emergency Procedure

Do you have a process for travellers to follow in the event of an emergency? It will be wise to document this within your travel policy so travellers know what to do if they are affected by an incident.

Managing Risk

How can travellers prepare for their trip? Consider the destinations your business travels to and classify which are 'high risk' for your company. Ensure travellers understand any risks before they travel and what they can do to mitigate their occurrence. Other wellbeing topics you may wish to cover include:

- Changes to travel entitlements in certain circumstances, such as, providing a chauffeur driven car after a long haul flight as travellers may be too tired to drive safely.
- Your policy on drinking alcohol whilst away on business.
- Providing destination guides so travellers are as prepared as possible when visiting unfamiliar destinations.

How to enforce and monitor policy compliance

Once you've defined your policy, you need to make sure everyone understands it. A communication from senior management is usually a good way to show employees that the travel policy is being taken seriously, and the Company Intranet is often a good point of reference.

If you have an online booking tool, make sure your travel policy controls are built in so it will only let the user book policy compliant trips. Likewise, if you use a travel management company, ask them to enforce it for you. You may want to use incentives to encourage people to really engage with the guidelines or have different departments compete with each other to make the most policy compliant bookings.

If you're not using one already, consider using a travel management company, and ensure all travel bookings are made through your preferred partner. If they provide you with an online booking tool, they should build your policy parameters into the tool. With your travel management company enforcing your policy on your behalf, your life will be much easier!

If you're not ready for a travel management company, it can be hard to check compliance of travel bookings retrospectively so it may be best to channel all bookings through a small group of staff members who you trust to make the right decisions.

Let your business travel policy evolve...

A mistake made by many is that they write their travel policy once and then forget about it. To ensure your travel policy continues to meet your objectives, you need to let it evolve when it needs to. Your travel management company should be able to provide reports on policy compliance and exceptions along with reasons why, but you also need to be open to the opinions of your travellers too.

Managing and reducing business travel costs is of course very important but it's also important to manage and reduce traveller risk as well as keeping an eye on traveller wellbeing. Balancing all these things can be tricky, but if you take a collaborative approach with the key stakeholders in your business, you should be able to strike the right balance.

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