



6 STRATEGIES TO DRIVE MORE EFFICIENT USE OF BUSINESS TRAVEL BUDGETS

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Uncertain economic conditions, including the potential impact of tariffs and other policy shifts, are prompting many travel managers to focus on making more efficient use of current business travel budgets.

Industry experts note that few companies have yet to mandate budget cuts or restrict business travel, but most travel managers are on alert to stay in budget, reduce costs if possible, and make sure to align the purpose of every trip with their company's overall strategy.

For many, that strategy is still evolving. In the latest [Fortune/Deloitte CEO survey](#) from April 1 to 11, "CEO optimism for their own company's performance dropped to 60% from 84% in the fall of 2024 To navigate the ambiguity," 71% of the 111 CEOs surveyed said they were planning to evolve supply chain approaches, 42% were planning to implement cost-cutting measures, and 28% planning to raise prices. "Sixty-two percent plan to maintain current investments for the next 12 months."



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[BTN Intelligence's State of the Industry report](#) likewise found that “macro uncertainty dims sunny projections” from January and February 2025, when more than half of business travel buyers expected travel spending to increase in 2025. By April, that outlook shifted: only 43% of buyers surveyed forecast travel spending to increase, 27% expected it to remain the same and 30% expected a decrease (double the percentage from February). Companies that recognize the [value of business travel](#) to revenues, new market expansion, innovation and company culture may be reluctant to cut it too quickly.

“We’re not seeing dramatic changes in travel policy or travel cuts,” said Mark Walton, CEO of Solutions Travel. “There may be a few instances of that here or there, and clearly people are trying to be more cost conscious.”

That cost-conscious focus includes many different strategies, from amping up policy enforcement and enhancing scrutiny of the purpose of each trip to implementing more cost-efficient modes of transportation and/or increasing advance bookings and postponing non-essential travel.

Here are six tips from industry experts on how travel managers can optimize their current budgets, including strategies to reduce spending.

1

RAMP UP POLICY AND BOOKING COMPLIANCE

Increasing compliance is a first line of defense for making the most efficient use of travel dollars without impacting the traveler experience.

Jake Jonassohn, vice president of commercial strategy with Encore Corporate Travel, noted that the balance between cost savings and traveler comfort and flexibility “has moved towards the cost side” in the current economic climate. Most restrictions that travel managers might consider to control costs, such as restricting cabin classes or airline choices only to preferred suppliers, will all have some impact on a traveler’s level of comfort and flexibility. “Increasing policy adherence is the one thing you can do that has no impact on the traveler’s experience,” he said, as it is more about when, how and where a traveler books. By booking through a preferred system, a company can ensure that negotiated rates are applied.

At Illinois Tool Works (ITW), Cathy Sharpe, director of strategic sourcing, global travel and expense management, is focusing on traveler compliance with booking preferred partners, “to ensure that we maintain the business levels” that suppliers expect. “We have been doing a lot of communication in that respect,” Sharpe added. “We want travelers to choose one of our strategic partners” whenever possible so the company can meet supplier quotas.

“If you’re going to see a client, if you’re going to sign a contract, you’re going to be able to travel, but if you’re just going to a conference or training or an internal meeting, don’t count on it.”

– MARK ZIEGLER, NETAPP



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2

TIGHTEN PRE-TRIP APPROVALS TO FOCUS ON ESSENTIAL TRAVEL

Many travel managers have been advised to implement new or tighten existing pre-trip approval processes to focus on essential, client-facing travel.

For example, Lora Ellis, head of consulting with Festive Road, said that among clients impacted by tariffs and economic conditions, “We are seeing a pause or a reduction in travel that does not generate revenue for the company.”

ITW is a case in point. “We have either canceled or delayed some meetings that may not have been client facing,” Sharpe said. For transient business travel, “We’re making sure that everybody is thinking foremost about why they’re traveling, how they’re booking, and the purpose of their travel, and considering if they can do more with less.”

At data infrastructure company NetApp, salespeople have top priority for trip approvals. “If you’re going to see a client, if you’re going to sign a contract, you’re going to be able to travel, but if you’re just going to a conference or training or an internal meeting, don’t count on it,” said Mark Ziegler, senior travel manager with the company.

NetApp has modified its pre-trip approval to require senior vice president approval for business class on a long-haul international flight, a level up from the previously required approval level. As a result, Ziegler said, trip denials have increased as much as 5%.

Jeff Burba, corporate travel and expense manager with West Monroe, noted that while, “It’s very important for us as a consulting firm to be on site with our customers,” the company is now taking “a measured approach” to approving travel that supports client and business development, and perhaps questioning trip rationale “in certain places where we didn’t feel the need to in the past.”

“We are seeing a pause or a reduction in travel that does not generate revenue for the company.”

– LORA ELLIS, FESTIVE ROAD

3

FOCUS ON ADVANCE BOOKINGS

Other travel managers are encouraging travelers and managers to increase advance bookings to minimize the cost premiums that often come with last-minute bookings.

“You can legitimately accomplish more travel with the same dollars just by having a better booking habit,” according to Jonassohn, who said this strategy is widespread among his clients. “Companies understand that right now, if you’re being directed not to waste any dollars traveling, booking last minute is the definition of traveling the same distance for more dollars. You get nothing in return. You don’t get a better seat. It’s just more money.”



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4

ENCOURAGE MORE COST-EFFICIENT TRANSPORTATION OPTIONS

Encouraging more cost-effective transportation options, including train travel, long-term car rentals and use of rental cars instead of personal vehicles at mileage thresholds are yielding savings.

“A few of our bigger clients are implementing the strategy of taking the train if you can, because there’s a pretty significant budget savings there,” Jonassohn said.

Long-term car rentals are another budget-saving option. The Kroger Company has 150 cars in its long-term rental program. Instead of directing individuals to rent a car for a specific trip—often at a higher cost for a one- or two-day rental--the travel team has a traveler use a vehicle in its “pool” for a specific trip. The travel department manages the expense, thus saving time and an expense report for the rental and mileage reimbursement for the employee.

“We call it our ‘pool car program’,” said Marie Orewiler, corporate travel manager with Kroger. “The savings are tremendous and consistent. Every month we save money.” The flexibility the program offers enables Kroger to respond to the cyclical nature of its business, for example adding cars to the pool during a peak and reducing the number of cars during slower months.

Other companies, including a Minnesota-based healthcare firm, have directed travelers to rent a vehicle instead of driving a personal car and submitting for mileage reimbursement on one-day trips of 100 miles or more. “In an effort to reduce costs while continuing to be an innovative leader,” the company “determined that there is benefit to rent vehicles for business trips based on round-trip mileage, while providing employees with a worry-free way to travel,” according to a policy posted online.

“To reduce costs while continuing to be an innovative leader, we determined that there is benefit to rent vehicles for business trips based on round-trip mileage, while providing employees with a worry-free way to travel.”

– HEALTHCARE FIRM
TRAVEL POLICY

5

REPLACE SMALL MEETINGS WITH DIVISIONAL OR COMPANY-WIDE GATHERINGS

Other companies are replacing multiple business meetings for just a few employees with divisional or companywide meetings, according to Grant Caplan, president of Procurigence consulting firm. Doing so maintains the important ability for employees to meet face-to-face while reducing the travel costs associated with multiple small meetings.

Caplan also recommends that companies consider conducting internal meetings at an all-inclusive property. Noting that there are all inclusions available at a variety of price levels, he said, “It’s a great strategy because you know more about what you’re going to pay for the meeting in the budgeting stage.”



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6

IMPLEMENT COMPANYWIDE USE OF A CORPORATE CARD FOR TRAVEL

While many companies allow employees to book travel on their own credit cards to earn point benefits, Jonassohn advised larger companies to bring all bookings under a single card.

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– CATHY SHARPE,
ILLINOIS TOOL WORKS

Some clients are getting 1.5% or 2% back on bookings, he added. “If you’re spending \$10 million on air, at 1.5% you’re getting \$150,000 back to offset that cost. It really is a company expenditure, and the company should be reaping the benefit.” Instead of allowing employees to earn loyalty points by using their own form of payment for business travel, companies may want to review “the value of bringing that back in house. If you’ve got the volume for it, it’s an easy win.” ■

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