

AIR PROGRAM CASE STUDY

GLOBAL PHARMA

IS IT POSSIBLE...

to find incremental savings within a mature air program?

FINDING \$400,000+ IN SAVINGS

A global pharmaceutical company with over \$25M in air spend across more than a dozen countries sought our expertise in navigating recent mergers to maximize savings, find further leverage, and increase coverage.

4th Dimension was able to identify missed savings opportunities and re-evaluate OBT preferencing in order to support and implement the changes necessary to capture incremental savings.

4TH DIMENSION METHODOLOGY

4th Dimension does not consider airline sourcing a stand-alone event, but rather an ongoing process of continued management to maximize a client's savings.

This combination of comprehensive sourcing and ongoing proactive contract management on a market-by-market basis maximizes the client's current savings while providing effective leverage for future negotiations.

4TH DIMENSION SOLUTION

After detailed analysis of the client's existing air program, company requirements and travel patterns, 4th Dimension implemented the following solutions to best achieve the client's goals:

SOURCING

- Gathered all interested airlines into one room to review a customized presentation of the client's vendor relationship history, company profile, air trends, and historical contract performance. This unique approach ensured all bidders heard the same information and expectations, while illustrating the client's past success in aggressively steering market share.
- After the bids were received and analyzed, an extensive negotiations strategy was developed with the client that led to the eventual agreement for multiple points of sale covering the majority of the client's global air volume.

STEERING

- Provided clear monthly instructions to agents to drive preferred carrier usage on key routes to controls costs and optimize contract performance.
- Evaluated the current rules and thresholds on the OBT, fine-tuning key city pairs on a monthly basis to drive business to preferred carriers in required markets.
- Drafted, on behalf of the client, companywide internal announcements to increase policy awareness and encourage traveler buy-in.
- Provided verbiage for inclusion in the client's travel policy which made clear the reasoning behind and the projected results of driving preferred carrier usage.
- Identified frequent travelers throughout the company to strategically gift and upgrade airline status as a way of guiding the program costs and facilitating change management.

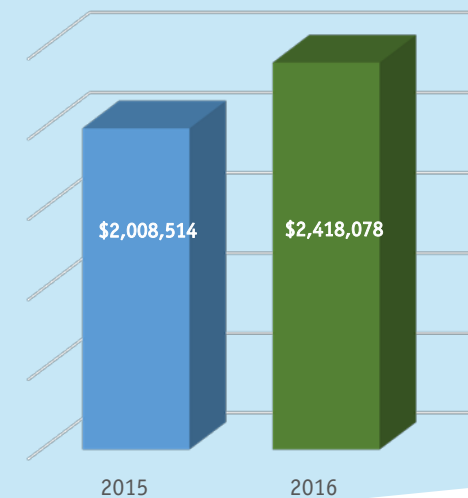
THE RESULTS

4th Dimension achieved an overall ROI of over 900% for the client.

These results translate to:

- Overall savings increased 20.4% to \$409,564
- Net effective discount increased by 1.4%
- 3.1% increase in preferred carrier coverage to 75.2% of all flight
- Increased market share of new preferred carrier by 4.2%
- Reduced market share of previous preferred supplier by over 7.1%

TOTAL AIR CONTRACT SAVINGS



HOTEL SOURCING CASE STUDY

HEALTHCARE

OBJECTIVES

Client's current annual accommodation spend is over \$18 million (representing more than 100,000 room nights) globally.

In outsourcing to 4th Dimension Business Travel Consulting, the client's key objectives were to:

- improve traveler/office location alignment and mix of accommodation types (hotel, apartments etc.)
- increase travel policy compliance
- ensure the client's duty of care obligations are met
- demonstrate a greater return on investment and hard dollar savings.

4TH DIMENSION 2016 RESULTS

4th Dimension undertook an extensive analysis of the existing client hotel program, benchmarking it against key market trends, and identified projected 2016 savings for the client in excess of \$2.8 million.

4TH DIMENSION 2016 PLANNING

After detailed analysis of the client's existing hotel program, company requirements and travel patterns, 4th Dimension proposed the following solutions to best achieve its goals:

- To increase contract coverage from 62% of room nights to >70%
- To do in-depth analyses on markets with below average contract coverage and to utilize a granular level approach to sourcing.
- To negotiate highly competitive rates across a range of domestic and international accommodation suppliers.
- To negotiate additional complimentary services offered by the hotels such as internet, breakfast and car parking (across existing suppliers and new suppliers).

THE RESULTS

The client, with the help of 4th Dimension, achieved an overall savings of over 17% through effective sourcing and aggressive negotiations.

These results translate to:

- Average room rates for preferred hotels average \$40 less per night than those of non-preferred properties.
- Preferred room night coverage increased by 12%.
- The clients' top 40 destination cities now have preferred hotels.
- The ROI on 4th Dimension services exceeded 600%. This means that the client is saving more than \$6 for every dollar invested in 4th Dimension's services

AVERAGE ROOM RATE

