



Corporate Travel Planning and Sustainable Tourism

Corporate social responsibility (CSR) has quickly become a “fundamental” in business travel. In 2007, the Association of Corporate Travel Executives found that 59% of the companies they interviewed have a CSR charter, and 59% of travelers look to these charters in making environmentally sound travel decisions. And in 2008, a survey commissioned by Deloitte found that U.S. business travelers are increasingly making daily choices to reduce their environmental impact with some 34 percent actively “seeking out hotels that are environmentally friendly.”

The fact that business travel generates billions of revenues for the tourism industry each year underlies the importance of the sector supporting sustainability. Therefore, this document has been designed to inform corporate travel and meeting planners how the growing “green” movement can be leveraged to benefit your business, your clients, and the environments you visit and how businesses can integrate sustainability into their existing business operations. Four opportunities are addressed in this document:

1. Sustainability policy and assessments
2. Supply chain management
3. Carbon management
4. Travelers’ philanthropy

Corporate travel and meeting planners who wish to take a leadership role in sustainability should be focused on adopting and implementing all of these strategies, whether you represent a new entrant, mid-evolution or a mature Corporate Travel Program.

Sustainable Travel International exists to help you identify and align sustainable solutions with your existing systems and initiatives and lead the way for a prosperous and sustainable future.

The Benefits of Sustainable Tourism

The global financial volatility this past year has left many companies strained. In these tough financial times, the contrast between those businesses that are taking a traditional approach and those actively engaged in sustainable practices is becoming increasingly apparent.

A number of long-established companies are beginning to suffer, while responsible companies are reaping a ROI in terms of clearer differentiation, stronger sales, better supplier and customer relationships, more consumer and employee loyalty, and improved investor relations. These progressive companies have one thing in common. They have an understanding that if their business is going to continue to thrive, they are going to have to embrace sustainability.

Let’s not dwell on the negative though but instead take a close look at the benefits your company can derive from engaging in sustainable tourism:

- **Improved Profitability.** Sustainable tourism practices lower costs through enhanced resource efficiencies such as increased energy efficiency and reductions in waste. The average company engaged in sustainable business practices sees an incremental improvement in their bottom lines. For example, AT&T reduced employee air miles by 15% through video conferencing and Web meetings. The GM Corporation reduced disposal costs by \$12 million by establishing a reusable-

container program with suppliers. And, Commonwealth Edison saved \$25 million through more-effective resource management.

- **Increased Market Strength.** There is a significant market of consumers who are making purchasing decisions based on their personal values. All of the research indicates that when quality and convenience are perceived to be equal, these individuals will select an eco-friendly product or service when / if available - and some will even pay more. A couple notable statistics: according to the Natural Marketing Institute, spending on sustainable products and services is on track to jump from more than \$200 billion to \$420 billion in the next three years. And when price and quality are equal, *76% of consumers would switch brands* if a company were associated with a good cause.
- **Attraction of Talent** – Sustainability is a key value of today's new workforce. A company committed to this value holds a market advantage in recruiting this talent. Both graduates and industry professionals are increasingly looking to green jobs. A recent poll on green employment featured in the November 13, 2007 Wall Street Journal found that 80% of young professionals are interested in securing a job that has a positive impact on the environment, and 92% would be more inclined to work for a company that is environmentally friendly.
- **Best Practices** - Actively engaging in sustainability provides access to standards recognized as best innovative practices, helping businesses to meet higher standards through continuous improvement.

Sustainability Policy and Assessments

Step 1: Undertake a sustainability assessment and evaluate how your business can successfully implement sustainability or refine its existing approach. This includes:

- Identifying goals, objectives and priorities in conjunction with your management team and employees
- Identifying opportunities to “green” your company's current travel policies
- Drafting a sustainability plan outlining how best to align sustainability within your existing business model and corporate culture
- Assigning responsibility to champions within the organization
- Setting timeframes and identifying metrics for measuring the results

Undertaking a sustainability assessment is a complex process. Therefore, we suggest you contract this service from a qualified consulting firm. Sustainable Travel International provides this service. We can also refer you to others.

Start Small

Since undertaking a sustainability assessment and implementing related policies takes time, we suggest starting small. Successful efforts to effect change don't always start at the top. Sometimes senior management is too far removed from front-line realities. You will eventually need their support and commitment, but you can still get started if you don't have it now.

We suggest picking a project that has a high probability for success and a healthy return on investment (e.g., increasing catalog mailing efficiencies). The latter will defend your case when you're ready to attract management's attention.

Build a Business Case

Developing a clear business case for pursuing sustainability is integral to your success. "It's the right thing to do" is honorable, but it isn't going to help you maintain on-going momentum. If sustainability is perceived as a "bleeding heart" issue, you'll have to spend more time building a solid business case.

Don't be vague about how your efforts are going to improve profitability or protect the environment. Consider the costs of inaction and then provide specific examples of how other companies are benefiting from adopting sustainability.

Make it Personal

Senior management and co-workers will want to know why this new initiative warrants attention and how it's going to help them personally and professionally. To attract support and achieve the desired results, you'll likely need to tap into personal motivations for changing. Describe why it's in employee's and the company's strategic self-interest.

Once you've identified the drivers for change, develop a clear and compelling example of at least one way sustainability will improve your efficiencies and the environment then develop a strategy for ensuring its success.

Sustainable Tourism Policies

All corporate travel planners now share a need to implement travel policies that support sustainability. The policy should balance the requirements of key stakeholders in all major departments including finance, human resources, and purchasing as well as the travelers themselves.

Communication is Key

Since companies travel policies evolve over time and need to be maintained, the process needs to be managed and supported at the highest level. Employees also need to take ownership of it. Sustainability polices are more effective when they are:

- Endorsed and mandated by senior management
- Developed in conjunction with employees
- Accessible and proactively marketed
- Continuously monitored and improved upon
- Clear, succinct, specific, relevant and informative

Sustainability Commitments

Significant reductions in carbon emissions require significant changes in business practices, and travel policies have a significant part to play by:

- Educating travelers and influencing their behavior
- Increasing traveler accountability
- Incentivizing travelers to reduce their carbon footprint
- Encouraging increased use of video and teleconferencing
- Facilitating the reporting, tracking and measurement of environmental impacts

Increased Savings

Given the high costs associated with travel, there are ample opportunities to consolidate purchasing data and achieve savings. Travel policies provide the opportunity to:

- Aggregate expenditures and save up to 40% on airfare and accommodations and up to 10% on car rentals and train fares
- Collate valuable purchasing data and use it to negotiate discounts with preferred “green” suppliers and channel expenditures through them
- Gain efficiency savings in time and effort and reduce the cost of expense management
- Decrease carbon emissions

Supply Chain Management

Step 2: Green your supply chain. Seek out companies that care about the environment. There are numerous airlines, hoteliers and rental car agencies that have sustainability standards in place.

By definition sustainable supply chain management is the process of integrating environmental and social thinking into supply chain management, including:

- Product / service design
- Material sourcing and selection
- Manufacturing processes
- Delivery of the final product / service; and
- End-of-life management of the product after its useful life

The whole idea of a sustainable supply chain is to reduce costs while supporting environmental conservation and fair trade. Begin evaluating the products and services that you purchase in volume. In a spreadsheet, plot out where those items are manufactured.

On the product side, try to determine how many miles they travel to reach you and if there a producer closer to you. Don't be afraid to ask your supplier where it sources its materials from or to challenge them to do better. Work with them to help educate them about alternative options.

On the service side, establish sustainability criteria for inclusion in your RFPs. Then determine who the “green” leaders are in each segment i.e., the travel providers you want to incorporate into your preferred supplier programs. The highlighted areas of focus regarding sustainability in each sector include:

- *Car Rental:* offering carbon offsets and increased availability of hybrids and fuel efficient vehicles (industry leaders: Budget, Enterprise, Flexcar / Zipcar)
- *Hotels:* actively reducing and managing waste, implementing energy and water conservation initiatives, building with green materials, and greening their supply chains (industry leaders: Kimpton and Fairmont with other chains like Starwood, Marriott, and Hilton quickly following suit)
- *Airlines:* focused on fuel saving and carbon emission reduction strategies as well as offering offset programs and implementing waste management programs (industry leaders: American Airlines, Continental, NWA, Virgin Atlantic and British Airways)

If your suppliers are not engaging in these types of initiatives or are not willing to make improvements, you may want to drop some hints about taking your business elsewhere. This approach might provide them with the incentive they need to improve their efforts.

Carbon Management

Step 3: Calculate your carbon footprint and offset unavoidable greenhouse gas emissions by investing in carbon offset projects that have been verified or certified by independent third parties.

Sustainable Travel International provides carbon footprint assessments for businesses of all sizes that wish to become carbon neutral. By taking this approach, together, we can determine how best to structure a carbon offset program for your particular company.

By definition, carbon neutral represents the point at which carbon emissions have been identified, measured, reduced where possible and 100% of the remaining emissions have been offset through high quality renewable energy, energy efficiency and or reforestation projects.

Carbon Footprint Assessment*

To calculate total carbon emissions, you have to measure the carbon emissions associated with your operations and the services your business offers:

- Office / facility electricity consumption expressed in kilowatt-hours or megawatt-hours on a month-to-month basis
- Estimated volume of waste generated weekly, monthly or annually expressed in pounds or kilogram.
- Estimated volume of recycling generated weekly, monthly or annually expressed in pounds or kilograms
- Total long- (over 7000 miles / 11,250 kilometers e.g., round trip New York to London) and short-haul flights (under 7000 miles / 11,250 kilometers) your staff takes each year. Or total mileage traveled by air annually
- Estimated total number of nights of employee hotel stays
- Average miles driven for business per week, month or year
- Average miles driven by employees who commute to work per week, month or year

**Please note that STI will accept estimates if exact figures are not available. Also, note that STI charges a nominal fee for complex carbon footprint assessments (i.e., usually US\$100-\$500).*

Custom Carbon Calculators

Businesses that want to encourage their employees to offset their personal greenhouse gas emissions as well as those who want to offset their employees' air travel on a flight-by-flight basis are encouraged to invest in a custom carbon calculator:

- Option 1 (Complimentary). Link to STI's [carbon calculator](#).
- Option 2 (US\$499+). This custom IFrame calculator is similar to the internal calculator components of our retail calculator, but embedded within your own web site. As a result, it has the look and feel of your site, with all of the navigation, functionality and ability to change your own site without affecting the calculator. Since it would be hosted on the STI website, customer transactions would go through the STI website, and STI can track the total amount of CO2 offset. This option allows you to insert

the related code into a web page on your website and control your own content. Choose between our all-inclusive calculator option (flights, driving, hotel stays, home electricity, events, and gift offsets), or a combination of the options we offer. The price of any additional custom modifications will depend on complexity of your web site, programming required, etc.

- Option 3 (Varies – custom quote). Hosted on STI's website or on your website, this calculator computes the carbon emissions associated with each of your individual services and includes the features detailed in Option 2. This option is fully customized and is based on STI auditing your business-related carbon emissions.

Video and Teleconferencing

Use video and teleconferencing whenever possible to eliminate unnecessary travel, save resources and reduce carbon emissions. An increasing number of companies are using web conferencing tools to cut down on travel costs by enabling employees to conduct meetings and share information without leaving their desks.

According to Publicare Marketing Communications, a typical U.S. company with offices in New York City and Washington D.C. would save ~\$20,000 / year in travel and office supply expenses by using the web to conduct meetings. A few providers you might want to consider include:

- Acrobat Connect
- Cisco WebEx MeetMeNow
- Citrix GoToMeeting
- Microsoft Office Live Meeting

Travelers' Philanthropy

Step 4: Give back to the communities that your business is dependent upon. There are a growing number of companies that are donating financial resources, time, talent and economic patronage to protect and positively impact the places they visit. This voluntary movement is helping to support community development, biodiversity conservation, and other environmental, socio-cultural and economic improvements including providing jobs, educational and professional training opportunities, health care and environmental stewardship.

Through Sustainable Travel International's Travelers Giving Back program, we can corporations and their clients to more than 500 pre-screened grassroots charity projects around the world. This program enables you to offer a visible and strong value-add to any customer considering using your product or service.

Implementation options include personalized biodegradable gift cards and or custom online donation engines that enable your guests to support high quality philanthropic projects in the U.S. and beyond. For more information, please visit www.travelersgivingback.org.