

MARCH 17, 2008

By KELLY K. SPORS

## **Road Reduction**

Small companies have a host of opportunities to cut travel costs, as hotels, airlines, car-rental companies and others try to win their business

Travel is a hefty expense for small businesses with employees who are frequently on the road. But there's some good news: It's getting easier to shave the costs.

For years, travel companies including airlines, hotel chains and travel agencies rolled out the red carpet for big companies with large travel budgets. But as large companies get stingier with travel, many vendors are courting smaller businesses with cost-saving deals. Credit-card issuers and others, meanwhile, offer discounts on a wide range of travel services. And the Internet has brought travel agencies within the reach of most small businesses, along with new technologies that help businesses better manage their employee travel.

Here's a look at some ways small businesses can cut travel costs.

### **LOYALTY PROGRAMS**

In recent years, airlines, hotels and rental-car companies have established loyalty programs for small businesses, rewarding purchases with points that can be redeemed for free flights, hotel stays and other travel perks.

For instance, the Business ExtrAA program offered by the American Airlines unit of AMR Corp. lets small businesses collect points when employees buy tickets and enter their employer's Business ExtrAA account number. For every \$10 spent on a ticket, the employer may get one or two reward points, depending on where the flight originates. Accumulated points can then be cashed in for free flights, starting at 2,000 points for a round trip in North America, or other perks such as access to American's Admirals Club at airports.

One big benefit of the program: Employees continue to rack up their own frequent-flier miles for their business trips. A business can also decide to transfer its awards to employees or clients as a perk instead of keeping them for business travel. Northwest Airlines Corp.'s BizPerks and Delta Air Lines Inc.'s SkyBonus programs work similarly, allowing businesses and employees to rack up points simultaneously.

Hotel chains including Starwood Hotels & Resorts Worldwide Inc., Best Western International Inc. and Hilton Hotels Corp. all offer rewards programs for businesses with frequent travelers.

Among auto-rental companies, Avis Budget Group Inc. offers small businesses \$2 off daily rental rates, along with additional discounts on certain classes of vehicles. Hertz Global Holdings Inc.'s Business Accounts program offers discounts of up to 20% off rental rates, plus members rack up credits they can cash in for free rentals. National Car Rental, a unit of Vanguard Car Rental USA Inc., has a Business Benefits Program that offers a free day's rental after 14 rental days used by employees, among other perks.

Though there's no shortage of loyalty programs for businesses to join, and most are free, figuring out how to maximize the benefits can be challenging. It often comes down to weighing convenience against the value of the rewards being offered and the price of the tickets, accommodations or rentals that earn those rewards, says Chuck Sharp, president of the American Small Business Travel Alliance. A company located in an airline's hub city, for instance, is likely to want to stick predominantly with that airline, even if another offers more-generous rewards. "You really need to spend some time analyzing how and where your employees travel and then figure out which programs match your needs best," Mr. Sharp says.

Claim Jumper Restaurants LLC, an Irvine, Calif., restaurant chain with about 100 frequent travelers, books about 60% of its flights through Southwest Airlines Co., since the flights are affordable, even though Southwest doesn't have rewards geared specifically to businesses. When not using Southwest, employees often fly American Airlines or the Alaska Airlines unit of Alaska Air Group Inc., both of which offer discounts or reward points to the company, says executive planner Jo Moyer, who handles all travel booking for Claim Jumper. The company also books about 60% of its hotel rooms through Marriott International Inc., collecting reward points and gift certificates that it passes along for employees to use on their own time. "We first look at the overall cost, but then we use the rewards programs to get extra bang for our buck," says Ms. Moyer.

## OTHER DISCOUNTS

There are other travel-discount programs that aren't tied to one particular hotel chain or airline. Corporate Lodging Consultants Inc., a Wichita, Kan., travel-management company, offers small businesses CheckInn Direct cards that are good for significant discounts at about 7,000 hotels nationwide, including mostly midscale chains like Holiday Inn, Super 8 and Red Roof Inn. Membership is free, but businesses pay a \$4.95 booking fee for each stay.

At a Holiday Inn in Hawthorne, Calif., for instance, the walk-up rate is \$79 a night. CheckInn Direct cardholders pay \$37.10, before the booking fee. Corporate Lodging can offer these discounts by extending the rates they negotiate for their large clients to their small-business customers, says Kyle Rogg, senior vice president of business development.

Quality Drive-Away Inc., a Goshen, Ind., company that transports recreational vehicles, offers the cards to its drivers. The drivers who use the cards used to sleep in their trucks or pay hotel rates they could barely afford. Now most pay about \$35 a night, says driver manager Trish Wyman.

Businesses also shouldn't overlook the value of old standbys such as the AAA Auto Club's discount cards. The club, which has annual individual membership fees starting

around \$50, offers discounts on many travel-related expenses, including 10% off Hertz auto rentals. Many small-business credit cards also offer traveler perks and can help generate points in rewards programs even faster. American Express Co.'s Delta SkyMiles Business Credit Card awards at least one mile for every dollar spent on the card, and two miles for every dollar on certain purchases, including those from Delta Air Lines. The miles can then be redeemed for free tickets from Delta or its partner airlines. Capital One Financial Corp.'s No Hassles credit cards award up to two points toward airline tickets for every dollar spent on the cards. Many credit cards also offer discounts at rental-car companies and hotels.

Discounts also are available on other travel expenses, including meals, gas and wireless Internet usage. Best Western hotels, for instance, offer free wireless Internet connections and free breakfasts. Many credit cards offer discounts at restaurants. And some, such as Discover Bank's Open Road card, offer 5% cash back on gas purchases and auto maintenance expenses, which might be a good alternative to a credit card that awards frequent-flier miles, if most employees travel more by car than by air.

## HIRING AN AGENCY

Companies may also save money and time by using a travel agency to book arrangements. These services used to be too costly for most small businesses, but several affordable alternatives have emerged online. Major online travel companies including Orbitz Worldwide Inc., Expedia Inc. and Travelocity.com LP have programs geared to small businesses that charge as little as \$5 for online bookings and about \$20 for bookings handled over the phone. Those costs can easily be made up by discounts that businesses otherwise may not have access to.

Some online services can also save companies money by tracking employee travel usage and costs and helping to keep employees in line with company travel policies. For instance, American Express Business Travel last year began offering an online travel-booking platform called Axiom, developed by Rearden Commerce Inc., that allows a business's employees to book airline tickets, hotels, restaurants, airport parking and Web-conferencing services, among other things, online. The service charges a transaction fee, but American Express usually couples the product with its travel-advisory services, which usually start around \$2,000 for small companies with relatively low airline-ticket purchases, says Andy McGraw, senior vice president of American Express Business Travel.

Part of the appeal of the program, Mr. McGraw says, is its ability to show employees price comparisons between various travel options, such as two airport parking lots, and create "visual guilt" so employees choose the lower-cost option. But it doesn't rely entirely on employees' good intentions -- it also alerts employees when they stray from company travel policy.

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Printed in The Wall Street Journal, page R7