

Business Travel or Accommodation

Most organizations have a business travel and expenses policy. Larger organizations even have an in-house business travel section to organize travel if they are given an itinerary and a cost center (in order to charge back the costs) with the relevant manager authorization. Plus, most organizations have at least a preferred supplier to use for hotels. For smaller organizations however, the role of booking travel and accommodation falls to a business administrator. It is important that companies improve value from money spent on travel and a travel policy is the cornerstone on which good procurement can achieve that objective. It has been said that a well-documented, well-implemented, well-monitored policy can reduce travel costs by at least 10% and by up to 30%.

Other points:

Communicate the policy to all employees.

Make sure your travel management company builds the policy into your self-booking tool.

Put it on your company Intranet and make sure it's easy to find.

Email it to everyone each time it's updated.

Travel Policy Content

With a policy there are strict guidelines to follow. Examples can be:

Cap on the price per night for a hotel room.

Second class train travel rather than first class.

Economy class flights, rather than business or first class.

Business mileage expenses.

Hire cars capped to economy level to mid-size level.

Subsistence costs— cap on an evening meal or breakfast costs in on an overnight stay.

Business travel can be booked through a specialist agency, which will use their business model to deliver hotels or travel within a price range. This is how it could work, and this is known as the 'opaque model'. The company puts forward a capped price to the agency, and then the agency looks for the prices provided by retailers. The agency will try to get the lowest bid by retailers, so they can make a decent profit margin, and pass on the price with their costs onto the company requesting the travel. Remember that negotiated hotel rates (when used on their own) may not deliver the best value when you throw websites like booking.com and laterooms.com into the mix. So, whilst negotiated rates are important, instead of booking them all the time, only use them when they will deliver the best value.

Processes

If booking for your manager, or yourself, check that travel and expenditure is both reasonable and necessary for the conduct of the Company's business and comply with the provisions of the Travel Policy. Most policies have a caveat, which states, that it is essential that you consider video/teleconferencing options as a means of reducing costs and carbon emissions.

A booking form must contain sufficient information to enable the agency to book travel and/or accommodation in accordance with your needs (subject to the limits imposed by the policy. Please ensure that the passenger name is exactly as this appears on their passport or ID used for travel.

If the wrong information is provided, then cancellation charges may be incurred. Once completed, get it checked out by the traveler with a signature to confirm this is right. Then you can go ahead and organize the travel, or pass it to the travel management company.

Ensure you have duplicate copies of itineraries, tickets, receipts, maps, letters of invitation, travel insurance policies, currency receipts, emails from colleagues to you and/or your manager, and from you and/or your manager to everyone involved in the trip at whatever level.

If your carefully planned itinerary has been misplaced, you'll also need a name of someone, anyone, who can help you or put you in touch with someone who can come to the rescue.

Foreign Currency

Foreign exchange service providers can tackle the first and simplest aspect of overseas payment – better exchange rates than those offered by the banks, and substantially reduced fees. Regular customers may also be supported with a dedicated account manager, cost management and tracking tools, customized reporting and analysis.

If you are involved in obtaining currency for a traveler, check to see what your travel policy states first. There may be a dedicated contact point to talk to. A service provider can also assist with a variety of options to reduce exposure to fluctuations in foreign exchange rates, allowing for cost savings and more certainty around financial planning. Some countries have limits as to how much cash can be carried, so it may also be worthwhile in obtaining an authorized company credit card to cover emergencies. Smaller notes for taxis and public transport are better than large notes.

You'll also need to enforce the requisition of receipts. HMRC's house rules for claiming business expenses – that they must be “wholly and exclusively” for business purposes – apply wherever you are in the world. The requirement to keep proof of purchase is also a worldwide one. If an invoice, bill or receipt has spending for personal benefit on it, you can't claim it back.

Tips for Travel

Visa requirements need to be investigated as soon as the trip destination is known — some foreign embassies have very dated regulations and requirements for travel. As an example, when applying for a visa to visit India, the size of the photograph must be 5cm x 5cm – which is not the size that UK photo booths provide, but photo shops can resize for you.

India also requires applicants to list all countries visited in the last 10 years, and if other stamps are discovered in a passport the application may be rejected. India also requires all applicants to include any middle names on the application form, if they have them.

Also check that the traveler has got all the right inoculations for their destination and that they are up-to-date. Boosters may be required for tetanus, etc., so these points should be included on a checklist.

There are many private outfits in the UK working with businesses or Travel Management Companies (TMCs) to acquire visas – and they can also handle passport applications.

The largest, and also a global player, is CIBT, while Visa Swift is one of the biggest home-grown players. This has become a highly professional, technology-led business, offering the option of quick turnarounds (as far as embassies or consulates allow) for business people in a hurry. But the cost can be high, and you can expect to pay over £300 for some multi-entry visas, which will need to be budgeted for.

Invitation Letter

Some countries require a business invitation letter to be allowed into the country. An Invitation Letter is a document submitted to the Embassy from the inviting company, or organization, in the country you are planning to visit.

Business visitors can be existing or potential buyers, investors, trade show or conference visitors, partners, employees, or individuals coming for training at the company's facilities.

If you need a visa, a letter of invitation does not guarantee that a visa will be issued. Visa officers assess applicants to find out if the traveller is eligible to visit the intended country and some visa offices may need these letters to be notarized – signed by an official body. An example of such a letter is included next:

Business Invitation (from a company overseas)

A Business Invitation Letter must be printed on the company's official letter-headed paper and should contain details of the applicant's proposed dates of entry and exit, their duration of stay and the type of business they will be conducting during their stay. The letter must:

State full name, address and telephone number of the inviting company or organization.

Be dated (the letter should be no more than one month old at the time of application).

Be signed by a person whose position in the inviting company is higher than that of the applicant.

Include a printed name as well as a signature.