



Partnership Travel Consulting

Strategic Global Travel Programs

www.partnershiptc.com

Corporate Travel Department (CTD) Executive Overview

February 2024

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Executive Summary



- The Travel (Agency) Management Company (TMC) model operates under a dual-income stream system:
 - The client and suppliers fund the TMC. (slide 6)
- The higher the airline ticket or hotel room price, the more money the Travel Agent receives from those suppliers (slide 7)
 - Supplier contribution to TMC EBIDTA accounts for more than half and the balance is from client fees; the higher the airfare and hotel rate, the higher the incentives are to the TMC (from suppliers)
- PTC is recommending a strategy to insulate corporate accounts against disruption to services from the TMC, and outsource some of those services directly to the 3rd party that provides their technology to the TMC who in turn typically marks it up.
 - This recommendation includes having the corporation own the data, as well as the travel profiles, and some of the technologies.
- The funding for this strategy can be achieved by enabling all hotel commissions to be paid to the corporation via the CTD (Corporate Travel Department) model (slides 12-14)

Financial Controls Are Minimal in Corporate Travel



Ask your CFO to name any other department that allows an outside vendor to calculate, collect and hold your money, and later deduct their fees with no audit capability and formal process.



- TMC issues monthly invoice for transactions, labor and/or management fee.
- TMC applies “credits” for commission income “attributable to client”.
 - There is no audit trail for the receipt of supplier revenues by the TMC

TMC Financial Model Overview



Multiple fee options

- Transaction
- Management

Commissions collected by agency offset (but mask) TMC fees

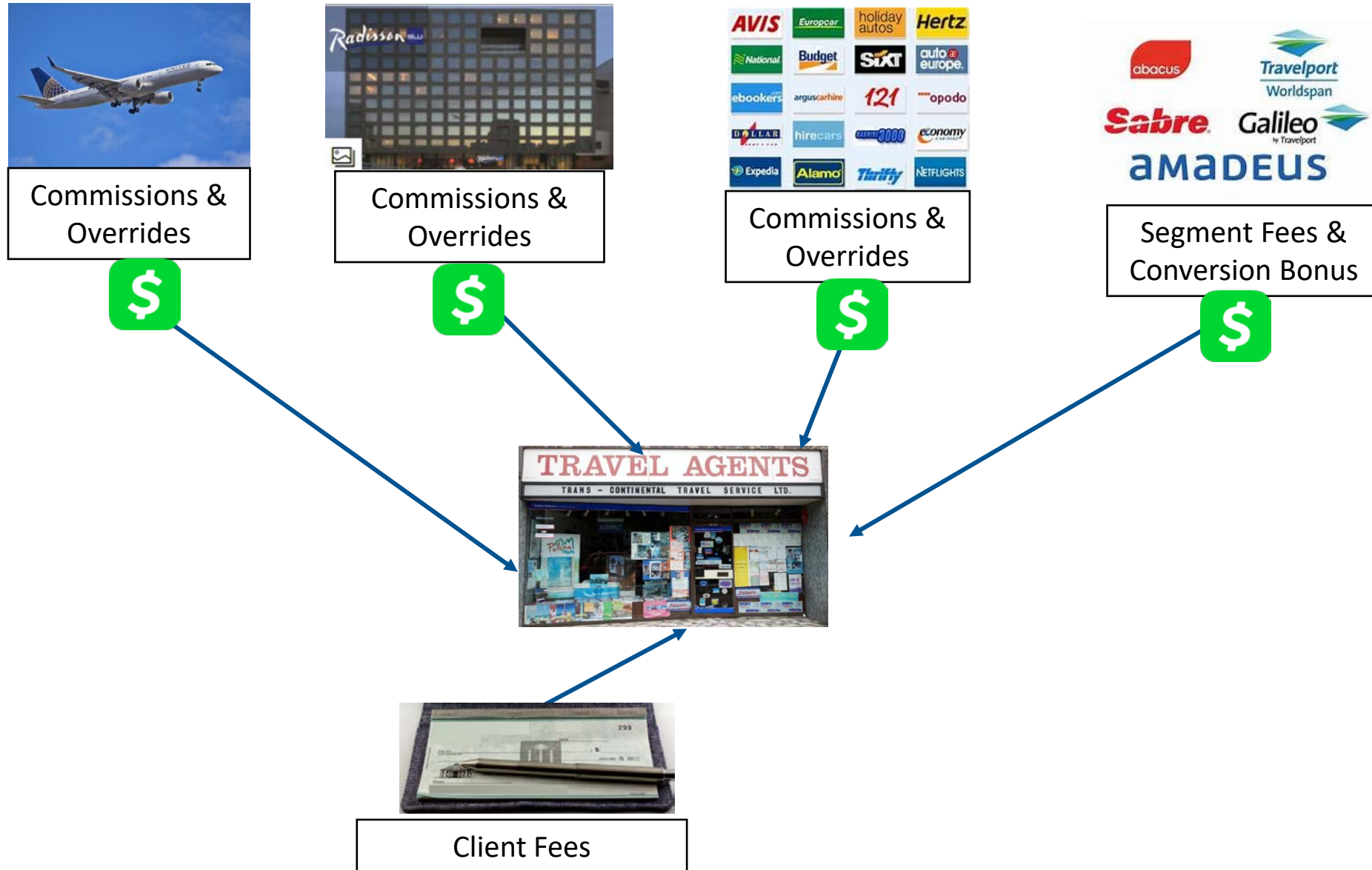
Lack of airline commission audit trail

Prohibit airline overrides audits

Hotel commissions are not centralized, limiting auditing capabilities

TMCs are not incentivized to “chase” uncollected commissions if they are passing them on to the client

Travel Agency (TMC) Revenue Streams



Online Travel TMC Income Streams



Business Elite (D) / Business (P) Rules	JFKLAX	No		\$2000
Delta One (D) / Business (P) Rules	LAXJFK	No		\$2000

REVIEW PRICE SUMMARY			
Description	Nightly rate	Dates	Total
Beverly Wilshire, A Four Seasons Hotel	\$545.00	Dec 07 - Dec 09	\$1,090.00
			Total Estimated Cost: \$1,090.00*

REVIEW PRICE SUMMARY			
Description	Daily Rate	Dates	Total
Hertz Car Rental	\$33.00	Dec 07 - Dec 09	\$103.21*
			Total Estimated Cost: \$103.21
Total Due Now: \$0.00**			

MON, DEC 7
11:45
AM WAIT

SEDAN

A LAX airport (LAX), World Way, ...

B Beverly Wilshire Hotel, Wilshir...
ETA: 12:11 PM

EDIT

1-3 1-3

TOTAL \$182.77*

TMC Cost: Software to complete an online touchless PNR (\$2). Client pays for OB

- TMC Income Streams:**
1. Client fee :\$5
 2. GDS Income:\$xx
 3. Airline Overrides & Incentives: \$xx
 4. Hotel Commission: \$109.00
 5. Ground Transport Commission
 1. Car Rental:\$xx
 2. Private Service:\$18 (each way)
 6. Other:\$xx
 7. Add agent-assisted fee: \$19 upcharge

Net total from this 1 PNR: \$148 plus all the xx's

CTD Executive Summary



- The CTD (Corporate Travel Department) accreditation program began in 1998 when Andrew Menkes was VP of Global Travel for Republic National Bank.
- There are > 100 CTD companies in the US ranging in size from under \$1 million dollars in air spend to hundreds of millions of dollars. (see slide 20)
- The primary benefits of the CTD program are transparency, control, and flexibility.
- At a minimum, the CTD model can be used to direct hotel commission payments to the corporation (CTD); when fully implemented the Corporation (CTD) can also issue it's own tickets (or outsource that function)

TRANSPARENCY

- All hotel commissions are paid directly to the Corporation (CTD).
- Airline data from ARC is visible daily to the CTD.
- 100% audit of funds

CONTROL

- The Corporation can outsource 100% of the service function to the TMC.
- The CTD can initially be for Group hotel rooms, or transient hotel rooms for commission collection.

FLEXIBILITY

- Staffing can be 100% TMC.
- Multiple TMCs can be used.
- The CTD# for hotel commissions is effective globally.

Corporate Travel Department (CTD) Overview



Licensed corporate location*

Authorized to issue tickets for company and related entities

Can be outsourced to a travel agency facility

Staff can be corporate employees (if qualified), agency employees or any combination

Any corporate US office location

Not open to the public

* The corporate entity must be in the US but the agents can be located anywhere.

Only 1 person has to take the certification exam, and that can be an agency employee (or former agency employee)

CTD Summary



DOES NOT HAVE TO BE

On corporation's payroll

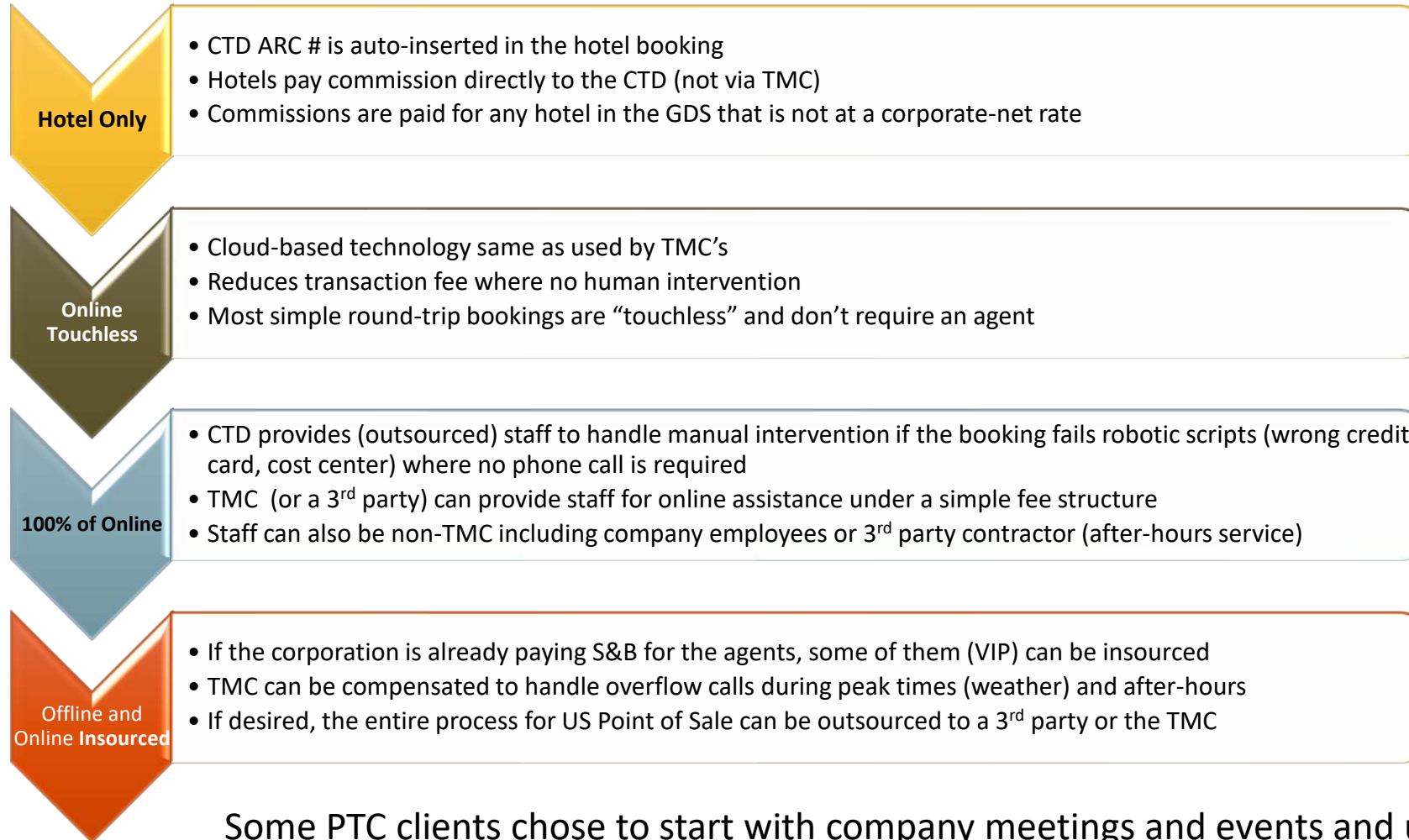
On corporation's premises

Ticketed from one location

Staffed by corporate employees

- Services managed in-house – any or all TMC services can be outsourced

The CTD model can be implemented in stages



Some PTC clients chose to start with company meetings and events and use their CTD # to get hotel commissions on the sleeping rooms



CTD Hotel Commission Potential just for Online Touchless

TRANSACTIONS	% ONLINE	# OFFLINE	# ONLINE	% TOUCHLESS	NET UNTOUCHED	UNTOUCHED % OF TOTAL	Hotel Commission potential on untouched @ average of \$25 per PNR (based on 50% net rates)	\$	25.00
20,000	80%	4,000	16,000	80%	12,800	64%	\$320,000		
20,000	85%	3,000	17,000	85%	14,450	72%	\$361,250		
20,000	90%	2,000	18,000	90%	16,200	81%	\$405,000		
30,000	80%	6,000	24,000	80%	19,200	64%	\$480,000		
30,000	85%	4,500	25,500	85%	21,675	72%	\$541,875		
30,000	90%	3,000	27,000	90%	24,300	81%	\$607,500		
40,000	80%	8,000	32,000	80%	25,600	64%	\$640,000		
40,000	85%	6,000	34,000	85%	28,900	72%	\$722,500		
40,000	90%	4,000	36,000	90%	32,400	81%	\$810,000		

The assumptions are based on 50% of all PNR's being net and the average room rate is \$250 with an average stay of 2 nights

Proof of Concept: Corporate Meetings



If a corporation (Admin, Sales, HR) contacts a hotel for a group event, the hotel will quote a “Corporate Rate”. The room rate will be lower than “rack” (which is the retail/consumer rate for a room)

If a Meeting Planner, or Travel Agency contacts the same hotel for the same rooms, the Planner/Agency will get the same rates; AND the hotel will also pay a 10% commission to the Meeting Planner/Agency tied to their ARC #.

If the Corporation was accredited as a CTD, they would have their own unique ARC #, and receive the same commissions as a Travel Agency or Meeting Planner.



BENEFITS



CTD COMMISSIONS ON COMPANY-SPONSORED MEETINGS

CTD Corp Contacts Hotel Directly

CTD receives the same room rates and 10% commission.

**\$7,500
COMMISSION**

Book 100 Rooms
\$250/Night/3 Nights
\$75,000 Spend

TMC or Meeting Planner

TMC or Planner receive commission if booked under their ARC #





Exhibits

CTD Configuration Options



CONFIGURATION TYPE	CORPORATE STAFFING	AGENCY STAFFING	CORPORATE LOCATION	AGENCY LOCATION
On-Site all corporate employees	Yes	No	Yes	No
On-Site all agency employees	No	Yes	Yes	No
On-Site mixed staffing	Yes	Yes	Yes	No
Off-Site	No	Yes	No	Yes
Split Location	Yes	Yes	Yes*	Yes*

In a split location, there can be as few as one person at the corporate location, and the balance of the staff on the premises of an agency. The CTD designation is based on where the Qualified Ticketing Person is located.

Difference Between a CTD and a Rent-A-Plate (RAP)



CTD

- Corporation owns the ARC #
- Agents can be corporate employee, TMC or outsourced
- Hotel commissions are paid directly to the CTD
- Can issue airline tickets under its own ARC #, or the TMC

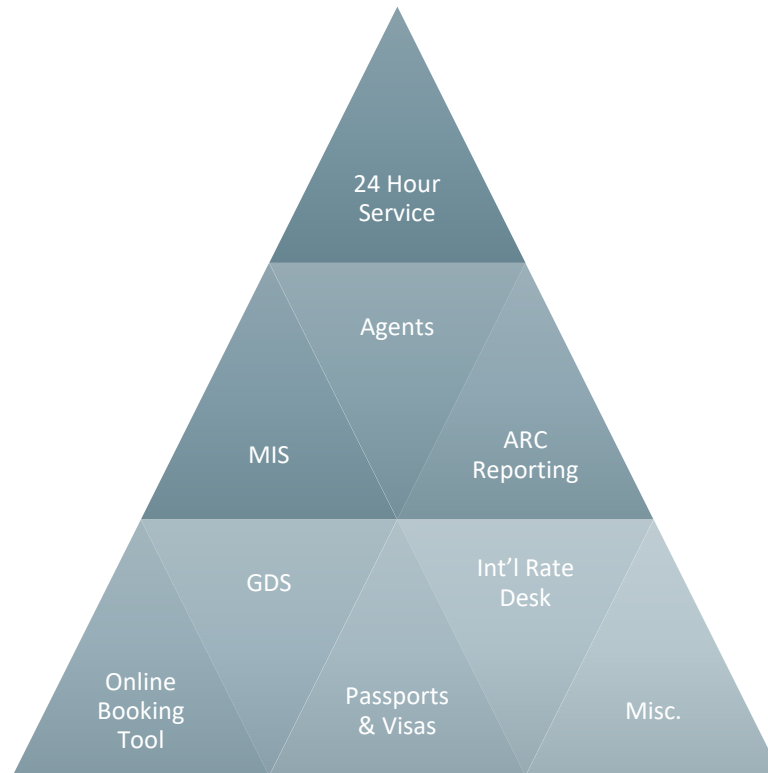
RAP

- TMC owns the ARC #
- Agents are corporate employees
- TMC receives supplier incentives directly
- Tickets issues are under the TMC ARC #

CTD Benefits: Best-In-Class Solutions Options

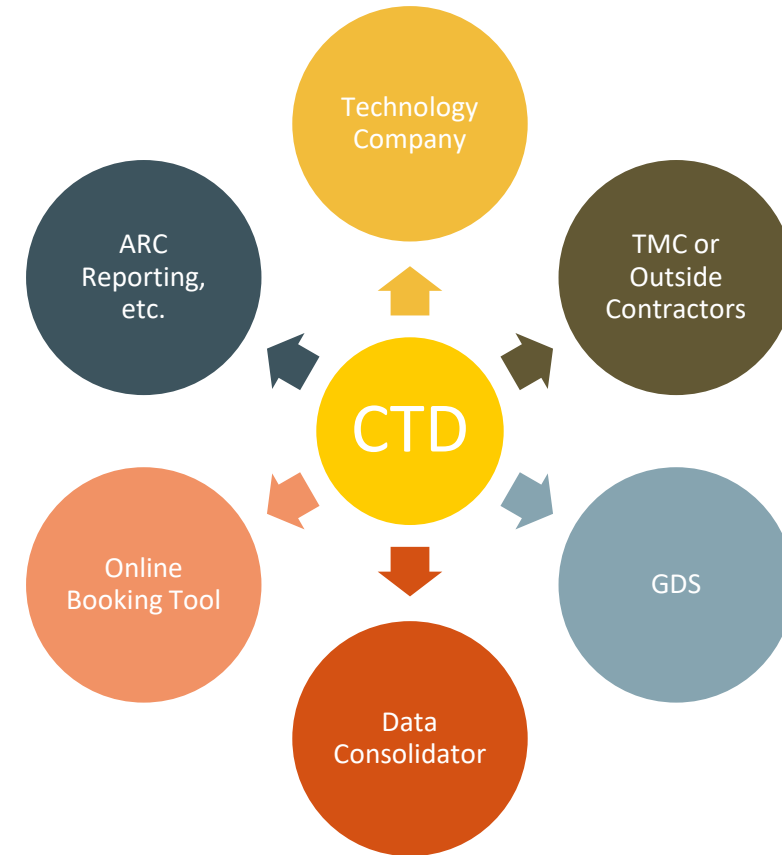


Traditional Agency Service Offering



“Un-bundling” is virtually impossible

CTD Model



CTD can outsource to multiple suppliers, securing best-in-class services and products.

CTD Supplier Integration Available Directly Or Thru PTC Under Overall Project Management



Technology Providers



Online Booking Tools (OBTs)



Global Distribution Systems (GDS)



3rd Party Service Providers



CTD Accreditation Requirements



Corporation must be located in and authorized to do business in the United States, U.S. Virgin Islands, Puerto Rico, or American Samoa

Financial guarantee minimum of \$20,000

Must have an ARC Specialist and Management Qualifier

- Qualifiers may reside at any location

Annual fee is \$3000

- \$3,000 application fee
- \$0.016 transaction fee (minimum 1,000 transactions, maximum 2.25 million per quarter)

Participation Requirements



Location

Your corporation must be located in and authorized to do business within the U.S., the U.S. Virgin Islands, Puerto Rico and/or American Samoa.



Identification Number

Your corporation must have an IRS Employer Identification Number (EIN).



Financials

Your corporation must provide a bond, letter of credit or cash deposit in the minimum amount of \$20,000.



Personnel

Your corporation must fulfill the specific personnel requirements noted in Part II-8 of the [Corporate Travel Department Reporting Agreement \(CTDRA\)](#).



Ticketing

Your corporation must meet the ticketing security standards of Section B of the [Industry Agents' Handbook \(IAH\)](#).



Application

Your corporation must complete and submit ARC's [Corporate Travel Department \(CTD\) Application](#).

CTD Companies (partial list of >100)



abbvie



AMGEN[®]



illumina[®]



logitech[®]

MCKESSON



All but 1 of the above companies are PTC clients. Siemens engaged PTC to set up their CTD almost 2 decades ago

PTC Overview



Founded in **2000**, in **New York City**, with consultants based in the U.S. EMEA and Asia Pacific



CTD subject matter experts



Subject matter experts in **business travel program optimization**



Business model focused exclusively on **corporate travel**



A global consulting team who individually have **decades of consulting experience**



Have provided services to more than 30 of the **Business Travel News Corporate Travel 100***

**Annual BTN ranking of corporations with the largest T&E spend*

GLOBAL NETWORK



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Andrew
Menkes
CEO



EMEA



APAC

Virginia
Fitzpatrick
Australia



Simon
Hague
Hong Kong

Alexandra
Fitzpatrick
Australia



Suresh
Makhija
India

Howard
Brooks
Georgia



Bob
Brindley
California

Betty
Balli
Florida



Rick
George
Georgia

Fernão
Loureiro
Brazil



Sam
Andraos
Canada

Carol
Randall
United Kingdom



David
Hollands
United Kingdom

Riana
Fouche'
South Africa

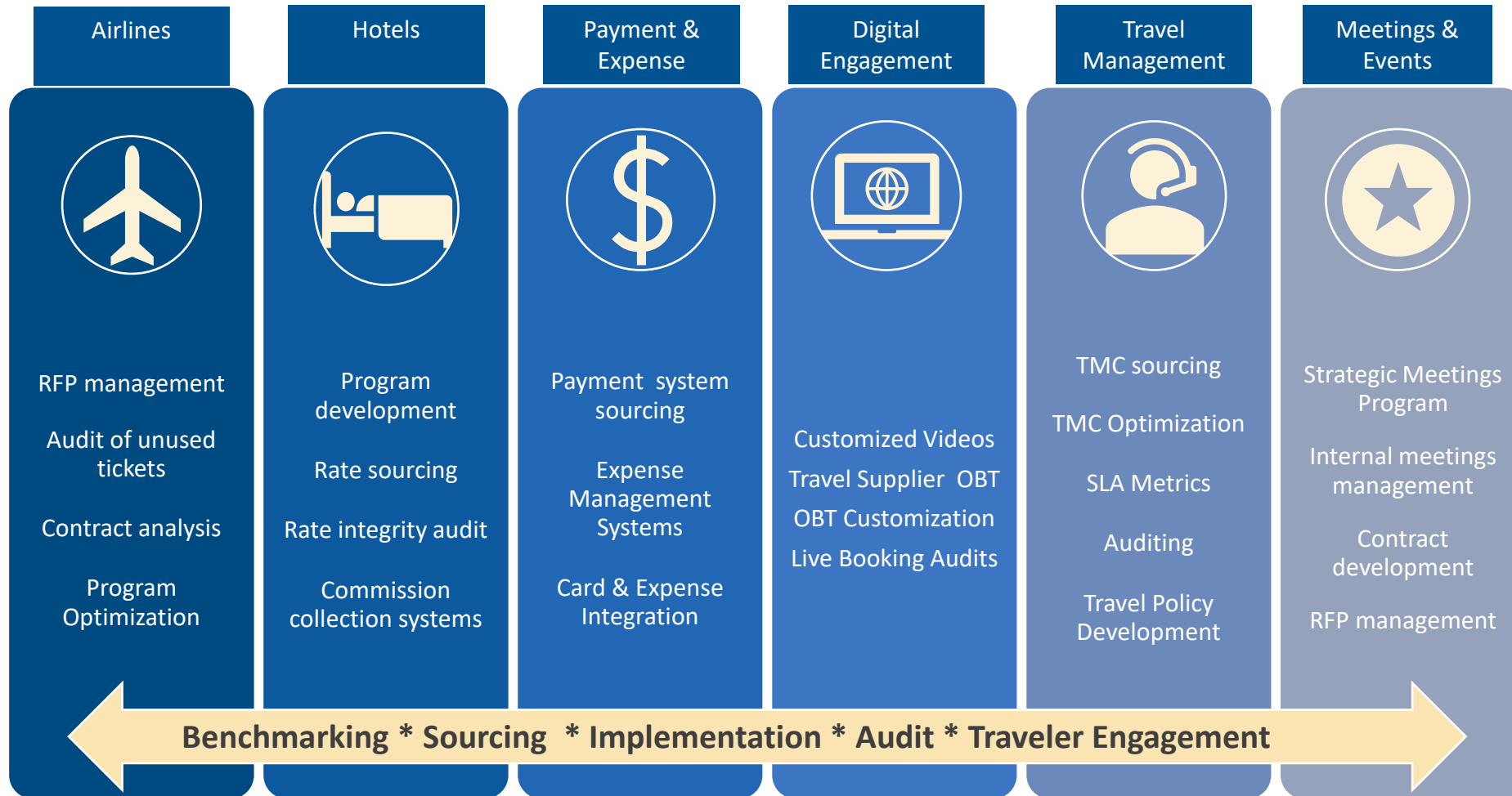


Brigitte
Jakubowski
France

Winfried
Barczaitis
Germany



CATEGORY EXPERTISE





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admin@partnershiptc.com +1 239.541.8251

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Unbiased Global Solutions

We've been providing global travel and expense consulting services for 2 decades. Now more than ever business travel requires an innovative and strategic approach to balancing safety service and savings.

Partnership Travel Consulting, LLC (PTC) was founded in 2001 by Andrew W. Menkes. Our management team is comprised of travel industry veterans with expertise in Global Travel Management, Airlines, Hotels and Travel Technologies with an average of 20 years industry experience.

Services

- COVID-19 Travel Strategy
- Outsourced Travel Management
- Traveler Engagement
- Travel Policy Update
- Hotel Program Optimization
- Meetings and Incentive Travel

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