

MISSION report

Dati e Analisi sui viaggi d'affari e le flotte auto

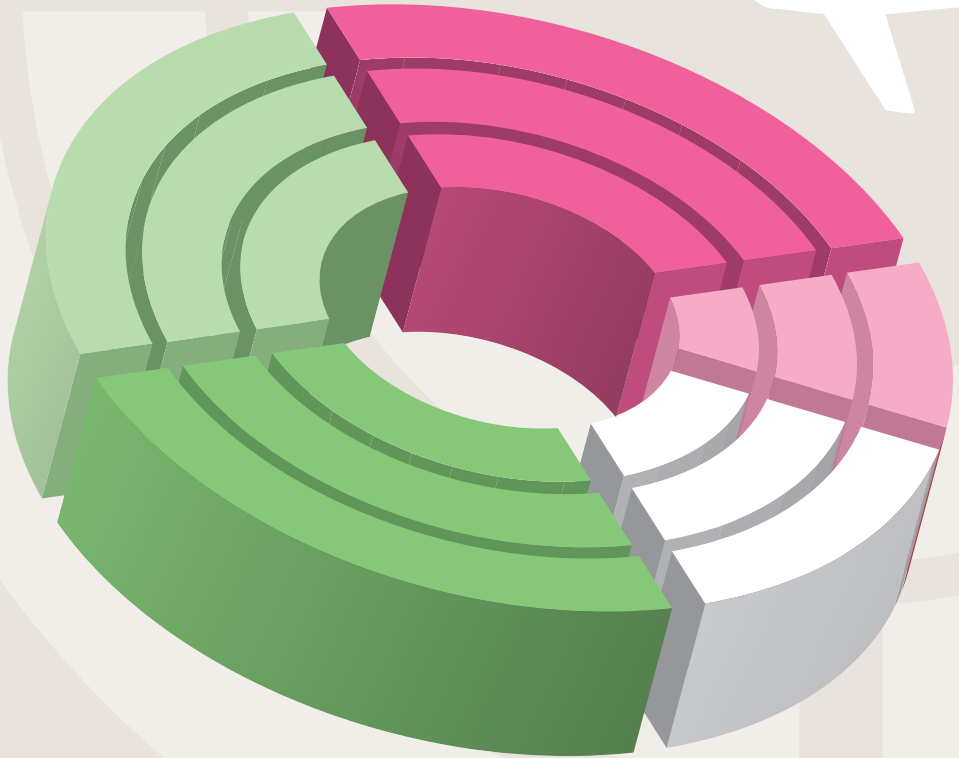
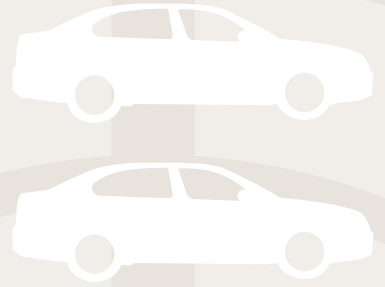
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THE PROFESSIONAL PROFILE OF TRAVEL MANAGERS AND FLEET MANAGERS ROLE AND EVOLUTION OF THEIR FUNCTION



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THE PROFESSIONAL PROFILE OF TRAVEL MANAGERS AND FLEET MANAGERS ROLE AND EVOLUTION OF THEIR FUNCTION

2015 EDITION

by Andrea Giuricin and Giacomo Di Foggia,
Professors at the Bicocca University of Milan



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INTRODUCTION

Who are the Italian travel managers and fleet managers? What is their role? What is their salary and which challenges do they face? This study offers answers – for the first time in our country - to such questions, outlining the identity of these two professional roles. Both professionals manage some strategic areas within the companies and are in charge of optimizing significant expenditure items. They play a fundamental role, a role which is not always given enough importance.

The soul of this project, developed in collaboration with research workers of the Bicocca University of Milan, is Newsteca, a publishing company operating for more than 15 years in the business travel and fleet management field. Newsteca publishes two magazines, MISSION and MISSIONFLEET. Furthermore, this publishing company is constantly involved in organizing training courses, conventions and workshops aiming at increasing knowledge of the key issues of the market. Among the initiatives IMA, the Italian Mission Awards, stands out. These are the first Italian awards in business travel management.

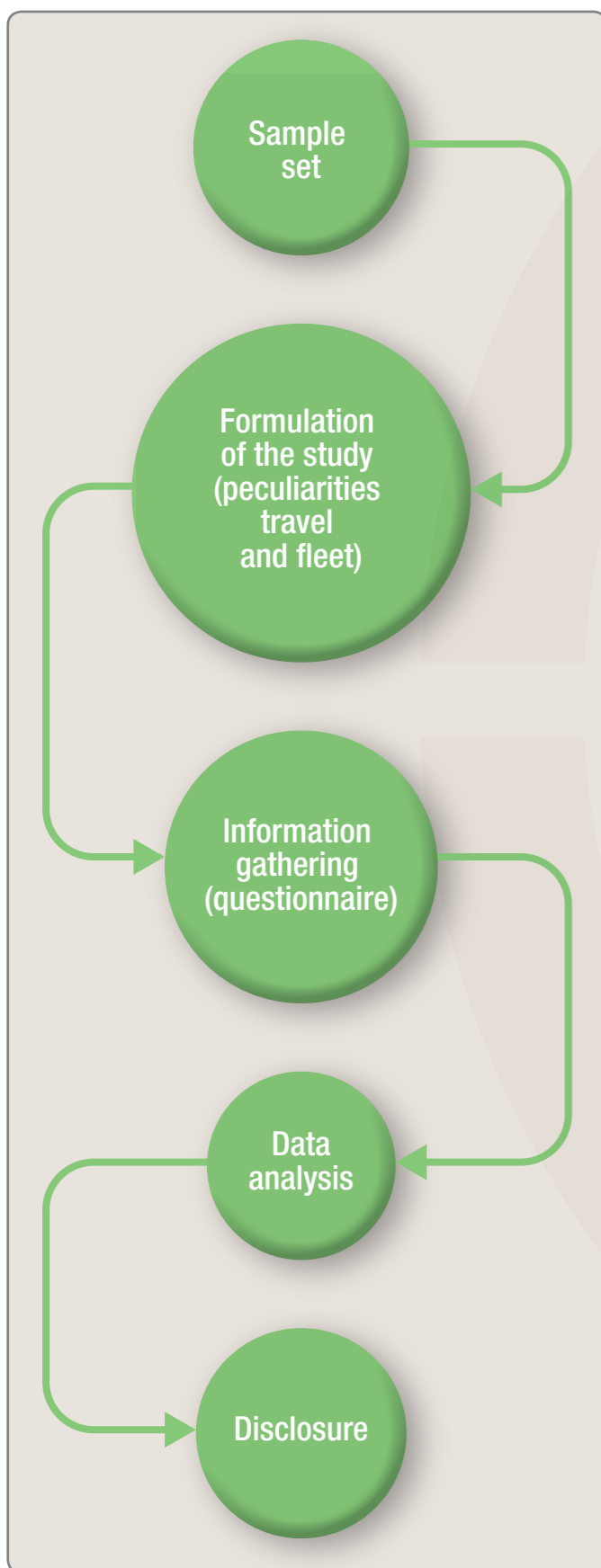


EXECUTIVE SUMMARY

- The majority of the studies companies have more than 250 employees. To be specific, large companies represent 75% of the sample base relevant to travel managers and approximately 70% of the sample base for fleet managers. If we consider the entire sample base, 70% is represented by multinational companies.
- The economic crisis which has hit Italy has deeply affected business travel and fleet management. As far as the evolution of spending is concerned, which was monitored in this study with the question “Over the last year, your company’s spending for fleet/ business travels have...?”, the overall difference between negative answers (“Decreased”) and positive ones (“Increased”) was equal to - 11,9%. It is important to underline, in particular, how negative the trend is when talking about fleet management: in this case, the difference between positive and negative answers, reaches -14,7%.
- The majority of the travel management department reports directly to the Human Resources (27,1%), followed by the Purchasing Department (24,3%) and by General Management (23,4%). Also when considering fleet managers, the main company departments are Human Resources (30,4%) and the Purchasing Department (29%). There is however a huge difference between travel management and fleet management. In the fleet management area, managers hold a “higher” position in the company organization chart.
- Overall, only 27,8 % of employees cover the fleet manager or travel manager position within a company on full time basis.
- A fleet manager’s gross annual salary is higher compared to travel managers one. 67 % of travel managers earns less than 50.000 € a year, whereas only approximately 48 % of fleet managers do.
- Approximately six participants out of ten consider their position to be both strategic and operational.
- When asked whether they believe their role is given none, very little, on average, enough or high importance, 40,2% of travel managers consider their position to be given very little importance, whereas only 27,5% of fleet managers share this perception. Such feelings are strengthened by the number of travel managers considering their position to be given very little importance, namely 20,6% compared to 4,3% of fleet managers.
- The collected data has enabled us to calculate an appreciation ratio of the two positions, having the advantage of indicating with one number the degree of satisfaction of travel and fleet managers. The overall appreciation ratio for these two positions is negative (-39,8). We find a particularly negative ration considering travel management (53,4), as opposed to -18,8% for fleet management.
- 62,3% of fleet managers are men, whereas more than 70% of travel managers are women.

THE RESEARCH

The research process consisted of the following phases:
Picture 1 - Research process



THE QUESTIONNAIRE

The research process can be summarized with the following diagram:
Picture 2 - Structure of the questionnaire



THE SAMPLE SET

This report is based on mixed methods researchs (MMR). Therefore, we rely on existing literature on the subject and on statistic techniques and methods aiming at obtaining original information.

Considering the multi-tasking and multi-level character of the questionnaire, the necessity to develop a strategy was soon evident. It was fundamental to find a way to collect enough information and at the same time to meet the essential requirement of the representativity of the collected data on travel management and fleet management.

The overall picture emerging from this study shows a certain degree of eterogeneity, both as per types of companies and as the possible field for application.

In the first phase of this study we have thoroughly identified the sample population and its main characteristics. To this purpose, we have integrated the contacts Newsteca already had, namely the readers of both magazines MISSION – the business travel magazine and MISSIONFLEET – the company fleet magazine, with another 420 contacts taken from the AIDA database. After sending the questionnaire by e-mail, two people have been dedicated to carry out a follow-up period over approximately two weeks.

With the aim of maximizing the matching of answers, only those questionnaires having a 100% completion percentage have been taken into consideration. Therefore, out of the 647 filled questionnaires obtained (response rate: 12, 9%) we have analysed 396 questionnaires, two thirds focusing on travel managers and one third on fleet managers.

The main characteristics of the sample survey were the following:

Main objective: appreciation of the professional figures considered in this study.

Type of data: both qualitative and quantitative.

Data processing: use of specific software for statistical analysis, specifically SPSS and STATA.

Period of time: september-december 2014.

Geographical area: Italy.

Criteria for inclusion: contacts available in the recommended databases and number of employees higher than 10.

Question type: open and closed questions.

Scale and items: 5 points Likert. Each items detects the same underlying concept, and for this reason it is a one-dimensional scale. The items are presented to the participants in the form of a range in escalation. Participants have been requested to express their opinion (from little to very, or from disagree to agree) on any statement choosing amongst the five answers. Every answer was assigned a score (1, 2, 3, 4, 5).

Participation: voluntary and anonymous. Possibility of abandoning the study at any moment.

Compensation: not provided.

All information and personal data gathered have been used in the respect of the privacy policy and protected under the confidentiality binding rules at the base of the research activity. The questionnaire consisted of only 25 questions in order to reach the maximum number of completed questionnaires.

COMPANY

The first part of the questionnaire focuses on the characteristics of the companies, paying special attention to their size on the basis of the number of employees, to the type of company according to its market (multinational or not), to travel spending (travel management) or size of the company fleet (fleet management) and relevant evolution over the last year.

PROFESSIONAL LEVEL

This section is based on private workers standard classification. Managers are dependant workers of the company or organization they work for, holding a highly professional role and having decision autonomy and responsibility towards the owner or senior officer. They are also empowered to coordinate and control the entire company activity or a company independent business division. The managers are dependant workers holding an intermediate position between directors and employees. They hold a role which is significantly important to the development and attainment of company targets. Employees work under the employer or may be assistants. Specifically, we have analysed positioning within a company organization chart, where the company is divided into departments, the necessary engagement (part time or full time) in order to perform its task, income range per gross annual compensation, the existence or not of benefits and/or production bonuses, the evolution of salaries, the possibility to attend training courses and the years of experience.

TASKS

Travel and fleet managers carry out their tasks in order to create value for the organization. Value creation is strictly connected to customer satisfaction (whether travellers or drivers) according to their satisfaction and perceived quality. Value can be created in many activities of the organization. The components of the services value chain are often elements of a business model (intended as a conceptual tool containing a series of elements and their relationships and aiming to understand the logic behind a given organization); it is evident that sustainable business models are even more necessary as the competitiveness of the working environment the organization operates in increases. This part of the questionnaire serves the purpose of pointing out the frequency at which some tasks are carried out.

THE SAMPLE SET

EVOLUTION

To be competitive at worldwide level, companies have to monitor travel expenses and standardise the operations. The attention given when monitoring costs is changing travel management in many companies. A recent study underline that travel management has become popular in the 90s driven by the combination of new communication technologies and negotiations between airline companies and companies. This happened simultaneously to the liberalization of air transportation; first in the US and then in Europe. Besides having a voice in travel organization and company fleet management, it is nowadays necessary to be acquainted with contracts clauses, business analysis and financial evaluation. The questionnaire includes many questions concerning this point. First of all, participants have been asked to specify whether in their opinion their activity has become less complicated, has remained the same or has become more complicated. After that, participants have been requested to evaluate (i) importance and (ii) critical issues in the near future. More precisely, they have been asked:

Importance of the following activities when performing ones tasks in the near future:

- **Travel:** Negotiation with suppliers, Technological tools for business travel management, Analysis of spending data, Auditing and monitoring of the company travel policy, Seeking solutions to improve travellers satisfaction.
- **Fleet:** Negotiation with suppliers, Technological tools for fleet management, Analysis of spending data, Auditing and monitoring of the company car policy, Seeking solutions to improve drivers satisfaction.

Critical issues of the following activities:

- **Travel:** Attainment of set saving goals, Preservation of internal customer satisfaction (traveller), Collection of reliable data to perform an accurate spending analysis, Auditing and monitoring of the company travel policy, Management of those technologies related to travels.
- **Fleet:** Attainment of set saving goals, Preservation of internal customer satisfaction (driver), Collection of reliable data to perform an accurate spending analysis, Auditing and monitoring of the company car policy, Management of those technologies related to fleets.

IMPORTANCE GIVEN

This section of the questionnaire focuses on the development of the position. Specifically, participants have been asked the following question: "Do you believe the position of travel/ fleet manager in Italy to be ...?".

Participants could choose 10 amongst five different answers: very little developed, scarcely developed, developed on average, quite developed, highly developed.

MACROECONOMIC ENVIRONMENT

This initiative has been carried out in a global macroeconomic scenario which is strongly affecting the expenditure availability for business travels and company car fleets.

The most important economic indicators depict an International economic panorama which is still unstable.

The worldwide economy is showing some encouraging signs of recovery in line with the data concerning the post crisis period of 2008.

Global economic activity has strengthened in the second semester of the year 2014, driven by the consolidation of the economic fundamentals in many OECD Countries. Whereas short term data is encouraging, the estimations for the medium term are still conservative. This originates in the combination of some macroeconomic factors impacting growth: financial imbalances, structural limitations, political and economical uncertainty.

Furthermore, the most important geopolitical uncertainty arise from the ongoing tensions in some oil supplier Countries (price per barrel approximately 50% lower compared to the same period in 2013).

In Europe recovery is progressive but still weak, also due to the tensions generated by the Ukraine situation and to the repercussions in terms of international trade with the Russian Federation.

The Italian economy scenario is heterogeneous, with alarming situations in specific key fields which - as feared in the politic-economic environment - make the beginning of recovery complicated. This is clearly demonstrated by poor competitiveness (ranked 49 at worldwide level), stagnating domestic consumption, application of welfare support/social safety nets, increasing public debt despite of the efforts to stem the deficit and high unemployment. This is the reason why demand in Italy is struggling to take off, despite some encouraging signals related to industrial production. However, the above said decrease in oil price (and gas) could represent a crucial contribution to the growth of gross domestic product.

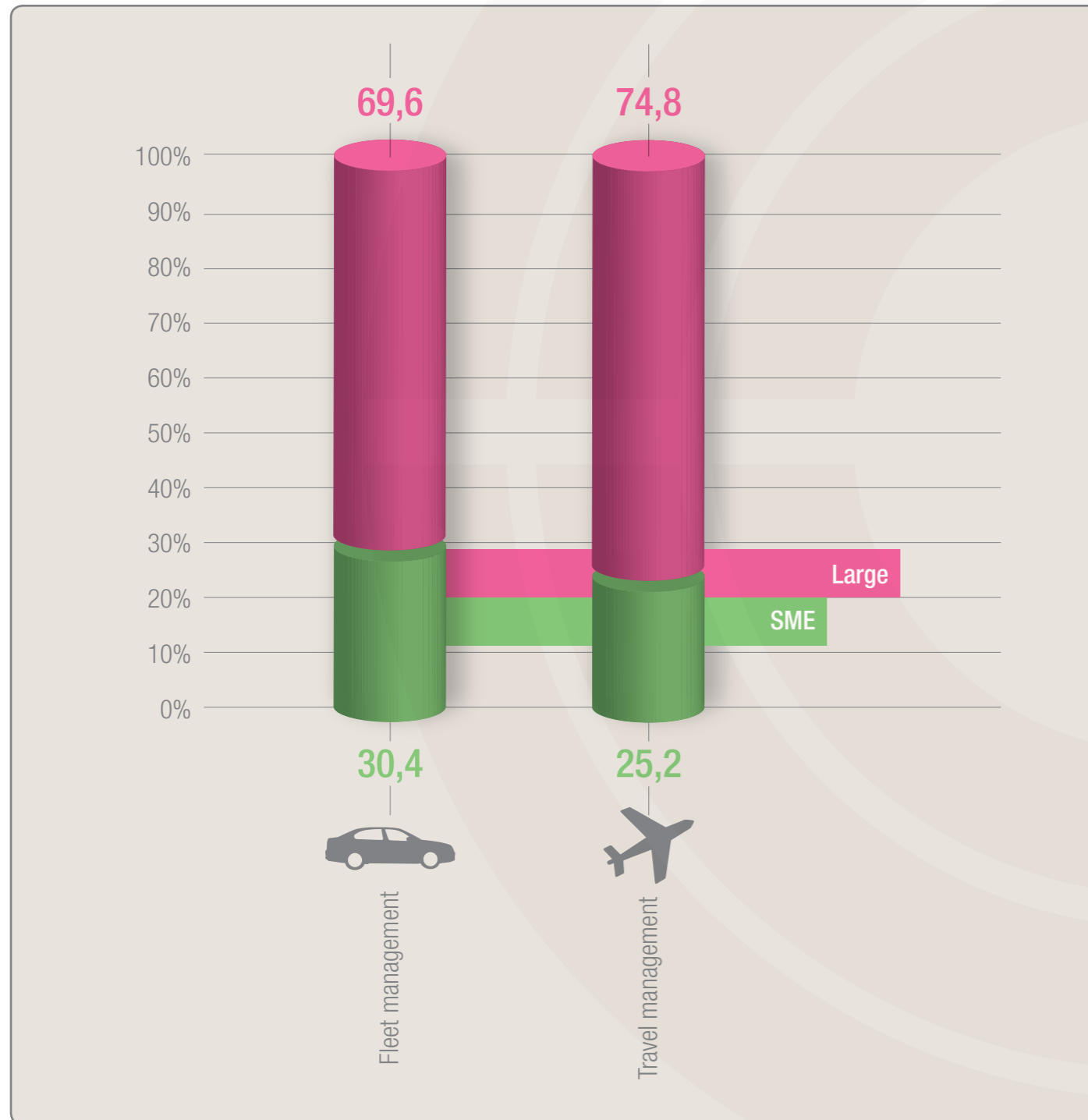
The data collected by means of this survey are perfectly consistent with the above said economic situation if we consider the prevalence of responses indicating that travel expenditure has remained stable over the last period of time.

COMPANIES, SPENDING AND PARTICIPANTS



The data gathered show a substantial balance amongst participants to the questionnaire addressed to fleet manager and those to the questionnaire addressed to travel managers. The majority of the sample companies have more than 250 employees. To be specific, large companies represent 75% of the sample base concerning travel managers and 70% of the fleet managers one.

Chart 1 - The company you work for is a

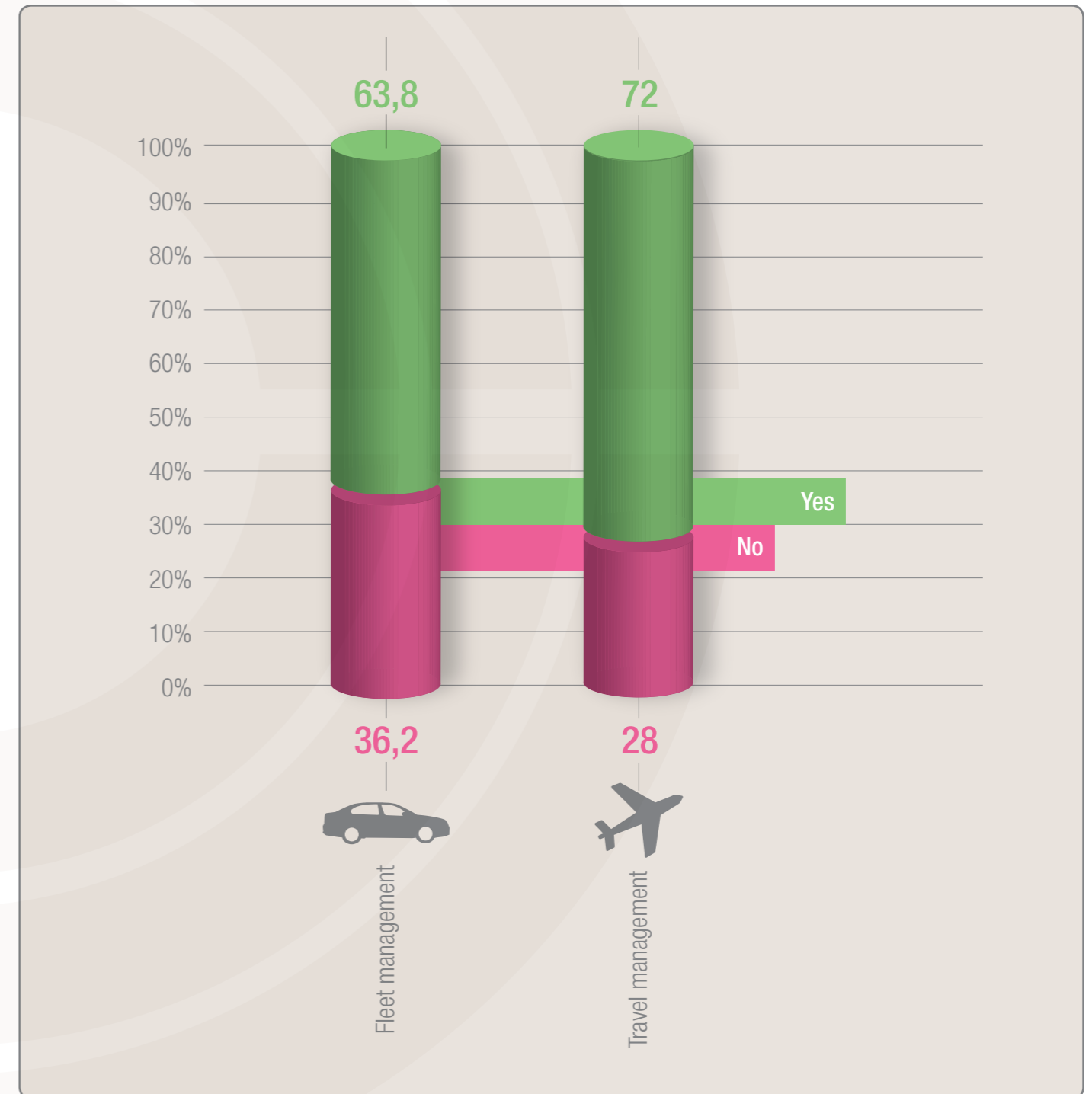


Source: own research



As far as target markets are concerned, the data gathered show a similar trend to the information collected when analysing company sizes, confirming the positive correlation between company size and the number of target markets they operate in. If we consider the entire sample base, slightly less than one third of the companies are not multinational ones (70% are multinational companies). The percentage of multinational companies consist of 72% of the sample base when focusing on travel manager, whereas it is higher than 63% when analysing fleet managers data.

Chart 2 - Is it a multinational?



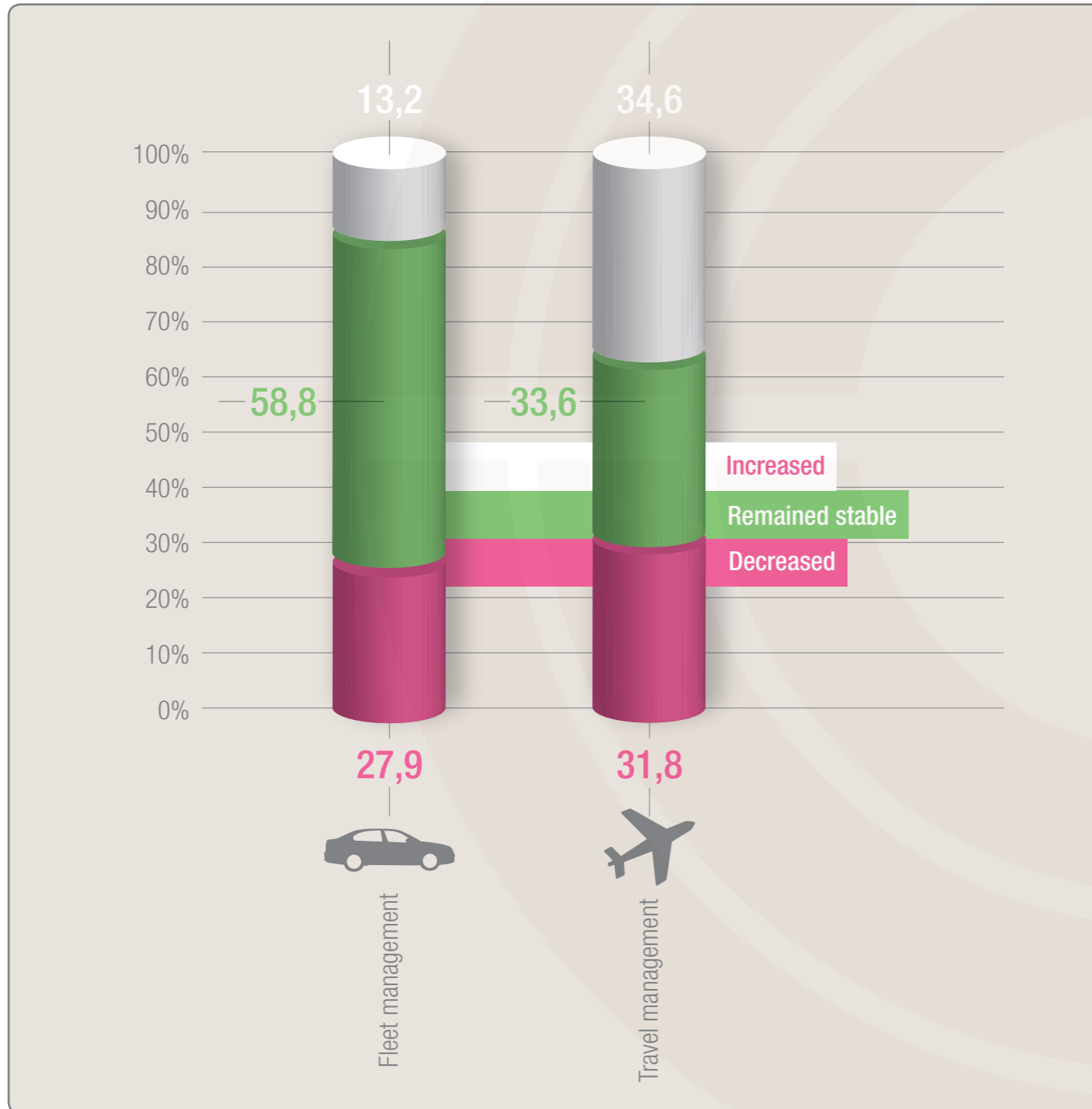
Source: own research



As far as spending is concerned, as per the question “In your company, over the last year, the fleet/travel spending has...?”, both managers have answered similarly, pointing out in approximately 30% of cases a decrease. As for the “Increased” response, on the contrary, some significant differences may be detected as it has been chosen by more than one third of travel managers but only by little more than one fleet manager out of ten.

As a consequence, the share of participants belonging to the two categories who have answered “Remained stable” differs as indicated in chart 3.

Chart 3 - Evolution of spending over the last year



Source: own research

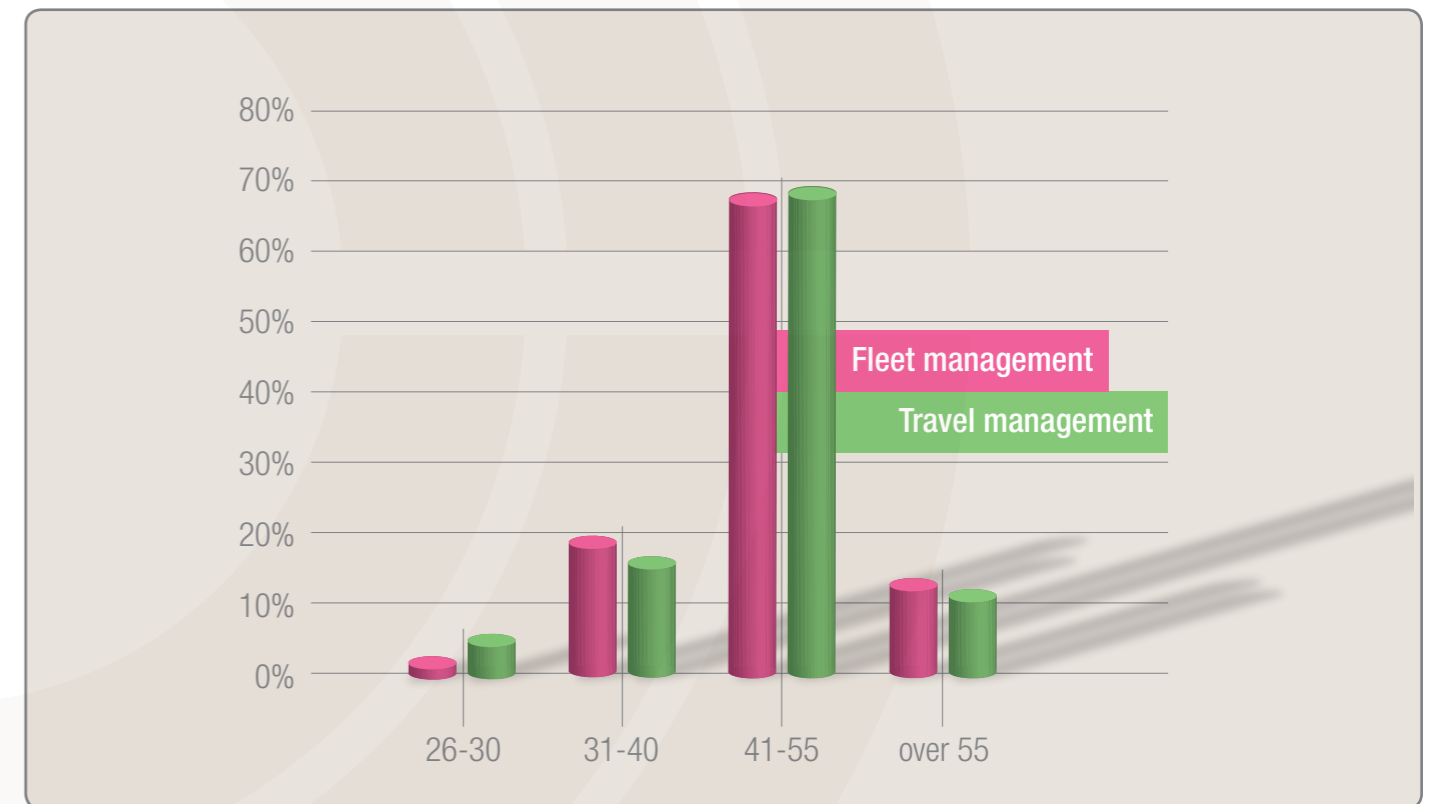


The economic crisis that has affected Italy for the third consecutive year of recession, has strongly influenced business travel and fleet management areas. If we take into consideration both department spending trend, we can notice that on the whole, the difference between negative responses (“Decreased”) and positive ones (“Increased”) amounts to -11,9%. The negative trend as far as fleet management is concerned, must be specially underlined, there the difference between negative and positive answers goes up to -14,7%.

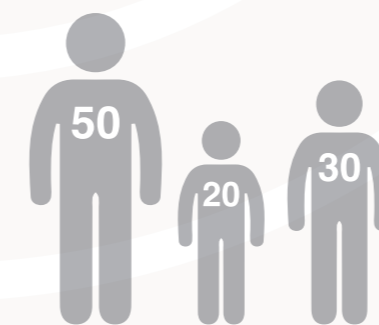
It will be interesting to analyse over the next years whether this result will change, as is strictly connected to overall economic performance.

If we analyse some personal information, we can notice that the people in charge of business travel and fleet management share similar age groups. The age range is quite high on the overall. The prevailing age group, representing almost 70% of the sample base, goes from 41 to 55 years old.

Chart 4 - Age



Source: own research

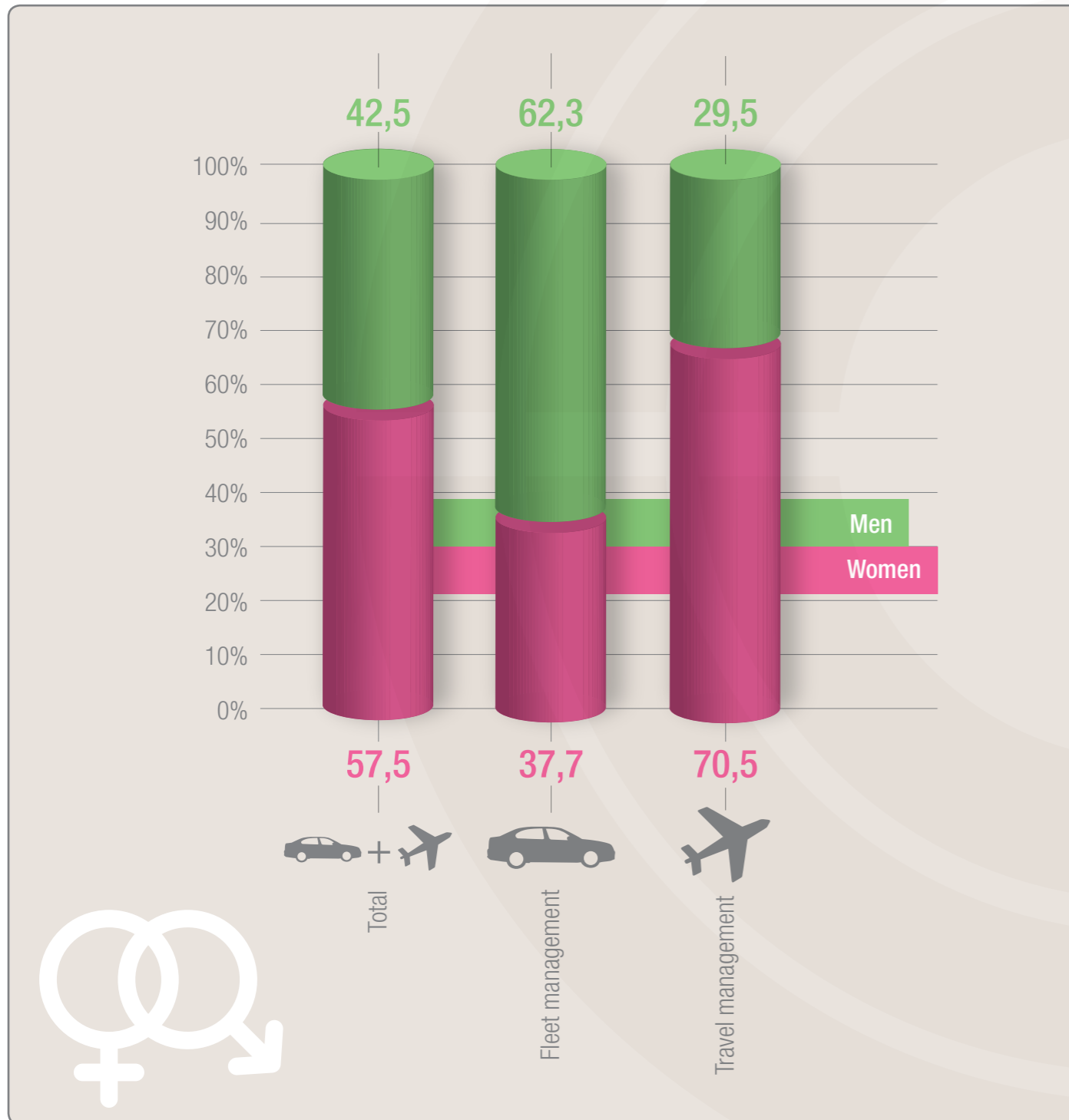




On the other hand, huge differences in the two categories may be highlighted when considering gender. Whereas 62,3% of fleet managers are men, more than 70% of travel managers are women.

Unfortunately, this data may also help partially explaining the difference in gross salary of the two positions, as global statistics confirm Italy to be a country where the difference in job position and salary between men and women is highly discriminatory .

Chart 5- Gender



Source: own research

OVERALL FINDINGS

Travel and fleet management are activities characterized by innovation. Compared to other fields, research on job appreciation of these professions experiences an objective delay, not only due to the predominance of studies on product innovation, but also, at least here in Italy, to the marginalization of business travel studies in the academic world.

Travel managers and fleet managers have to face product innovation (just think about the spread of low cost airlines), process innovation (systems of costs optimization and revenue management) and corporate innovations (business organization, training activities).

Product or service innovation directly relate to novelty which can be directly observed by consumers. They apply to anything new or never seen before. Process innovation usually refers to those initiatives aiming at improving efficiency.

Over the last decades, the main component in process innovation has been represented by ICT applications: consider for example the impact on travel managers exerted by GDS (global distribution system) or by business travel management systems (such as self booking tool, reporting systems and expense management systems), or the impact on fleet managers of black boxes and fleet management systems.

Corporate innovation usually consists in new methods to organize cooperations, human resources organization and management as well as the creation of a dynamic and stimulating working environment.

One of the main challenges for travel and fleet managers is to develop methods aiming at maintaining a high level of personnel satisfaction together with flexibility and cost control. Corporate innovation may also aim at improving staff satisfaction and implementing organization competence and knowledge.

The above mentioned findings, show the necessity of mastering those tools aiming at evaluating the critical situations generated by competitive dynamics together with shedding light on the professional level, importance and satisfaction of these two positions. The information given below follow in this direction.

A percentage ranging from 11,2% to 13% of participants hold a Director professional level within their organization. On the average, little less than half of the sample base is Employee level, whereas more than one third of the participants attains a Manager professional level.

When answering the question "What is your professional level within the company organization chart?" 57,9% of travel managers has answered "Employee" against 31,9% of fleet

managers. The proportion is reversed when considering the number of answers "Manager" representing 49,3 % of fleet managers but 29% of travel managers.

As far as company departments are, the majority of travel managers and fleet managers offices are under Human Resources (respectively 27,1% and 30,4%). Amongst travel managers, it can be noticed a slight higher presence of full time workers, representing 29,9 %, compared to the data gathered as fleet managers (24,6 %).

Data on gross annual earnings contain slightly divergent informations. First of all, it is evident that the lower earning range, the "Up to 30.000 € (Thirty thousand Euros), is mostly widespread when talking about travel managers (28%). We can notice some similar results when analysing the gross annual salary range "up to 50.000 € (fifty thousand Euros)", which represents approximately 39% of participants regardless of their role. In the "up to 70.000 € (seventy thousand Euros)" range we may find 21,7% of fleet managers but 12,1% travel managers.

On the contrary, little more than 11% of travel and fleet managers, receives a gross annual salary exceeding 70.000 € (seventy thousand Euros).

When asked "Does your salary include benefits and/or productivity bonuses?" three fleet managers out of four have answered positively versus half of the travel managers. Approximately half of the participants of both categories have answered that their earnings have remained unaltered over the last three years.

When analysing the possibility to attend training courses, we can notice a slight majority of positive answers amongst fleet managers (63,8%) compared to travel managers (56,1%). As far as the years of experience are concerned, the data show that the majority of participants belonging to both categories claim five to ten years experience. Approximately six participants out of ten consider their position to be both strategic and operational.

Major differences may be detected when analysing the data concerning professional appreciation. On one hand, 55,1% of fleet managers believe their professional position to be given importance on average, whereas only 31,8% of travel managers believe the same (more than 20% less). On the other hand, 40,2% of travel managers consider their position to be scarcely appreciated, whereas this percentage drops to 27,5% when talking about fleet managers.

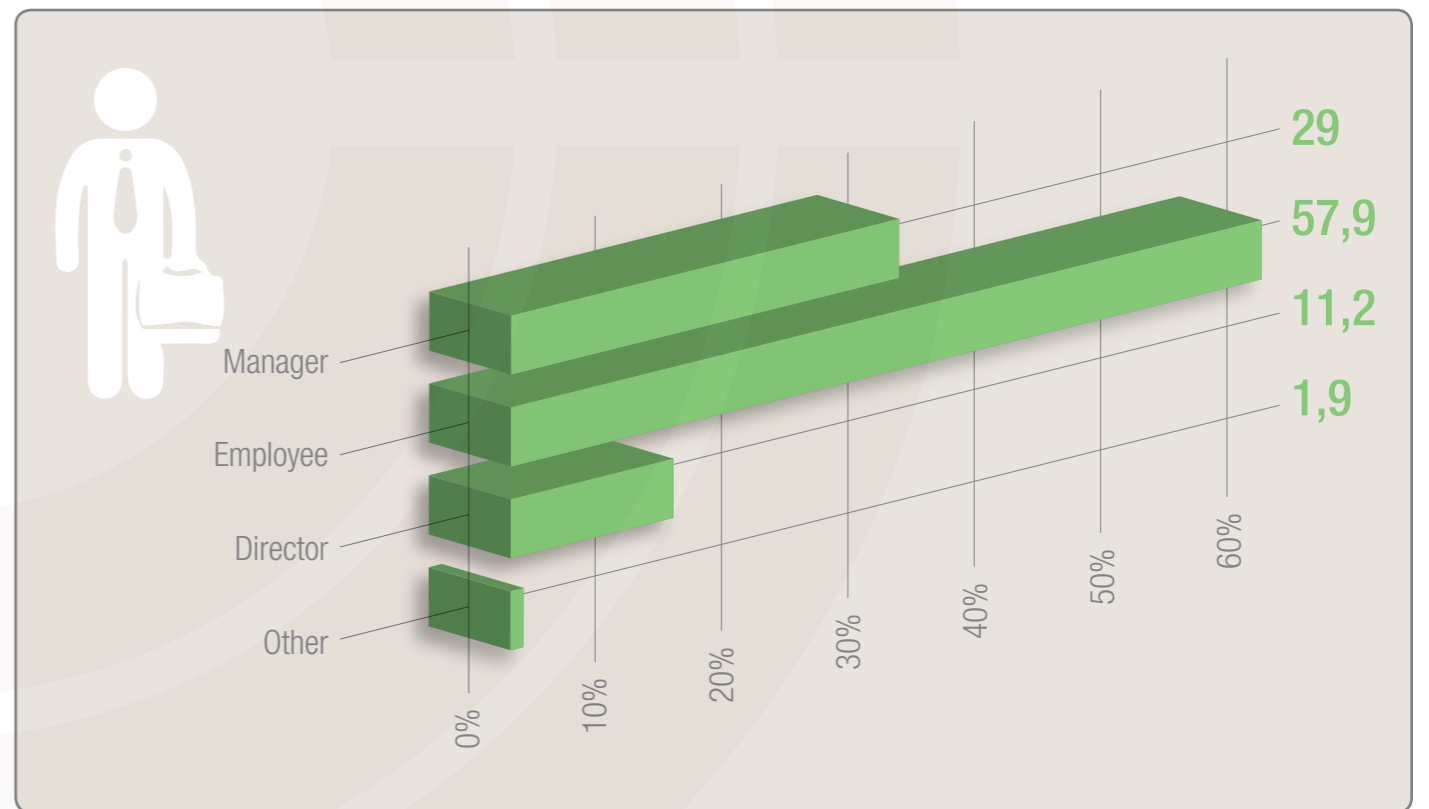
At the same time, the fact of holding a position with higher responsibility certainly allows for a higher level of importance of the entire category.



FOCUS ON TRAVEL MANAGEMENT

The data gathered in this study enables us to shed light on the professional level, appreciation and satisfaction level of Italian travel managers. 11,2% of the participants hold a "Manager" position inside his/her company. On the average, little more than half (57,9%), is an "Employee", whereas one third of the participants (29%) is a Manager.

Chart 6 - Positioning in the company organization chart



Source: own research



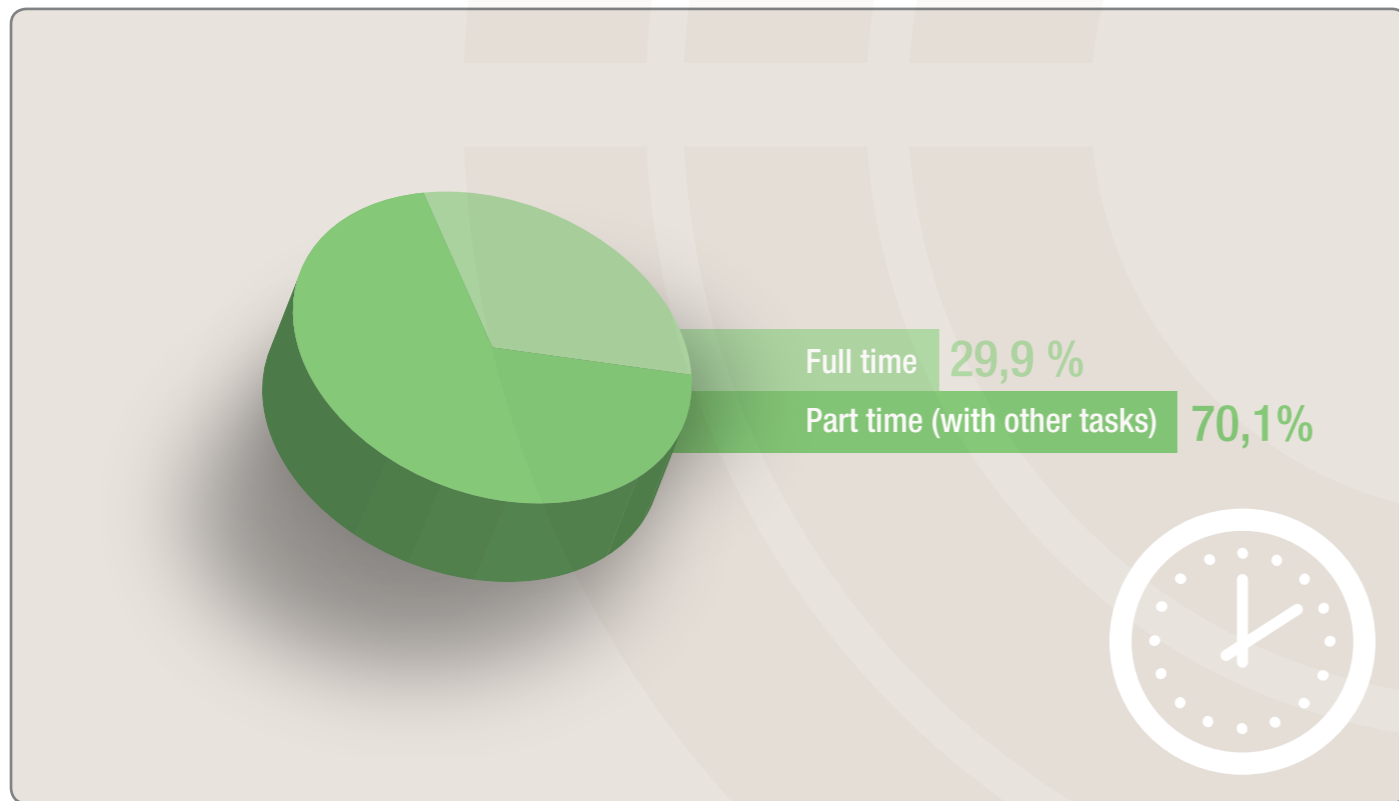
As far as company division is concerned, the majority of travel managers offices are under the department of Human Resources (27,1%) followed by Purchasing Department (24,3%) and General Management (23,4%).

Tab. 1 - Company departments

	Total	Travel management
Administration	5,7%	4,7%
General Management	18,8%	23,4%
Facility/General Services	11,4%	10,3%
Human Resources	28,4%	27,1%
Purchasing Department	26,1%	24,3%
Other	9,7%	10,3%
Total	100%	100%

Less than one third of travel managers perform this activity on a full time basis, whereas others manage business travels on a part time basis.

Chart 7 - Necessary engagement in ones tasks fulfilling



Source: own research



Well-being, understood as employee satisfaction, in a company is at the base of a company's success. Until recently this concept was little widespread in Italy, although it was common in multinational companies. In the following tables/charts you will find some information both in terms of remuneration and in terms of appreciations. The data on gross annual earning show some slightly divergent information. First of all it is evident that as per travel managers, the lowest range, the "Up to 30.000 € (thirty thousand Euros) option, is very widespread (28%). We can notice some similar results in the "Up to 50.000 €(fifty thousand Euros)" salary range, where we find almost 39% of all travel managers. On the contrary, slightly more than 11% is the share of participants who have a gross annual salary exceeding 70.000 € (seventy thousand Euros).

These answers show some differences in income which are partially explained by the difference of age and gender, as shown by the following tables.

Tab. 2 - Gross Annual salary

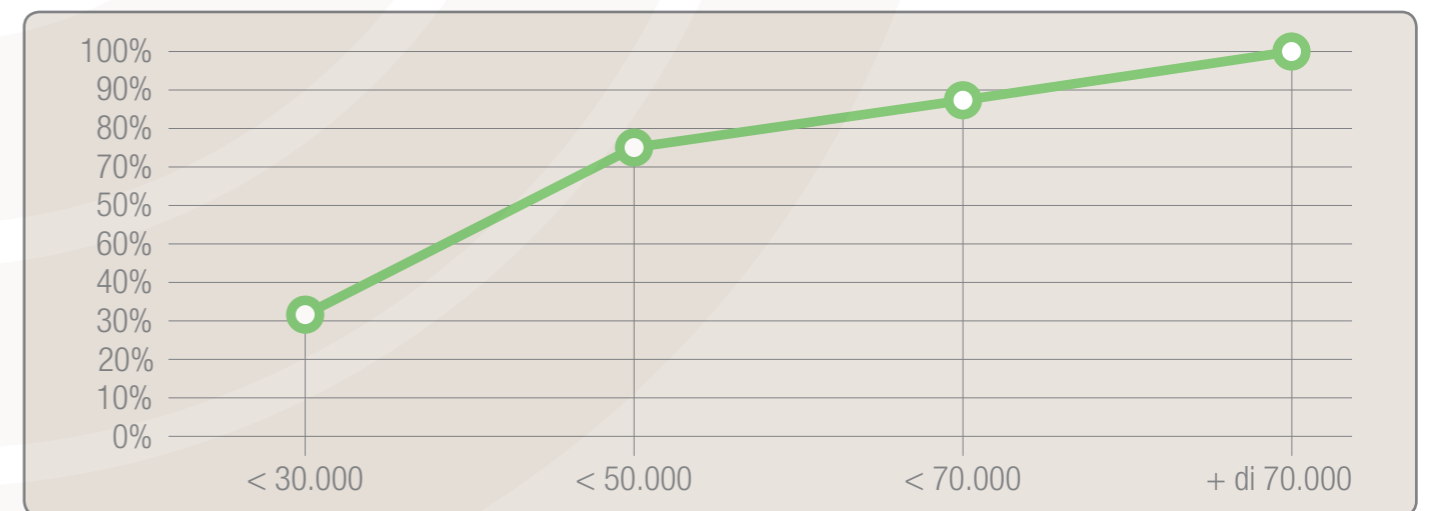
	Total	Travel management
Up to 30.000 €	20,5%	28%
From 30.000 to 50.000 €	39,2%	39,3%
From 50.000 to 70.000 €	15,9%	12,1%
Over 70.000 €	11,4%	11,2%
Other	13,1%	9,3%
Total	100%	100%



Source: own research

The following chart display the information included in the table on gross annual earnings but without considering all the "Other" answers and thus recalculating all percentages so as to obtain values that added altogether reach 100%.

Chart. 8 - Cumulative gross annual compensation net of the "Other" answer



Source: own research



The following table includes some interesting information on the existence of a bonus or productivity bonuses, on the possibility offered by companies in term of professional training courses and on the dynamics of earnings. Nearly half of the travel managers have answered positively to the question “Does your earning includes a benefit and/or productivity bonuses?”. Furthermore, almost half of the participants belonging to both categories, answered that their salary has remained unaltered over the last three years. As far as the possibility to attend training courses, the percentage of positive answers amount to 56,1%.

Tab. 3 - Benefit, evolution of salary and job training

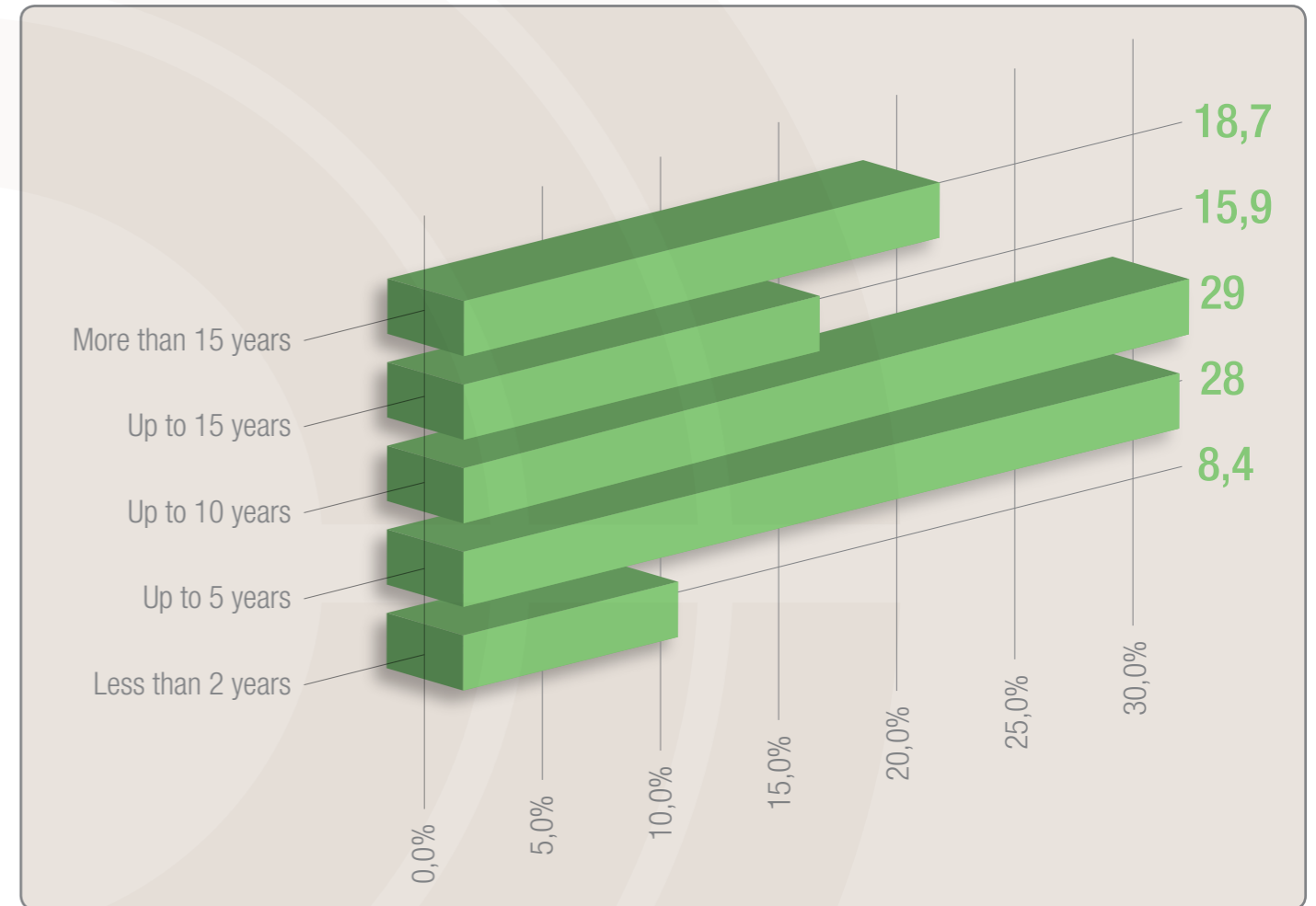
Benefit	
No	40,2%
Yes	50,5%
Other	9,3%
Evolution	
Decreased	5,6%
Remained unaltered	57%
Increased	34,6%
Other	2,8%
Training	
No	29,%
Yes	56,1%
Other	15%

Source: own research



The data collected on years of experience show that the majority of participants claim five to ten years experience (29%). The information on travel managers with less than two years of experience are interesting, as they represent 8,4%.

Chart 9 - Years of experience (how long have you held this position in the same company?)



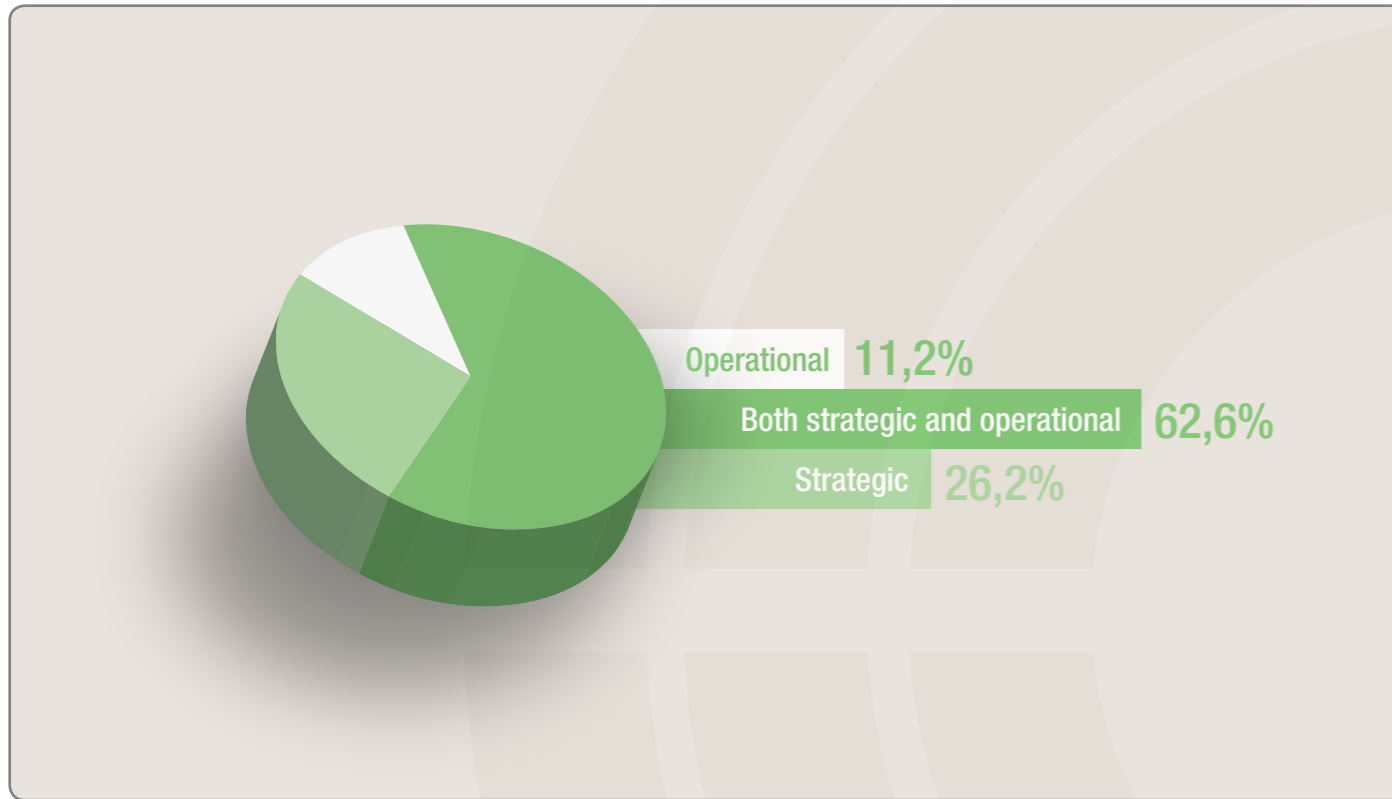
Source: own research





As far as the definition of the tasks performed, divided in operational and strategic, we can notice a convergence towards the dual function. Those activities thought to be fundamental for the company, for example rare competences or slow acquisition know how, are considered to be strategic. Almost six participants out of ten believe their tasks to be both operational and strategic.

Chart 10 - Job description



Source: own research



31,8% of travel managers consider their position to be on average appreciated, whereas 40,2% believe it to be scarcely appreciated. This feeling is strengthened by the number of participants, that is 20,6%, who consider their role to be very little appreciated.

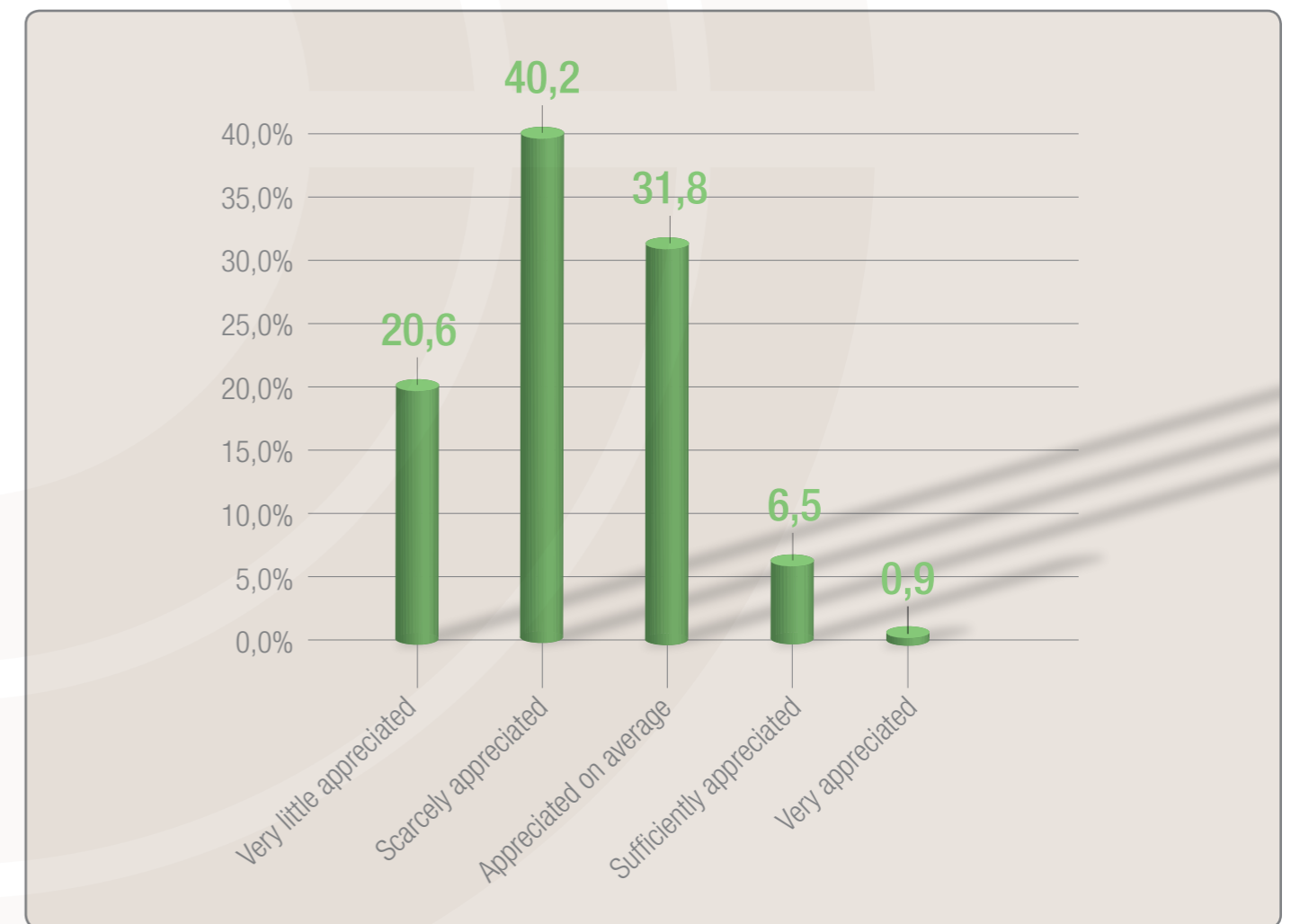
The appreciation index (see box on page 23) calculated on the basis of such answers is highly negative:

- Appreciation index = -53,4

It will be interesting to monitor its variations over time to understand how the position of the travel manager in our Country will evolve in the future.



Chart 11 - Importance given to the professional position



Fonte elaborazione propria



SATISFACTION MEASURED BY AN INDEX

The data collected with this study has enabled us to calculate, an **Appreciation index** for both travel managers and fleet managers. This index has the advantage of indicating by means of a simple number, positive or negative, whether the travel/fleet manager is satisfied or not. This index is obtained by adding the number of “negative” answers (very little and scarcely appreciated) and compare them with the “positive” responses (quite and highly appreciated).

This value may be monitored over time to understand the evolution of the travel and fleet manager position. This index may also be used in the future to establish a connection with some of the variables identified in the current analysis to try to understand in a scientific manner the reasons behind this negative result.

The following analysis focuses on the identification of the activities most frequently carried out by travel managers.

We have set a graduated list going from 1 to 5 to understand the importance of the different activities, both the ones travel managers are currently mostly performing and the ones which will be most important in future.

To have a deeper understanding of the data we are submitting, it is appropriate to make a further clarification. In the tables “SD” we have used the standard deviation values so as to include the variability of the answers.

A high standard deviation means there is not much agreement amongst travel managers on the level of importance for a given activity. On the other hand, a low standard deviation enables us to consider a certain activity to be very or little important for the vast majority of travel managers. All of the interviewed travel managers consider cost control to be one of the most important activities. As a matter of fact, having data available enables to monitor costs and to increase the effectiveness and efficiency of any decision.

Amongst those activities aiming at optimizing costs which are performed most frequently, we may find expenditure data analysis, the identification of possible saving areas but also the negotiation of rates with providers of travel services.

Travel managers often perform relational and administrative activities, such as the interface with travellers for problem solving or the verification of the company travel policy compliance.

Tab. 4 - Frequency in executing tasks

	Media	Mediana	Dev.St
Expenditure data analysis and identification of possible saving areas	3,8	4	1,03
Interface with traveller for problem solving	3,8	4	1,33
Verification of company travel policy compliance	3,72	4	1,17
Fares negotiation with travel services suppliers	3,69	4	1,23
Travel services booking (direct or through travel agency)	3,63	4	1,51
Performance verification of travel services suppliers	3,52	4	1,07
Fare negotiation with suppliers of meeting and business travels	3,28	3	1,36
Periodic testing of the traveller satisfaction	3,24	3	1,24
Company travel policy review	3,06	3	1,26
Management/supervision of travel related technologies*	3,03	3	1,41
Risk management (employees assistance in risky countries)	2,44	2	1,29

Source: own research



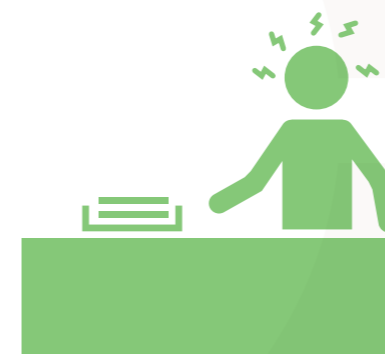
Currently one of the most frequently carried out activities is that of expenditure data analysis and identification of possible saving areas. The above mentioned activity is believed to become increasingly important in the near future.

Participants are well aware of ICT application evolution. As a matter of fact, business travel solutions management (just to name some GDS, self booking tool, expense reporting and management system) achieve a broad consensus in terms of future importance. In the years to come, travel managers will therefore have to acquire more solid technological competences.

Tab. 5 - Importance of the following activities for the travel manager position in the near future

	Mean	Median	SD
Supplier negotiation	4,08	4	1,13
Business travel technological instruments management	4,16	5	1,11
Expenditure data analysis	4,54	5	0,86
Review and verification of the company travel policy	4,03	4	1,06
Search for solutions to improve traveller satisfaction	4,08	4	0,93

Source: own research



The data collected so far are confirmed by the answers given in the section dedicated to the difficulties travel managers have to face when performing their duties. Even in this case, all activities relevant to cost optimization, considered as the attainment of set goals for saving, ranked first. The financial variables do not represent the only critical issues to be faced. In the near future, one of the difficulties to be dealt with is the preservation of the satisfaction of the internal customer (traveller).

Tab. 6 - Difficulties of the following activities for the travel manager position in the near future

	Media	Mediana	Dev.St
Attainment of set saving goals	3,63	4	1,05
Preservation of the internal customer satisfaction (traveller)	3,39	3	1,04
Attainment of reliable data to perform an accurate expense analysis	3,26	3	1,26
Review and verification of the company travel policy	2,98	3	1,11
Management of travel related technologies	3,04	3	1,20

Source: own research

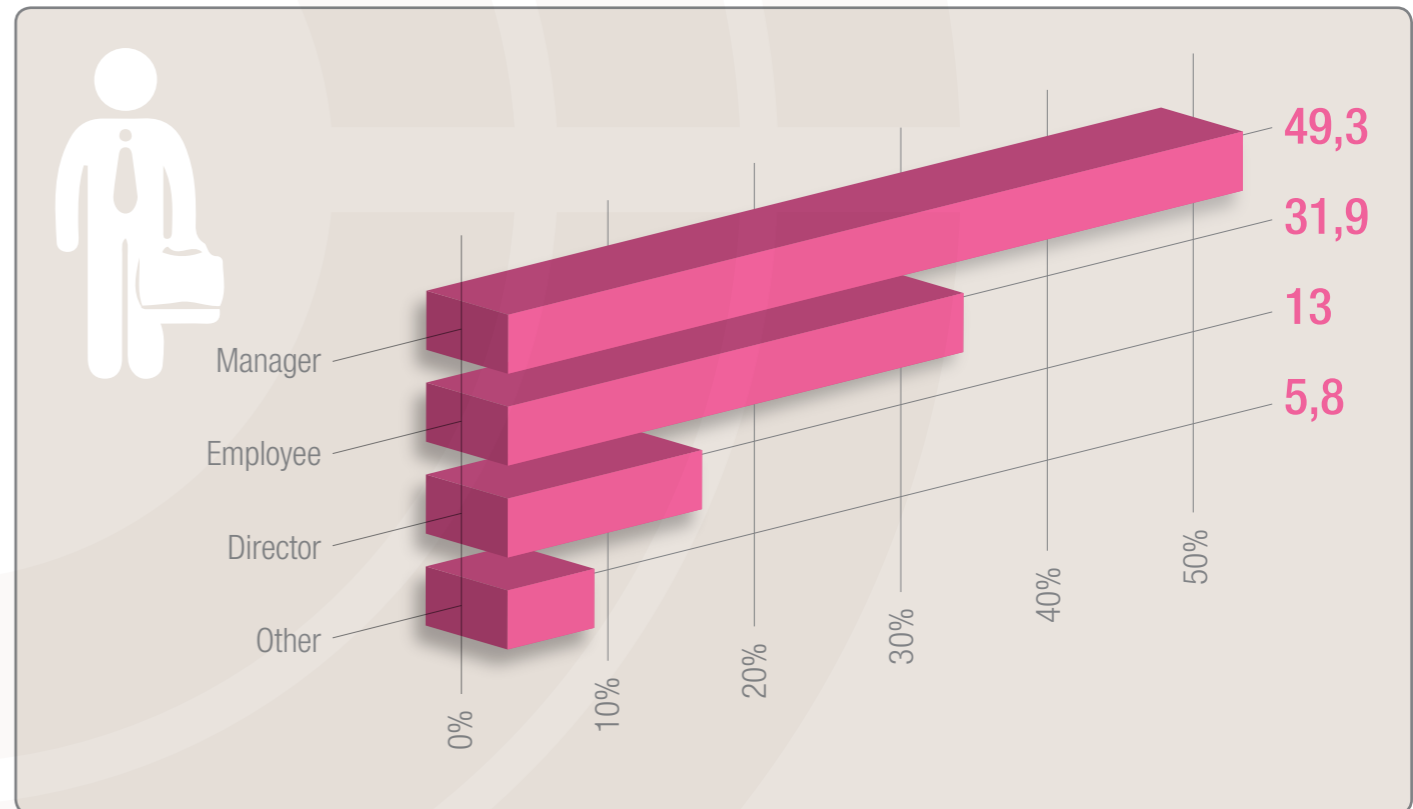
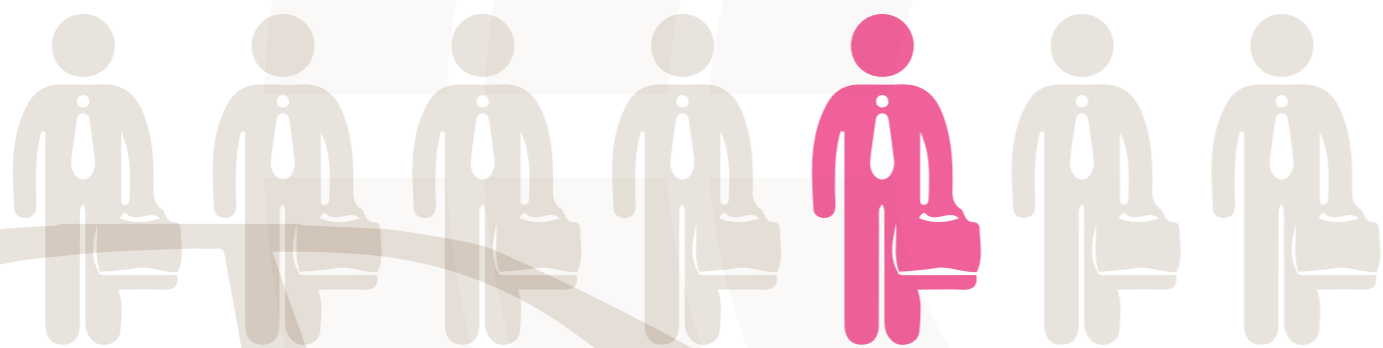
Expenditure data analysis is considered to be one of the most critical activities. However, according to the results of a recent study, besides the traditional use of travel expenses analysis, less than one third of the companies declares to use expense analysis to create forecasting models or to analyse travel habits.



FOCUS ON FLEET MANAGEMENT

13% of questioned fleet managers are in the "Director" category in their organization. 31,9% are in the "Employee" category, whereas the professional level attained by almost half of participants is "Manager".

Chart 12 - IPositioning in the company organization chart



Source: own research



As far as company division is concerned, the main department is Human Resources (30,4%) followed by the Purchasing Department (29%).

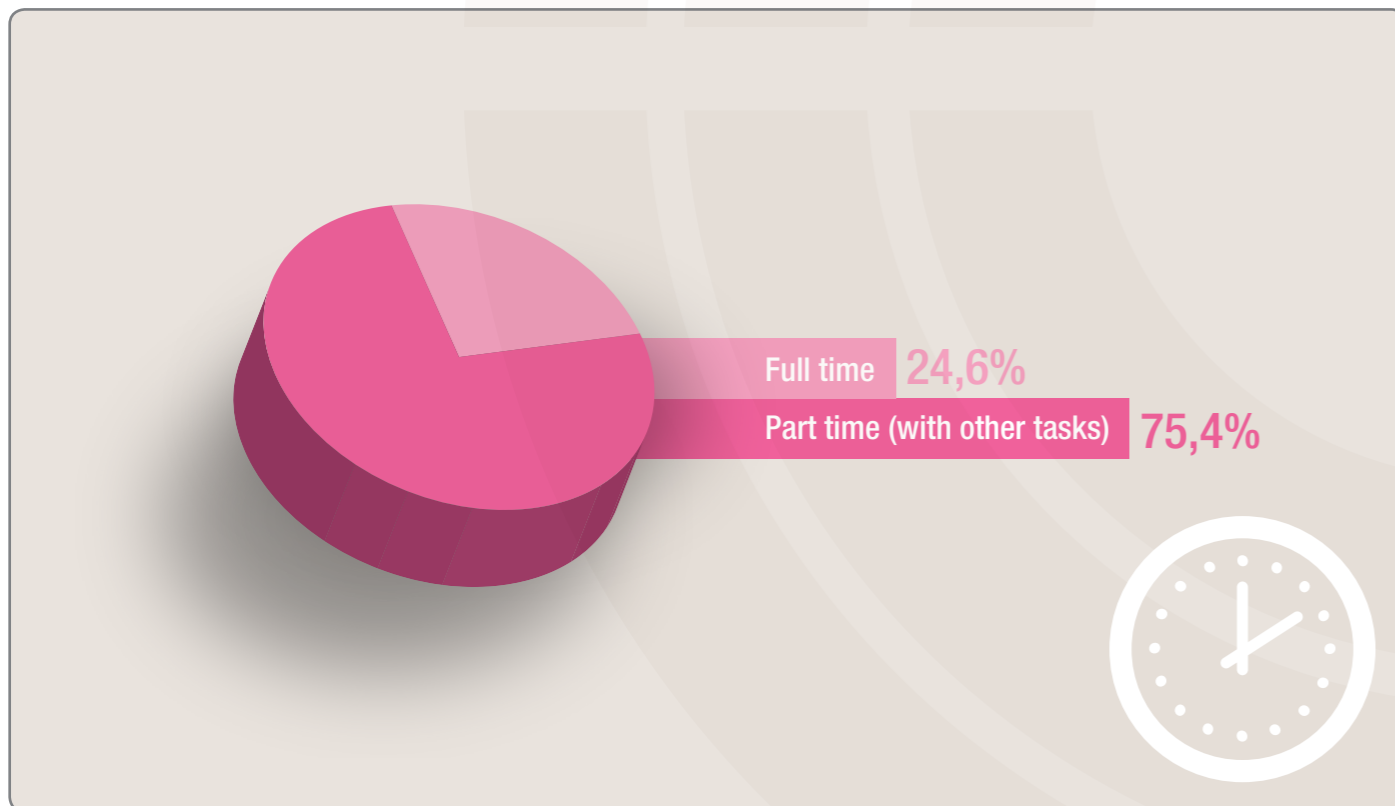
Tab. 7 - Company Department

	Total	Fleet management
Administration	5,7%	7,2%
General Mangement	18,8%	11,6%
Facility/General Services	11,4%	13%
Human Resources	28,4%	30,4%
Purchasing Department	26,1%	29%
Other	9,7%	8,7%
Total	100%	100%

Source: own research

Only one fourth of fleet managers performs this activity on a full time basis, the remaining three fourth perform this activity on a part-time basis.

Chart 13 - Necessary engagement in ones tasks fulfilling



Source: own research



The study has gathered a series of information, also regarding fleet managers, aiming at evaluating the degree of professional satisfaction of such workers within their own companies. The data on gross annual salary for fleet managers show some slightly divergent information. First of all it is evident that the lowest range, the "Up to 30.000 € (thirty thousand Euros) option, is not particularly widespread (8,7%). The "From 30.000 € (thirty thousand Euros) to 50.000 € (Fifty thousand Euros)" range includes 39,1% of the participants. In the range "Up to 70.000 € (seventy thousand Euros)" we may find 21,7% of fleet managers. Slightly more than 11% of participants have a gross annual salary "Over 70.000 € (seventy thousand Euros).

Tab. 8 - Gross Annual Salary

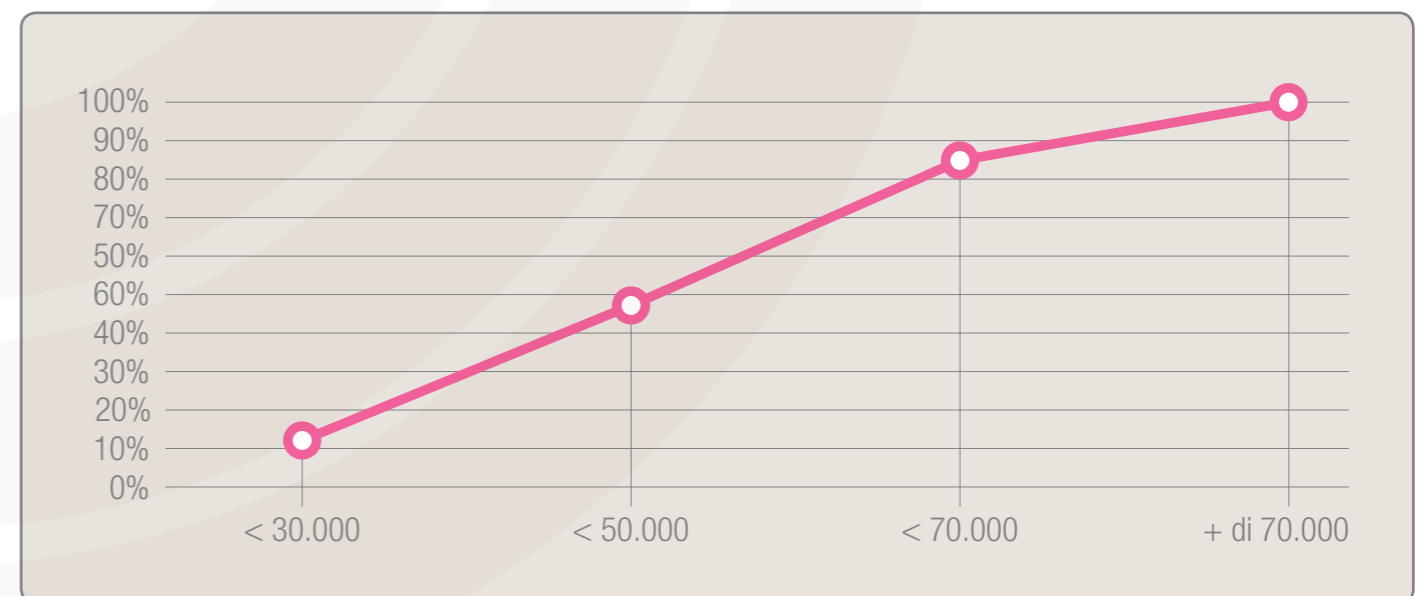
	Total	Fleet management
Up to 30.000 €	20,5%	8,7%
From 30.000 to 50.000 €	39,2%	39,1%
From 50.000 to 70.000 €	15,9%	21,7%
Over 70.000 €	11,4%	11,6%
Other	13,1%	18,8%
Total	100%	100%

Source: own research



Such data partially reflects the professional level attained inside the company. It is worth remembering that as far as fleet managers are concerned, on average the professional level reached is higher than what is noticed for travel managers. This is one of the reasons why fleet managers gross annual salary is proven to be higher. The following chart represents the information included in the table on gross annual salary but without considering all the "Other" answers and thus recalculating all percentages as to obtain values that added altogether reach 100%.

Chart 14- Cumulative gross annual salary net of the "Other" answers



Source: own research



According to the data gathered, we may deduce that the majority of Italian fleet managers are given by their companies a benefit and the possibility to attend professional training activities. As a matter of fact, three participants out of four have provided a positive answer to the question “Does your earning include benefit and/or productivity bonuses?”, whereas when questioned about the possibility to attend training activities, the positive responses reach 63,8%. The salary of approximately half of the participants has remained unaltered over the last three years.

Tab. 9 - Benefit, evolution of salary and training

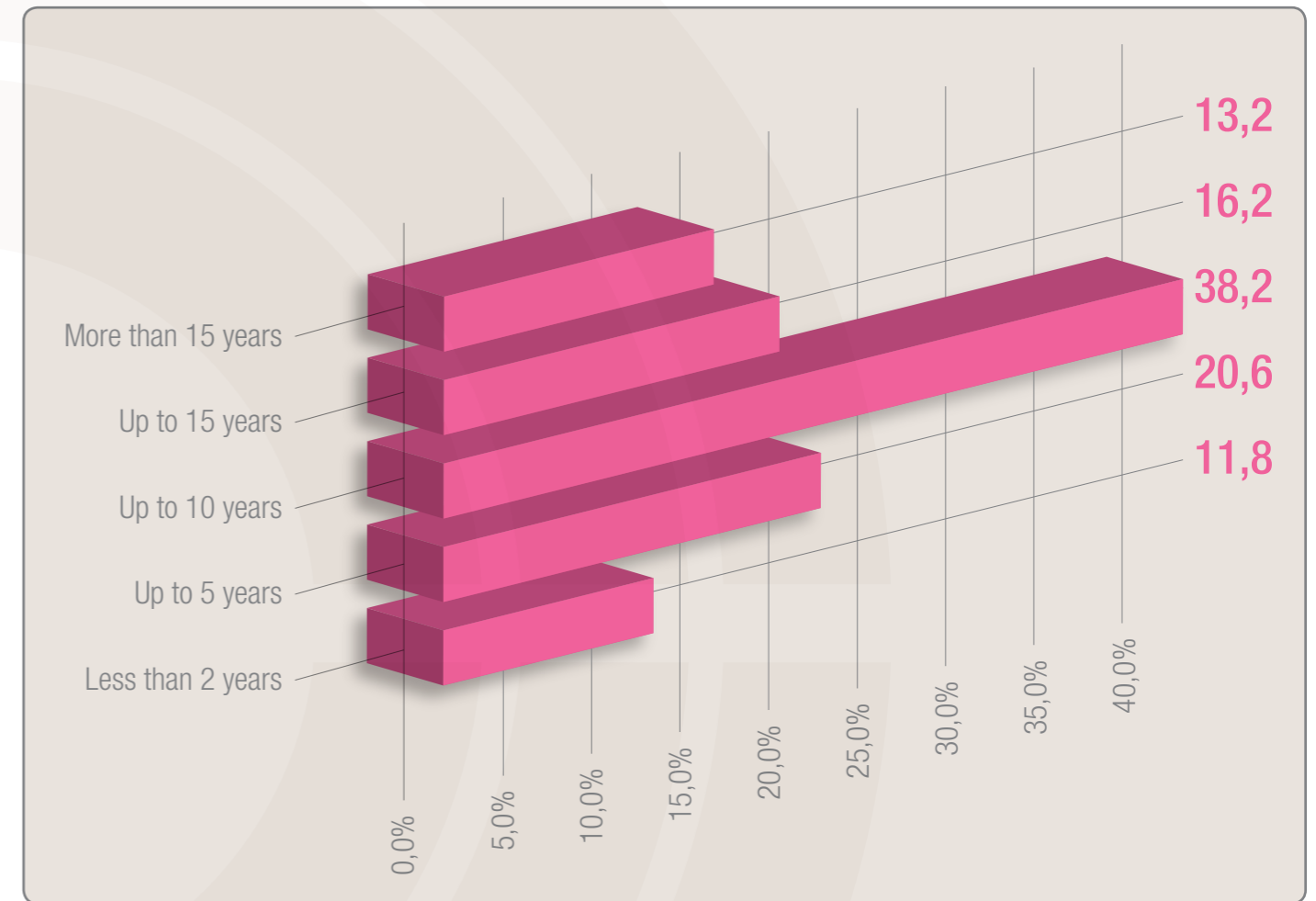
Benefit	
No	14,5%
Yes	73,9%
Other	11,6%
Evolution of salary	
Decreased	4,3%
Remained unaltered	46,4%
Increased	39,1%
Other	10,1%
Training	
No	27,5%
Yes	63,8%
Other	8,7%

Source: own research



The majority of questioned fleet managers affirms to have five to ten years experience in this position, whereas 11,8% of participants have performed this role for less than two years.

Chart 15 - Years of experience (How long have you held this position in the same company?)



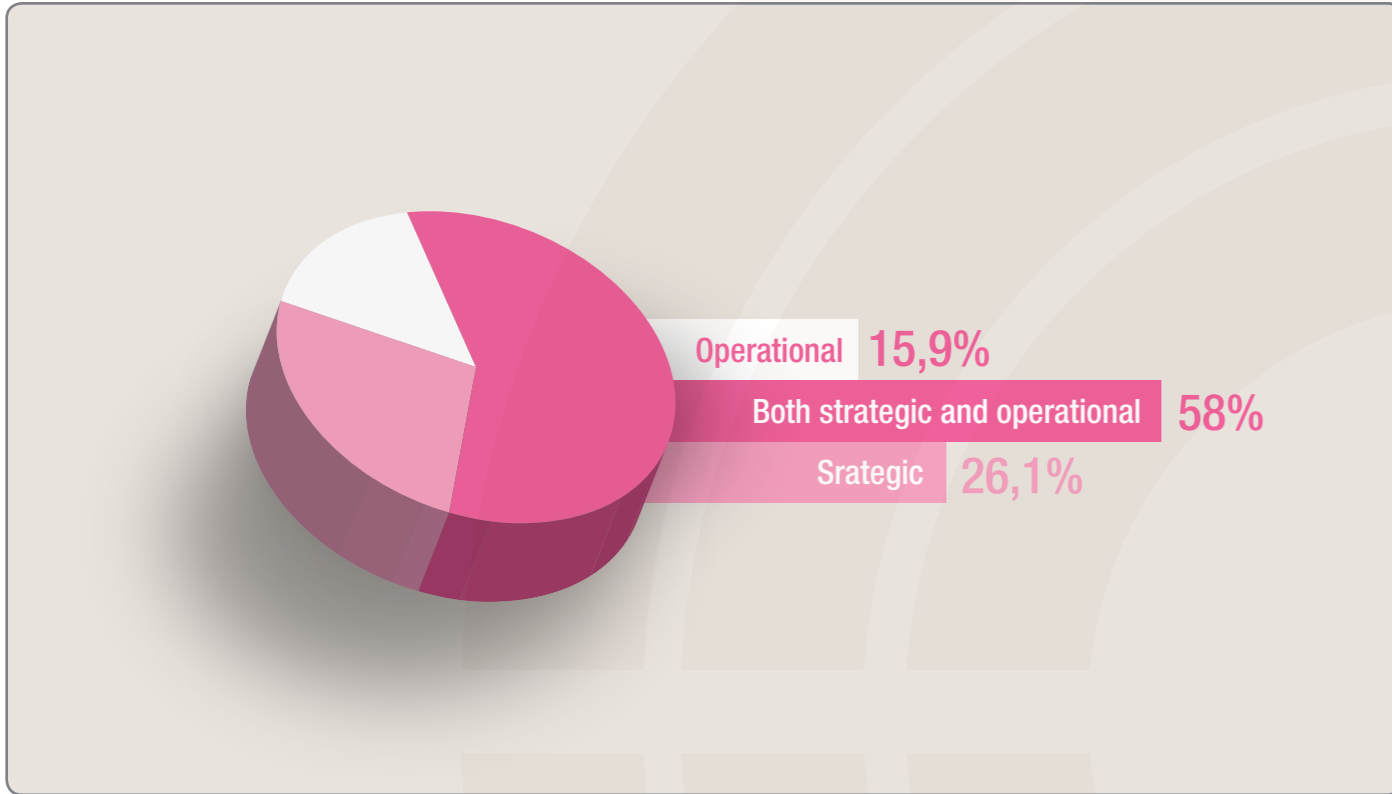
Source: own research





As far as the definition of performed activities is concerned, approximately six fleet managers out of ten declare to be in charge not only of strategic tasks, but also of operational duties.

Chart 16 - Job description



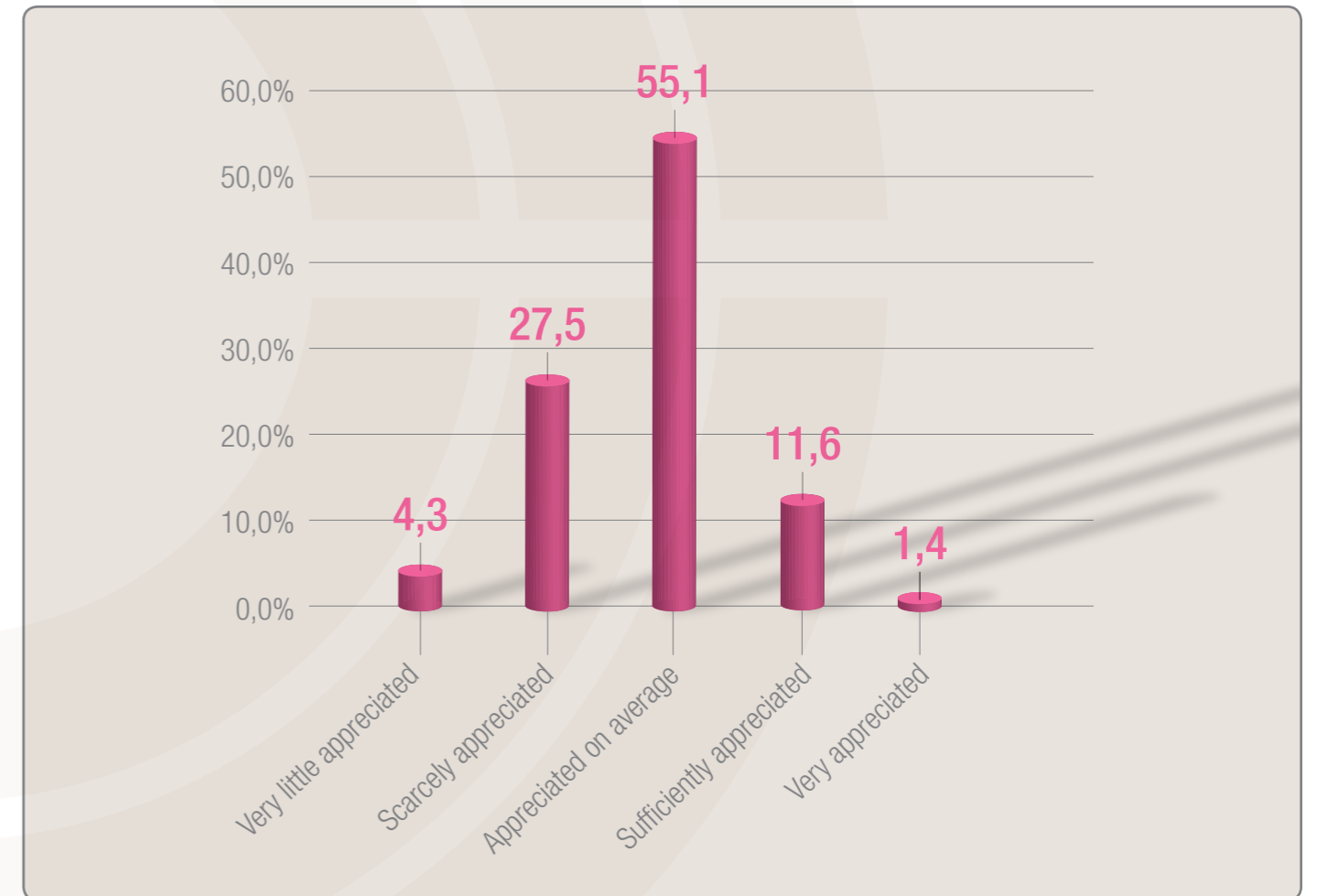
Source: own research



55,1% of fleet manager consider their category to be given average importance. This perception is strengthened by the number of fleet managers who consider their position to be scarcely appreciated, which is 4,3% (a relatively low percentage). This data may be compared with the information on gross annual salary. As gross annual salary for fleet managers are higher than the salaries for travel managers, it is obvious that professional satisfaction may be higher in this category where salaries are higher too. At the same time, the fact of holding positions having higher responsibilities undoubtedly enables the entire category to attain a higher professional satisfaction level.



Chart 17 - Importance given to the professional position



Source: own research



We have also been able to calculate for fleet managers the **professional satisfaction** index, showing by means of a simple value the level of professional satisfaction attained by car fleet managers (see box page 25).

Although to a lesser extent than for travel managers, the index for fleet managers is anyhow negative.

- Professional satisfaction index = -18,8

It will be interesting to monitor the satisfaction trend over time, to be able to analyse the satisfaction degree on a longer time span.

Afterwards we have analysed the activities most frequently performed by fleet managers.

Using the same method applied for travel management, we have set a 1 to 5 likert scale to understand the importance (currently and in future) of the different tasks performed.

In the table, next to the data for each answer, we may find the standard deviation (SD) value, which allow us to cover at best the variability of the answers.

A high standard deviation means there is not much agreement amongst fleet managers on the level of importance for a given activity. On the other hand, a low standard deviation allows us to consider a certain activity to be very or little important for the vast majority of fleet managers.

Amongst cost control activities carried out more frequently, fare negotiation with fleet services suppliers stands out.

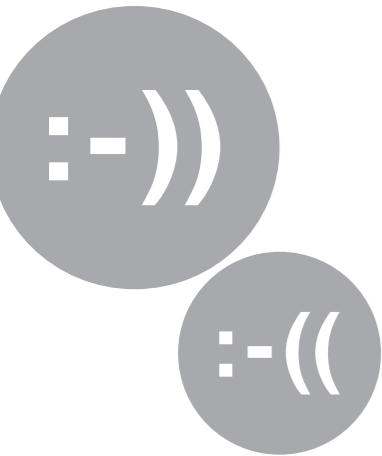
Just as frequent are expenditure data analysis and the identification of possible saving areas. We may therefore observe a focus on financial efficiency.

Logistics, ordering and delivery of vehicles, and the fleet safety management represent the most frequently performed main tasks (not directly having a financial nature).

Tab. 10 - Frequency in executing the tasks

	Mean	Median	SD
Fare negotiation with car dealers and garages/fleet services suppliers	3,9	4	1,19
Expenditure data analysis and identification of possible saving areas	3,71	4	1,02
Fleet safety management	3,68	4	1,18
Vehicle ordering and delivery (direct or in outsourcing)	3,59	4	1,34
Fleet service suppliers performance verification	3,58	4	1,03
Interface with drivers for problem solving	3,54	4	1,27
Verification of the company car policy compliance	3,43	3	1,14
Company car policy review	3,39	3	1,24
Management/supervision of fleet related technologies	3,25	3	1,16
Periodic testing of drivers satisfaction	3,12	3	1,17
Management of other features relevant to telematics	2,77	3	1,2

Source: own research



Expenditure data and contract analysis together with supplier negotiation rank in the top two positions amongst the activities believed to become very important in years to come. The data on expenditure data analysis is very interesting as the standard deviation is very low, amounting to 0,91. This means that there is a strong consistency in the importance given to this specific point.

Tab. 11 - Importance of the following activities for the fleet manager position in the near future

	Mean	Median	SD
Negotiation with fleet service suppliers	4,16	5	1,12
Management of fleet management technological instruments	3,94	4	1,01
Expenditure verification	4,30	5	0,91
Review and verification of the company car policy	3,77	4	1,16
Search for solutions to improve drivers satisfaction	3,57	4	1,16

Source: own research



Also here, the information shown in the tables concerning frequency and importance are backed by the answers regarding future critical issues.

The attainment of the set goals of saving represent the main difficulty, followed by the difficulty in obtaining reliable data to carry out accurate fleet management expenditure analysis.

Tab. 12 - Difficulties of the following activities for the travel manager position in the near future

	Mean	Median	SD
Set goals of saving attainment	3,38	3	1,10
Preservation of internal customer (driver) satisfaction	3,10	3	1,19
Obtaining reliable data to perform an accurate expenditure analysis	3,26	3	1,23
Company car policy verification and review	2,88	3	1,11
Management of technologies relevant to the fleet	3,07	3	1,20

Source: own research



The first Italian study on the professional sector of fleet management and travel management allows to highlight some interesting points.

Travel manager

From the study it appears evident that the travel managers role, which is given a great deal of importance in the anglosaxon world, in Italy is still struggling to be acknowledged despite travel managers being asked to manage significant expenditure budgets. The fact that business trips represent on average the second-third expense item in companies' financial statements, is a well known data. A clear demonstration of how little importance is given to travel managers comes from the data collected by this study on the professional level attained in the company organization chart and on gross annual salaries. Of all participants (who in the majority of cases are between 41 and 55 years old and have five to ten years experience in this position) the vast majority are in the "Employee" category (57,9%) only 29% are in the "Manager" category and the "Director" number drops down to 11,2%. Furthermore, in 67% of the cases, the gross annual salary does not exceed 50.000 € (fifty thousand Euros) It is worth noticing that 39% of travel managers earn between 30.000 € (thirty thousand Euros) and 50.000 € (fifty thousand Euros), whereas in 28% of the cases their salary does not exceed 30.000 € (thirty thousand Euros).

One of the possible reasons to explain such little importance given to travel managers in our country – and the modest annual earning level – may be attributed to the fact that travel management is mainly carried out by women, over 70% of the sample base. According to global statistics, as a matter of fact, Italy ranks amongst those countries where the differences in professional level and salaries between men and women is highly discriminatory.

Furthermore, we can assume that the function of the travel manager is still currently widespread mainly in large and multinational companies (which represent 74,8% of the entire sample base of this study), whereas this function is having a hard time to catch on in small and medium enterprises, which represent the vast majority of the Italian entrepreneurial scenario.

Finally, we may assume that compared to company fleet management which is acknowledged to be part of the motivation aspect of human resources, Italian companies have a lower awareness of the strategic importance of business trips. Together with the low professional level reached in the organization chart, this could represent a reason why travel managers are less likely to interface with the top management.

Despite the low importance given, it is evident that over the last years the travel manager role is becoming more and more complicated and strategic, encompassing new tasks and

responsibilities. First of all, the economic crisis has made it a priority to reach goals of saving by means of an accurate expense data analysis but also to negotiate with suppliers. It is not a coincidence that the study shows that nowadays travel managers offices are not only pertinent to Human Resources (27,1%), but also more and more often to the Purchasing department (24,3%), probably with the aim of obtaining an increased leverage on costs.

Furthermore, over the last years Italian companies are increasingly using automated business trip management systems (such as travel and self booking tools, systems for expense reports filling, reporting tools), which are already widely used in Anglosaxon countries. The increased adoption of such solutions, together with the increasing diffusion amongst travellers of mobile devices (smartphone and tablet), implies the necessity for travel managers to acquire new technological competence. As a matter of fact, participants consider ITC tools management to be one of the activities intended to acquire an increased importance in future.

Travel manager are experiencing a strong sense of dissatisfaction due to the gap between the increased complexity of performed tasks (it is worth noticing that this activity is carried mostly carried out by travel managers on a part time basis) and the little professional satisfaction in terms of level reached in the organization chart and of salary. The professional satisfaction may be measured by an index and as far as travel managers are concerned this value is -53,4. It will be interesting to follow this trend as it is an important indicator of the travel manager professional profile growth in our country.

Fleet manager

According to the results of this study, in Italy fleet managers are given more professional importance than travel managers. 49,3% of fleet managers hold a "Manager" position and 13% are in the "Director" category. The higher professional level is also reflected by their gross annual salary. Although the majority of the sample base falls in the "From 30.000€ (Thirty thousand Euros) to 50.000€ (Fifty thousand Euros)" range, 21,7% earns "Up to 70.000€ (seventy thousand Euros), whereas the percentage of answers "Up to 30.000€ (thirty thousand)" is quite low (8,7%). Thanks to such data, also the professional appreciation index is only slightly negative (-18,8).

The professional level attained shows fleet managers higher possibility to interface with the company top management (chief executive officer, director general and their first reporting directors). Companies give a quite high importance to fleet management. This is even more true when taking into consideration "fringe benefit" vehicles, directly connected to the motivational aspects of human resources, but also when talking about instrumental or special vehicles, in those fields where controlling such vehicles ensures the company a consistent advantage (for example in

environmental hygiene, transportation and distribution, food and cleaning services and so forth). In such situations, the "apparent power" and the influence of the fleet manager is often higher than what shown by company positioning (professional status and level attained).

Furthermore, the fleet manager often is an employee of experience exactly because of the delicate internal equilibrium they have to manage and of the necessity to conjugate a whole series of difficult to learned competence (management techniques). Fleet managers that have a professional experience of less than 2 years represent only less than 12% of the sample base.

As far as the market trend, over the last years there has been a tendency to contain costs in fleet management. Almost three fleet managers out of ten state that spending is decreased in the last year and the percentage of participants who affirms to have experienced an increase only reaches 13,2%. This is a not surprising data if we consider the most frequent tendency to vehicle downsizing.

This marked attention towards saving, is confirmed by the presence, among the tasks performed more frequently by Italian fleet managers, of activities as negotiation with suppliers, analysis of spending data and highlighting of possible areas of saving. According to participants, among other things, these activities are intended to acquire a growing importance in the near future, while the achievement of saving goals is listed as one of the main problems to be faced in the coming months.

The management of technological tools is among the activities performed by fleet managers that will take an important place in future. The use in the company of black boxes and tools that enable automated management of the car park is, in fact, more and more frequent.

Furthermore, fleet managers indicate the search for solutions to improve the satisfaction of the drivers to be one of the activities bound to become increasingly important (although it could also represent a potentially critical area). This result confirms that the car currently continues to represent one of the most appreciated benefit of employees, from which, therefore, largely determines the degree of company satisfaction of the staff.

The survey shows how three quarters of the fleet managers perform their duties mainly as a part-time job. This data may be easily explained if one considers the growing tendency to outsource the management of a number of activities related to the car park, not just the management of vehicles by using companies of long-term rental, but also of the administrative and management processes that remain inside the company despite the introduction of full-leasing contracts.

Comparison between the two roles

Thanks to the data gathered, we have been able to make a comparison between the travel manager position and that of the fleet manager. Both managers, although in different context, are in charge of the company mobility. This comparison is very interesting as different international studies show that, in order to optimize costs, companies tend to converge those two professional profiles into one single position, the mobility manager. Mobility managers have a clear strategic importance as they are in charge of all employee displacements (work missions, meetings and business trips, car fleet but also to and from work journeys).

The study underline the existence of great differences in the two areas, travel and fleet management. Fleet managers hold positions with higher professional responsibilities as shown by their gross annual salary range, which is on average higher compared to the one of travel managers. Such difference may also be influenced by the difference in gender as fleet managers are mainly men whereas travel management is performed usually by women.

At the same time, this difference in salaries is closely related to the level of professional satisfaction and of importance given within the company organization.

The study shows that fleet managers feel to be given more importance compared to travel managers. The professional satisfaction index for fleet managers, although negative, is not too far from sufficiency (-19,5), whereas the travel managers value attains -58,3.

Only little more than one fourth of the sample base carries out this activity on full time basis, whereas for the remaining three fourth it is a part time activity. It can be noticed that travel managers are slightly more, three out of ten perform this activity full time.

As far as expenditure volumes are concerned, both fleet management and travel management show a negative trend, influenced by the economic crisis of the last years. On the whole, the negative answers ("Decreased") to the question "Last year, your company spending for fleet/travel has..." are 11,9% more than the positive ones, thus indicating a negative business scenario for the last year.

In fleet management the crisis has been even more significative as demonstrated by the number of negative answers which has been fifteen percentage points higher than the positive ones. As far as tasks are concerned, according to this study, cost management analysis is at the top of the activities currently performed and in the future in both categories. It will be interesting to register over time possible variations in the numerous variables recorded in the study to have a better understanding of the fleet manager and travel manager role.

APPENDIX (structure of the questionnaire)

Travel manager

1. The company you work for is:
2. Is it a multinational
3. What are travel expenses in your company
4. Over the last year, travel expenses in your company have
5. What is your professional level in the company organization chart
6. Under which company department is the travel office you manage
6. Under which company department is the travel office you manage [Other]
7. How often do you perform your business trip management activity:
8. In which of the following ranges does your gross annual salary fall
9. Does your salary include benefits and/or productivity bonuses
10. Your salary in the last three years has:
11. Possibility to attend training activities on travel management
12. How long have you been holding this position (in the current company)
13. How would you classify your travel management tasks
14. Frequency [Fare negotiation with travel service suppliers]
14. Frequency [Verification of travel service suppliers performance]
14. Frequency [Company travel policy review]
14. Frequency [Expenditure analysis and identification of saving areas]
14. Frequency [Compliance verification of the company travel policy]
14. Frequency [Supervision of business trips related technologies*]
14. Frequency [Booking of travel services (direct or through a travel agency)]
14. Frequency [Risk management (employee assistance in risky countries)]
14. Frequency [Suppliers fare negotiation for meeting and business travels]
14. Frequency [Interface with traveller for problem solving]
14. Frequency [Periodical verification of traveller satisfaction]
15. Other tasks
16. Do you believe, during the last three years, your travel manager activity to have:
17. Importance in the near future [Suppliers negotiation]
17. Importance in the near future
[Management of technological instruments for business travel]
17. Importance in the near future [Expenditure data analysis]
17. Importance in the near future
[Company travel policy review and verification]
17. Importance in the near future
[Solution search to improve traveller satisfaction]
18. Other important activities
19. Future critical issues [Attainment of set goals for saving]
19. Future critical issues
[Preservation of internal customer (traveller) satisfaction]
19. Future critical issues
[Gathering of reliable data to carry out an accurate spending analysis]
19. Future critical issues [Review and verification of the company travel policy]
19. Future critical issues
[Management of the technologies relevant to business trips]
20. Other critical issues
21. Do you believe travel managers position in companies in Italy to be:
23. Age
24. Gender
25. Comments, suggestions and observations are welcome

Fleet manager

1. The company you work for is:
2. Is it a multinational
3. What is the size of your company's fleet
4. Over the last year, fleet expenses in your company have
5. What is your professional level in the company organization chart
6. Under which company department is the fleet office you manage
6. Under which company department is the fleet office you manage [Other]
7. How often do you perform your fleet management activity:
8. In which of the following range does your gross annual salary fall
9. Does your salary include benefits and/or productivity bonuses
10. Your salary in the last three years has:
11. Possibility to attend training activities on fleet management
12. How long have you been holding this position (in the current company)
13. How would you classify your fleet management tasks
14. Frequency [Fare negotiation with fleet service suppliers]
14. Frequency [Verification of fleet service suppliers performance]
14. Frequency [Company car policy review]
14. Frequency [Expenditure analysis and identification of saving areas]
14. Frequency [Compliance verification of the company car policy]
14. Frequency [Supervision of fleet management related technologies*]
14. Frequency [Ordering and delivery of vehicles (direct or outsourced)]
14. Frequency [Fleet safety management]
14. Frequency [Management of other aspects relevant to telematics]
14. Frequency [Interface with drivers for problem solving]
14. Frequency [Periodical verification of driver satisfaction]
15. Other tasks
16. Do you believe, during the last three years, your fleet managers activity to have:
17. Importance in the near future [Suppliers negotiation]
17. Importance in the near future
[Management of technological tools for fleet management]
17. Importance in the near future [Expenditure data analysis]
17. Importance in the near future
[Company car policy review and verification]
17. Importance in the near future
[Solution search to improve driver satisfaction]
18. Other important activities
19. Future critical issues [Attainment of set goals for saving]
19. Future critical issues
[Preservation of internal customer (driver) satisfaction]
19. Future critical issues
[Gathering of reliable data to carry out an accurate spending analysis]
19. Future critical issues [Review and verification of the company car policy]
19. Future critical issues
[Management of the technologies relevant to the fleet]
20. Other critical issues
21. Do you believe fleet manager position in companies in Italy to be:
23. Age
24. Gender
25. Comments, suggestions and observations are welcome

ABOUT US

The publishing company Newsteca, thanks to its experience, is nowadays the most authoritative reference point in Italy for those companies willing to optimize business travel and car fleet management. It publishes two leading field magazines, organizes more than one hundred training courses, national conventions and success full workshops.

Newsteca Magazines

Currently Newsteca publishes the monthly magazine Mission – the leading Italian magazine on business travel, and the bi-monthly magazine MissionFleet – the magazine on company cars, dedicated to the complicated issues of car fleet management.

Newsteca Books

Newsteca publishes not only field magazines but also books analyzing in depth critical issues of the field. Amongst others, let us mention the book Corporate travel – A challenge to anyone, which is up to now the only complete and thorough guide on the main topics relevant to travel management and the book Business travel technologies, a rational guide to business travel management softwares.

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Per informazioni:



Piazzale Cadorna, 11
20123 Milano
T +39 02 20241122
F +39 02 20241096
E-mail: redazione@newsteca.it - eventi@newsteca.it
E-mail abbonamenti: amministrazione@newsteca.it



**THE PROFESSIONAL PROFILE
OF TRAVEL MANAGERS AND FLEET MANAGERS**
ROLE AND EVOLUTION OF THEIR FUNCTION

By: Andrea Giuricin and Giacomo Di Foggia
Professors at the Bicocca University of Milan

Layout: Raffaella Valsecchi

Newsteca Srl
Direzione, Redazione, Pubblicità, Amministrazione:
Piazzale Cadorna, 11 - 20123 Milano
T 02/20241122 - F 02/20241096
e-mail: redazione@newsteca.it
www.missionline.it

