

Case Study: T&E SPENDING CONTROL

*A valued partnership with
Diners Club International® delivers
truly global expense data*

Global Consumer Products Company Positioned to Gain Control over T&E Spending

SITUATION

A global consumer products company that is a leading manufacturer of food, home, and personal care products, with operations and sales in almost all major markets around the world needed to bring its travel and entertainment (T&E) spending under control and leverage its spending with preferred providers.

The company is organized into regions, with each region having the flexibility to choose programs and vendors that best meet their needs. For payment of T&E expenses, each region and often the different countries in a region had an established relationship with a different corporate card supplier. As a result, trying to determine global T&E spending by channels was an extremely intensive manual process that did not often yield reliable results.

In early 2003, the travel lead for the company's North America region launched a global initiative to bring all countries and regions to a single travel payment supplier. The goal for the consolidation was to capture truly global spend data that the regions could then use to negotiate favorable rates with preferred vendors. For a company of this size, with worldwide turnover of billions of Euros per year, the savings potential was substantial. The challenge at this point was for the regions to agree to consolidate under a single supplier and then to choose that supplier together.

The differing regions analyzed the advantages of standardization to a single supplier and participated in the due diligence to vet the business case. In early 2003, all regions agreed to the consolidation and sent out a request for proposal to a number of suppliers.

SOLUTION

Diners Club® North America has been the exclusive corporate card providers for the North America region for over ten years. To meet the company's global needs, Diners Club® North America and Diners Club International® teamed up to craft a solution that would reach all of the countries where the company does business, providing the acceptance that travelers require and capturing the high quality data that travel managers expect.



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For nearly one year, Diners Club worked intensively and closely with the company to shape a solution to meet their needs. The Parent Account Manager, responsible for the account on a global level, was instrumental in the process and in helping to provide insight into company goals and objectives. The final solution delivers the Diners Club International multinational corporate card to 53 new countries, resulting in a projected increase of \$132 million in annual sales volume to the Diners Club network.

Most importantly, Global Vision® will provide high quality expense data to give the company an accurate, reliable view of 100 percent of the organization's travel and entertainment spending. With complete information on spending and travel patterns, the company is in a much better position at the bargaining table with vendors. At the same time, managers in each region and each country have the ability to monitor and control spending at the local level.

RESULT

The company has partnered with an organization that understands their needs and has the flexibility to meet those needs. Its long-standing relationship with Diners Club, and its experience in leveraging the power of Global Vision®, had proven the value of Diners Club's flexible solutions, high quality data, and data analysis tools.

Implementation of the program is well under way, with teams from Diners Club working together with the company's managers to help them meet their timeline for rollout in all countries. The program is in place in North America. The last country is expected to be on board by year-end.

The company is positioned to begin controlling travel and entertainment expenses through more effective vendor negotiations and maximized incentives. The power of truly global spend data is such that the company is confident that it will uncover savings opportunities that travel and finance managers have not even anticipated yet.

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