This year marks the ten-year anniversary of the Travel Management Services contract known as E-Travel.

The process to build the E-Travel program, as we know it today started in the late 1990’s when the airline industry began making drastic changes due to industry deregulation. Carriers eliminated travel agent commissions and shortly thereafter, introduced web-based booking tools to the public.

During this time, state travelers were making their own reservations and policy compliance monitoring was not done until reimbursement. Agency concerns grew as expenditures were climbing and travelers were paying over $33 per agency fee. General Services attempted to establish airline contracts in top markets but was declined due to a poorly managed travel program with no single point of sale. State management groups convened to identify best practices for travel procurement in order to reduce travel expenditures and manage policy.

The State of Alaska Finance Officers presented their travel procurement recommendations to the DOA commissioner in 2003. This led to the first Travel Management Services contract award to USTravel. The State Travel Office (STO) opened in February 2005 with Medicaid recipient travel followed shortly by the Dept. of Administration piloting for the Executive Branch.

In 2006, a legislative audit verified the state was saving money but made recommendations for changes, especially in the arena of reporting. Efforts were still being made to secure an elusive state contract with Alaska’s largest airlines and verifiable savings reports for a cohesive travel program were needed. Also noted was low customer satisfaction due to the manual paper processes required to request travel. Over the next three years, comprehensive reporting was developed and process improvement meetings with travel planners resulted in less manual booking processes.

A turning point came in 2009 with the second Travel Management Services contract with USTravel and the advent of ResX—an online booking tool which appealed to state planners who liked the “do it myself” aspects of web-based travel reservation sites. Innovations were also implemented to almost eliminate the manual aspects of traveler profile maintenance. E-Travel Online (ETO) was born. Customer satisfaction and agency participation climbed. Overnight there was 43% participation in the use of the online booking tool. By FY2010, the Executive Branch net savings were over $900,000 annually and the online participation continued to rise.

In 2011, an independent audit validated the travel program savings benefit and suggested that changing the booking tool may improve user satisfaction. USTravel provided GetThere, a fully automated web-based reservation system. The new booking tool led the way to statewide satisfaction and compliance. Attracted by the savings the ETO provided, DOT brought on AMHS and other divisions and Law brought on the Criminal Division. FY2014 net savings exceeded $1.3 million dollars with 78% of qualified reservations being booked in E-Travel Online.

The goal for the future is continue to make program improvements based on statewide feedback.
Airline Industry: 10 Years of Change

The airline industry continues to progress and alter the way we travel.

It is impossible to mention everything, but here some highlights of change over the past ten years.

The nation’s eight largest network of airlines have dwindled to three mega carriers and the days of “all-inclusive” have gone. Everything is al a carte including bag fees, preferred seating, food and beverage, even Wi-Fi.

Traveler loyalty is no longer determined by the number of miles flown but the number of dollars charged to the carriers’ “signature” credit card.

Customer service has been replaced with technology and everything from the ticket purchase to obtaining a boarding pass and bag tags are done online.

The future of travel is difficult to predict. The only thing to expect is that technology will continue to be the driving force of change.

<table>
<thead>
<tr>
<th>E-Travel Progress</th>
<th>FY2007</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Booking Source</td>
<td>Booking Request Form (100% Assist)</td>
<td>E-Travel Online (78% Unassisted)</td>
</tr>
<tr>
<td>Number of Travel Agents</td>
<td>Over 25 full-time (From 8-5 Mon-Fri)</td>
<td>Fewer than 10 full time (From 7-7-7 days a week)</td>
</tr>
<tr>
<td>Average Booking Fee</td>
<td>$17</td>
<td>$12</td>
</tr>
<tr>
<td>Average Turn-Around Time</td>
<td>Over 2 hours</td>
<td>30 minutes for Unassisted 2 hours for Assisted</td>
</tr>
<tr>
<td>Air Spend</td>
<td>$13.7 Million</td>
<td>$21 Million</td>
</tr>
<tr>
<td>Air Contract Savings</td>
<td>$510,838</td>
<td>$1,177,570</td>
</tr>
<tr>
<td>Managed Travel Savings</td>
<td>$319,409</td>
<td>$929,466</td>
</tr>
<tr>
<td>Agency Fees</td>
<td>($646,328)</td>
<td>($722,142)</td>
</tr>
<tr>
<td>Net Program Savings</td>
<td>$183,919</td>
<td>$1,384,894</td>
</tr>
</tbody>
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E-Travel Information

Transmittal #85 to the Alaska Administrative Manual is effective April 1, 2015. See the update to AAM 60.040 that pertains to travel approvals.

The update includes clarification of what makes up “per diem”.

On May 15, Delta Air begins service in Southeast Alaska.

E-Travel Online Training will be condensed beginning in May. Several one-hour sessions covering specific topics will be offered. LearnAlaska will be updated with course descriptions and enrollment.

Test your E-Travel Knowledge!
Send your response to the ETTMT by Apr 24 and your name will be entered into the quarterly drawing.

1. What started the discussion to establish a managed travel program for the State of Alaska?
2. When was the first customized online booking tool rolled out to state users?
3. What was the percentage of reservations made in E-Travel Online in FY2014?
4. What was the average booking fee in FY2007 compared to FY2014?
5. What was the Net Program Savings in FY2007 compared to FY2014?