

Data Tells The Story For A.T. Kearney

At Consulting Giant, Facts Are Friends

To her industry peers, A.T. Kearney global procurement corporate travel director Margaret Hansen is the “data queen,” often a step ahead of others in data capture and diligence. To Hansen, data provides the insight needed to do her job: serve as the consultant to the consultants and support business units in achieving their objectives around the globe.

“One of the things I’ve found through my career and specifically working at the consulting firm is the ability to use data in a meaningful way to help influence behavior and decision-making,” Hansen said. “Within our firm we have policies, of course. But we don’t get compliance through strong-arming people or heavy mandates; it’s really through good information. My boss and I like to say, ‘Facts are our friends,’ and factual information that’s analytical gives [business unit managers] enough information to determine what they want to do with their business.”

A.T. Kearney runs a consolidated global travel program covering 55 offices in 38 countries that relies on one travel management company, one corporate card provider, one expense reporting system and internal data aggregation to service travelers and management. The firm’s hierarchy flows through all vendor systems and reporting, “so it’s very easy to have data

sources from which to extract and pull information,” Hansen said.

A partnership organization with 16 business units, well-traveled consultants and strong opinions forces global travel to “really be on your game, ready to provide concrete information and facts. We’ve been able to do this in so many different ways, from the sustainability perspective to decision-making processes” to supplier selection, Hansen said.

By coordinating many such efforts, Hansen earned recognition as a 2011 *Business Travel News* Best Practitioner.



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MARGARET HANSEN
A.T. Kearney global procurement corporate travel director

Opportunity Decks

Hansen and her team provide A.T. Kearney business units with seven standard card and agency reports, a presentation that analyzes their patterns and behaviors and shows how the team helps them manage costs, and an “opportunity deck” that highlights what each business unit could achieve with behavior changes. The reports show “where there are opportunities to save money” by reducing or controlling costs or enhancing services, she said.

Because each business unit and re-

gion often have their own priorities and pressures to grow the business, Hansen said it’s not up to her team to dictate how consultants should travel. “We educate the consultants with different statistical information, trends and analytics about what’s happening within their units,” she said. “Obviously we’re a global company, but the units have different drivers.

“We talk it through,” Hansen said of travel opportunity consultations with management in the three regions and the business units within each. “They decide if they want to execute or prioritize what they want to launch.” For example, business units overloaded with revenue-generating projects might opt not to burden consultants with travel changes; those focused on cost controls might want to emphasize more advance purchasing practices.

At the firm level, data also helped to quickly justify to decision-makers a recommended switch to Carlson Wagonlit Travel. A.T. Kearney in 2009 began a 12-month rebid of its travel management company contract, required every five years by internal policy. Hansen said she recommended in a presentation circulated to 16 business unit heads an switch to CWT from American Express, which had won the business when A.T. Kearney was part of EDS (1995 until 2006). Within 24 hours, 14 of the 16 agreed. (One was on vacation, Hansen noted.) “Usually, there’s a debate. They question or challenge the information,” she said. “But after 12 years, you learn how to send them information in a concise, meaningful way that tells them what they want to know.”

What they want to know, Hansen continued, is “always in the numbers. I don’t care if it’s a good number or a bad number. It always drives the

agenda. The door will open and they'll listen to you."

Achieving Carbon Neutrality

Consultants not only listened to top management's requests to reduce travel as a means to help achieve aggressive sustainability goals, but also embraced an internally developed CO₂ sustainability travel planner and urged the travel team to enhance it.

Developed as an Excel spreadsheet, the tool allows project teams, meeting organizers or individuals to calculate average costs and carbon output for travel or meetings. The firm's historical data is used to generate the averages and inform users of the impact of travel or meeting reductions, including at the project level where multiple trips or meetings typically are required. For example, a consultant in charge of a six-month project could use the tool to identify the potential savings of a few less trips. "Consultants wanted this advanced further to include savings against revenue, unit goals and then the global goal," Hansen said.

After three years of reductions and offsetting, A.T. Kearney in 2010 achieved carbon neutrality. The company measures carbon output of not only air travel, hotel stays and car rentals, but also journeys by rail, taxi

and public transportation and output by unit, country and employee. Finding no industry-standard data to calculate hotel carbon output, Hansen worked with internal sustainability experts and calculations from a scientific partner to devise formulas that don't rely exclusively on self-reported hotel information. Hansen said they use criteria from the annual hotel RFP to evaluate environmental efficiencies. Employees can reduce carbon-emission costs when booking at preferred green hotels.

Whether in regard to the sustainability tool or business unit practices, Hansen said she asks her team to emphasize the overall impact that a shift in behavior could have across a unit, region or companywide. "If you swing [behavior] by 20 percent, 30 percent or 50 percent, here's what you're going to achieve. It's up to the business leaders to determine how far they want to go, how hard they want to push."

The average A.T. Kearney employee makes 35 trips a year, Hansen said. "We've reduced that 20 percent with sustainability-reduction goals, but there's a very high degree of travel per employee."

"What my team and I have done very well is read data," she explained. "I read data like some read a good book; it talks to me and I can see

where things connect. It really tells a story. Information gives knowledge and power and allows them to make decisions appropriate for their business. You don't always know what their pressures are."

Hansen's department within global procurement creates the global travel strategy and contracts, and works with local representatives "to understand the local needs for each unit, but also execute the strategy." Given A.T. Kearney's global footprint, Hansen years ago asked each business unit to assign a travel resource. "They have five other jobs. They're not dedicated, but they're on our global travel council," she said. "It has been so rewarding working with these people in every country, having a collaborative approach and everybody's buy-in."

Hansen said her previous TMCs probably would agree that data-quality discussions were "the painful part of the relationships." As part of its global settlement summary process, the firm requires "with every financial statement a report that backs it up with the ticket number, after-hours services and hierarchy fields." Sometimes there are differences between agency finance and desktop reporting systems and the nuances of back-office systems. "I can tell agencies in which countries they have problems. You just have to work on cleaning it up, understanding it and knowing where such gaps exist. It's still good enough to do what you need to do."

"On agency reports, I can source with it, tell the analytical story and look at the opportunity analysis," Hansen said. Agency data isn't good enough for expense reporting, but she is excited by electronic receipt and other advancements that "over time will be very important."

What chapters of Hansen's travel data book need more work? "The story never ends," she said. "You have to keep reading because you never know what's coming next." ■

SNAPSHOT

Organization: Global consulting firm A.T. Kearney, with 2,700 employees, including 1,900 consultants

Volume: Estimated 2011 global travel and entertainment volume of \$94 million, of which air spend accounts for \$65 million

Challenge: Garner accurate global data to report, analyze and present trends and savings opportunities to business units for managing travel spending

Approach: Consolidate global program with one travel management company, one corporate card provider, one expense reporting system; conduct internal data analyses

Solution: Standardize reporting formats to allow consultants to quickly decide on travel options and determine opportunities