

Planning Beyond the Horizon

Shifting winds and trends that are changing the global travel industry

Remarks by Paul A. Laudicina to the *Association of Corporate Travel Executives, Global Education Conference*

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About Paul A. Laudicina

Paul A. Laudicina is Managing Officer and Chairman of the Board of A.T. Kearney. He was first elected to this position by A.T. Kearney partners in 2006, and re-elected in 2009. Previously, he was Managing Director of A.T. Kearney's Global Business Policy Council, a forum of CEOs and thought leaders focused on assessing global strategic opportunities and risk management. He is the author of a number of articles and books on global strategic issues, including *World Out of Balance: Navigating Global Risks to Seize Competitive Advantage* (McGraw-Hill, 2005), also published in six other language editions. He was named to *Consulting Magazine's* annual ranking of the Top 25 Most Influential Consultants in 2005 and, again, in 2007.



their agendas. Make no mistake, their business travel experiences will influence their leisure travel decisions.

Sustainability

Finally, and what I'd like to explore a little more in-depth, is sustainability. Companies and consumers alike are increasingly aware of how the products they use and the services they buy affect the world around them. People are focusing on how sustainable their purchases are—in terms of environmental, cultural and economic sustainability. Organic. Fair trade. Fair working conditions. Locally produced. Environmentally friendly. And they're not leaving these values at home when they travel, whether it's for business or pleasure.

A few years ago, A.T. Kearney pledged to become a carbon-neutral firm by 2010. In doing so, we would be the first high-value-added management consulting firm to reach this goal. There were more than a few people who called us crazy. Given our business model—that we travel to our clients' sites and work with them, shoulder to shoulder—more than 80 percent of our carbon footprint is travel related. And I am public enemy number one: George Clooney's character in "Up in the Air" and I almost share the same air miles status. (Although I keep reminding my wife that no matter how many trips I take, I will never arrive home looking like George.)

While we have adopted new technologies that allow us to have more web-based meetings, there will never be a full substitute for meeting face-to-face. So, our travel group, led by Margaret Hansen, took on an incredible challenge. How do we, as a global firm of 2,700 employees in 37 offices in 54 countries, measure, track and reduce our carbon footprint? Perhaps one of the most surprising aspects of the task is that we couldn't look to other companies for best practices: We soon found out that for professional services firms like our own, we were in uncharted territory. In fact, thanks to Margaret's good work—and enthusiastic sustainability team members across A.T. Kearney—we have helped set the benchmark.

In 2008, ACTE honored Margaret with its inaugural Corporate Social Responsibility Award. The award, which was the first of its kind in the industry, was created to recognize "business travel executives who incorporate an eco-sensitive approach to conservation or environmental rejuvenation with their travel program." As I applaud Margaret for leading the charge within A.T. Kearney, I applaud ACTE just as enthusiastically for recognizing the importance of incorporating sustainable practices into the travel industry. You guys get it.

So, yes, some people within our firm laughed, but more people became engaged—and, in fact, passionately support our sustainability pledge. And I'm extremely pleased to let you know that A.T. Kearney will soon be announcing that we have achieved our goal of being a carbon-neutral firm.

But this initiative is not just the *right* thing to do—which I believe wholeheartedly it is—it is the *smart* thing to do. We are advising clients on their sustainability initiatives, so how would it be perceived if we didn't walk the talk? And, of course, it's also incredibly important to our colleagues. They can be proud to work for a firm that delivers value to our clients and the communities in which we live.

And while A.T. Kearney is a leader among our peers, companies in other industries have made sustainability a key part of their corporate strategies as well. CEOs from leading companies, including Wal-Mart, Unilever, Nestlé, Walt Disney, Procter & Gamble, WPP Group, General Electric and Saatchi & Saatchi—just to name a few—have all committed to significant sustainability efforts within their companies and across their value chains.

Combined, these companies alone have a market value of more than three quarters of a trillion dollars—not including their tens of thousands of suppliers. For these CEOs—and their countless peers around the world—sustainability and managing resources responsibly at every level are as fundamental to global business today as establishing an IT system was 20 years ago. And these are *your* clients. This is what is important to them. Delivering value