

4D HOTEL SOURCING SERIES

INFRASTRUCTURE SERVICES BUSINESS

2017 PROGRAM

110 HOTELS

2 COUNTRIES

70% COMPLIANCE

68,500 ROOM NIGHTS

\$11.1M VOLUME

CLIENT OBJECTIVES

In outsourcing to 4D, the client's key objectives were:

- 1 COST CONTAINMENT**
Align program to new neutral cost targets by reducing hotel expenditure by minimum \$250K
Expand chain agreements to maximise coverage
- 2 PROJECT LOCATION COVERAGE**
Appoint new chain agreements to improve growing requirements for new project locations into suburban and remote regional locations
- 3 ANCILLARY BENEFITS**
Secure additional ancillary inclusions and discounts without increasing accommodation rates
- 4 COMPLIANCE & CONSOLIDATION**
Improve program compliance and traveller satisfaction through a choice of different hotels for diverse employee base – blue and white collar teams. Reduce leakage and encourage travellers to book direct through TMC

4D RECOMMENDATIONS

After detailed analysis of the client's existing hotel program, company requirements and travel patterns, 4D proposed the following solutions to best achieve the goals:

Realigned Hotel Program

Develop a new strategy to meet the changing needs of project locations, diverse traveller requirements, improved duty of care, compliance and rate reductions

Outsource Hotel RFP & Program Management

Resource time savings, expert industry knowledge, efficient e-sourcing platform, to the moment global benchmarking, cost benefits delivered to the client

Global Rate Loading & Audit

All negotiated room rates are loaded correctly with inclusions & conditions audited so no money was left on the table

4D HOTEL SOURCING SERIES

INFRASTRUCTURE SERVICES BUSINESS

2018 PROGRAM

110 HOTELS
2 COUNTRIES
80% COMPLIANCE
68,500 ROOM NIGHTS
\$11.1M VOLUME
\$912k SAVINGS



4D RESULTS

New hotel program delivers additional savings to the business:

- New contracted hotels to cater for the broad range of travellers. 4D forecast increased program compliance of +10% and bookings consolidation through TMC to increase by +20%
- Negotiated rates lower than the ARR industry forecasts for 2018 across the major locations. Resulting in +11% cost avoidance saving in annually
- Negotiated complimentary and also discounted ancillary services to deliver \$130k in annual savings
- Six Chain agreements introduced with savings of 10-15% off BAR with anticipated savings delivery of \$275k to the business
- Outsourcing to 4D the hotel RFP and category management plan, direct saving of \$48K to procurement team via resource, technology and benchmarking.

CONTRACT MONITOR

- Formal program review each quarter commencing 1 January 2018
- Identify any required adjustments to the program in light of business changes
- Review meetings & events to leverage preferred suppliers

“ ...savings generated from the hotel program this year surpassed our targets. We are thrilled to bank these savings. Great results 4D!



Need an expert in sourcing Hotel Rates for your corporate travel program?
Contact Us : enquiry@4dconsulting.com.au