

Partnership Travel Consulting, Inc.

CORPORATE TRAVEL DEPARTMENT ([CTD](#)) PROGRAM OVERVIEW

EXECUTIVE SUMMARY:

Prior to the CTD program, the financial model between Travel Agencies and Corporations was in the form of a rebate, whereby the Agency returned a portion (percentage) of commissions (airline/hotel/car rental) back to the Corporation, usually on a quarterly or semi-annual basis.

Over the past five years, commissions have been consistently reduced by the airlines, to the point that travel agencies are now assessing "management fees" which are deducted from any collected commissions, and the end result is usually a quarterly invoice, or a minimal return of total commissions earned. There is no reliable audit trail for the commission income in the agency environment.

In 1998, Republic New York Corporation (Republic National Bank) became the first Corporation to receive accreditation as a Corporate Travel Department (CTD), and as of April 1, 2003 there are 159 approved CTD locations, ranging from \$100 million in airline sales to \$1 million.

The CTD program allows Corporations to receive all commissions directly from the suppliers airlines/hotels/car rental companies (hotels are the most viable revenue stream), and outsource any and all services to one or more travel agencies or travel suppliers. The difference between a CTD and a Travel Agency is that a CTD is a *purchaser* of travel; a Travel Agency is a *seller* of travel.

CTD BENEFITS:

The actual benefits derived will be based in part on the current travel agency arrangement, as well as the overall travel expenditures of the corporation. The minimum benefits to be achieved include the following:

- Unbundling of Travel Agency services, allowing one or more agencies to compete on service and price.
- Enhanced cash-flow as a result of weekly electronic deposits of airline commissions (where applicable), and 100% collection of all paid hotel commissions.
- A unique ID number to enhance supplier negotiations, which is retained by the Corporation without interruption, regardless of how many suppliers are used.
- Improved supplier discounts by eliminating any compensation to the Travel Agency (by the suppliers).
- Complete data ownership including access to ARC data that is provided exclusively to agencies.
- The CTD does not need to be on the premises of the Corporation, and the staffing can be agency employees.

CTD PROGRAM REQUIREMENTS:

- Application Fee: \$995. The annual renewal fee is \$150.
- One individual must be "qualified" by ARC; however, that person need not be on the payroll of the Corporation. All personnel can be in the employ and on the premises of the Travel Agency
- Ticket stock security and a \$50,000 bond.
- Processing time takes 45-60 days.
- Additional information is available on the Partnership Travel Consulting website:

<http://www.partnershiptc.com/ctd.htm>

or via email to:

ctd@partnershiptc.com