

# BP's Reid moves on to help others with corporate travel

By Kim Cochrane

**A**LAN Reid, well known in the business travel industry in his capacity as BP Southern Africa procurement commodity manager, has left BP to start his own company specialising in a wide range of competencies, including corporate travel management.

Called PSCM Solutions (Procurement & Supply Chain Management Solutions), in the travel context, his new company targets medium to large companies who have a significant spend on travel in relation to their own business and/or who have more than ten travellers a week.

Elaborating on the concept of 'significant spend', he says what drives success in travel management is the correct categorisation of travel spend in relation to a company's overall spend. All too often travel is dismissed as a minor, non-core commodity when viewed against major procurement spends such as raw materials or components, for example, but when viewed correctly as a service within indirect procurement and categorised as such, it becomes a more significant spend. "Companies often don't realise that savings from travel go straight to the bottom line as opposed to savings from raw materials, for example, that often get diluted during the production and distribution processes."

By travellers, Reid refers to anyone leaving home and not going to the office – i.e. a sales rep on his way to Pretoria from

Johannesburg. "These organisations have a risk exposure that they need to understand and mitigate."

Tapping into his experience (see BTN October 2010 profile), Reid will be specialising in tender/ RFX development,

awarding, adjudication and verification; procurement and supply chain strategy; strategic sourcing; supplier management and evaluation; marketing and advertising services; professional services; travel and related services; convenience retail; HR services; as well as food services and hospitality. He doesn't come from the travel industry so he brings a corporate customer perspective to the table.

Reid has also teamed up with a group of specialist associates who are on call in line with specific client requirements, so whether it be for a more detailed analysis on the cost of recruitment or help with hotel site inspections, the key words for Reid are costs and value, as well as the management and measurement thereof. "Our speciality, therefore, is to drill into costs and understand the components of services. This is where we add or find the value. Because it's so difficult to measure intangible services, for example the effectiveness of a travel management company, particularly as SLAs are often not understood properly, people often avoid doing it. This is where we come into the picture."

Another important aspect is duty of care, he says. "Companies should pay as much attention preparing the sales rep driving down to Durban as they do preparing a traveller going into the DRC. The workplace moves when someone travels – and there is a series of things to be done to minimise the risk to an employee and the company – and while it's an implied law now, not enough people are facilitating holistic duty of care programmes."

Related to this, he believes, is that because many companies 'give up on travel' and leave it to the TMC, everyone is rushing to implement online booking tools as the indispensable solution to solve all their problems. "Perhaps for ultra-simple scenarios, maybe, but what about policies, data, duty of care and the better management of a TMC? Technology tools are just one piece of the puzzle."

Reid is able to help with one piece of the puzzle (i.e. car hire spend, route surveys, airline safety, the security of VIPs attending an event etc.) or to look at the other pieces as an integrated process. His business launched in January this year to focus on the services sector, helping "both sides of the fence", whether it's corporations or travel industry suppliers wanting to enhance services for corporate clients, as examples.

While he will offer a consulting service, Reid doesn't view himself as a consultant or strategist.

"A consultant is someone who borrows your watch to tell you the time and then keeps the watch! And so often strategies die on the table because they are not implemented. I'm in the boiler room getting my hands dirty. My role is to say: This is your status quo, here is a solution, here is how I can fix it."

More info: [www.pscm.co.za](http://www.pscm.co.za).



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