



**Kathy Gorton**, Travel and Event Manager, manages all aspects of Sunbelt's travel program and with co-worker Tami Henson, also coordinates all of the companies employee training sessions

**Sunbelt Rentals Inc.**, Headquartered in the Charlotte, North Carolina Metro area, Sunbelt Rentals has over 450 locations and established itself as the second largest rental company in the United States, with sister companies operating worldwide.

**Sunbelt Rental's annual travel spend** is approximately \$1.2 million in air spend, \$110,000 in car rental, and \$900,000 in hotel bookings.

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## Best Practice Case Study

### Developing an Effective Negotiated Hotel Program at Sunbelt Rentals Inc.

Ongoing employee training is considered an extremely important part of Sunbelt Rental's commitment to providing exceptional customer service. With training sessions frequently occurring at many locations across the US, Kathy Gorton, Sunbelt's Travel and Event Manager, began looking for ways to decrease the company's hotel expenses. Learn how she implemented an effective negotiated hotel rate program with Egencia to decrease Sunbelt's average hotel rate from \$150 to just \$90 per night!

### Taking Sunbelt Rentals Travel Program to the Next Level

After launching with Egencia in June of 2007, Kathy Gorton decided to develop a new hotel program that would:

1. Maximize the availability and use of negotiated rates at comfortable, but reasonably priced business traveler-focused hotels
2. Decrease Sunbelt's average nightly hotel rate by weaning traveling employees away from higher priced hotels and directing them to the negotiated rate hotels available as well as other lower-priced hotel options.
3. Incorporate continual feedback from traveling employees to ensure their satisfaction with the hotels they were being encouraged to frequent.

Says Kathy, "We knew that we could reduce our average hotel rate of \$150 by clearly identifying our key negotiated rates to our travelers. The question was, 'By how much?'"

### Steps to Success

#### Set a Maximum Hotel Rate

To start, Sunbelt implemented a maximum hotel rate of \$120 per night including tax in its travel policy to encourage travelers to look for reasonable hotel options when traveling, whenever possible.

#### Implement Room Sharing Policy

### A Few Words of Advice from Kathy

- Don't be too concerned if you are not able to negotiate a good rate with a particular property. If one hotel won't negotiate with you, chances are the one across the street will."

Sunbelt also put in place a room sharing policy for employees traveling to training sessions to further reduce costs. Employees are expected to share a room with another employee with exceptions only allowed upon their manager's approval.

#### Negotiate Agreements with Smaller Hotel Chains

Kathy found there was little opportunity to negotiate with the largest hotel brands as Sunbelt could not meet their minimum volume requirements. Instead, Kathy was much more successful negotiating agreements with smaller and regional hotel chains such as La Quinta, Best Western, Drury and Wyndham Worldwide's chain which includes the Wingate Inns, a favorite with Sunbelt travelers. It was easy to convert travelers to these new properties with free high speed internet, a great breakfast and comfortable beds. These chains had lower minimum number of nights required and were happy to offer preferred rates to Sunbelt.

The chain wide agreements were then loaded into Sunbelt's Egencia account and made automatically available to all employees.

#### Identify Individual Hotel Properties to Negotiate With

Sunbelt also wanted to acquire property specific negotiated rates for locations where the company has a cluster of stores and frequent training sessions. To identify hotels within a 5-mile radius of a training location, Kathy would use Egencia's 'Search Near an Address' feature. "We just love that feature," says Kathy, "It makes it so easy to find nearby hotels that may be worth contacting about a local negotiated agreement."

Kathy would then narrow the search results using the Hotel Amenities filter to find hotels offering amenities that were important to her employees such as complimentary breakfast, business services and high-speed internet access.

Finally, she would review each hotel's information, photos, traveler ratings and reviews within Egencia to determine which ones were the best to contact. Free airport shuttle service was often an important cost saving consideration if employees typically flew in to that location for training.

Kathy would also incorporate feedback from employees at the local Sunbelt locations by asking them where visiting employees were staying and what they thought of those locations. Sometimes her local employees would do a quick 'non-escorted site visit' of the property.

#### Acquire Property Specific Negotiated Rates

When negotiating with the individual properties, Kathy would check Egencia for the current rates available at that hotel as well as its competitors to get a good idea of what discount rate she could acquire.

## Sunbelt Rentals Baseline Policy at a Glance

### Air

- **Preferred Carriers:** No preferred carriers
- **Class of Service:** All non-coach class out of policy
- **Advance Purchase settings:**  
No advance purchase policy in effect; but Sunbelt Rentals highly encourages travelers to ticket 18 days in advance. Advanced booking executive reports are sent quarterly to department heads to track and inform where the savings levels are currently.
- **Lowest Fare Tolerance:** Up to \$120 higher than the lowest logical fare is in policy
- **Web Fare:** In policy
- **Reasonable Flight Parameters:**  
±120 minutes in departure window, Up to 120 minutes longer, Maximum of 1 connection

### Hotel

- **Negotiated Rate Policy:**  
Non-negotiated rates are in policy
- **Expedia Merchant Hotel Inventory:**  
Out of policy
- **Negotiated Rates:** Twelve chain-wide negotiated agreements, 140 property-specific negotiated agreements

### Car

- **Preferred Vendors:** Enterprise, Avis, Budget
- **Car Class Policy:** All classes are in policy
- **Car Search Results:** Display rates from all vendors

### Central Billing

- **Card(s):** Ghost card used for air travel

To demonstrate Sunbelt's ability to meet the volume commitments to the hotels, she would discuss the upcoming training sessions that were already planned for that location. "The number of rooms required for the training session attendees were usually enough to justify the negotiated rates," says Kathy.

### Offer Hotel Booking Guidance to Employees

Kathy communicated to employees the importance of booking negotiated hotel rates when they were available. Employees were instructed to 'look for the handshake symbol' in the hotel search results which is used by Egencia to indicate where a negotiated rate was available.

Kathy also encouraged employees to look at the information Egencia provides for each hotel and advised them to only book hotels with a rating of 2 stars or higher and a minimum traveler rating of 3.2 out of 5.

If employees have a particularly good or bad experience with a hotel she requests that they tell her and rate the hotel within Egencia to assist future travelers. "People are really using the information to help them make better hotel choices," says Kathy.

### Market Preferred Chains to Employees

Sunbelt also enlisted the help of its marketing team to market its preferred hotel chains to employees. Attractive E-flyers were created that espoused the hotel amenities offered and instructed travelers to ensure their frequent stay numbers were included in their Egencia traveler profiles so they could automatically take advantage of the hotel reward programs available. According to Kathy, "The initiative was highly successful. We even have employees asking if they can use Egencia for their personal travel so they can access our negotiated hotel rates."

### Enlist Executive Support

All employees, regardless of their position, follow the same travel policy including the room sharing arrangements. Kathy has leveraged the ability of Sunbelt's executives to 'lead by example' to show employees that the preferred hotels are fully capable of meeting their needs. "It really helps when you can tell people that your CFO's favorite hotel chain is Wingate or when employees see the President taking the free hotel shuttle."

### Encourage Feedback

Every time a report comes in asking for reimbursement above the maximum nightly rate allowed, Kathy follows up with the employee to find out why that particular hotel was chosen instead of a preferred hotel rate through Egencia. "Did they have a poor experience with one of our preferred hotels? If hotels are not meeting the standards I want to know," says Kathy. "If they find a better hotel I tell them to let us know and we'll negotiate with that hotel. We want their input because they are the ones who are staying at the hotels we choose."

### Communicate Frequently with Preferred hotels

Kathy makes an effort to maintain regular contact with the representatives from Sunbelt's preferred hotel chains. "We usually talk to them about three times a month to discuss how our agreements are going and learn any new information about each chain," says Kathy. "We find the more we communicate with the hotel chains, the more willing they are to work with us to find ways to further reduce our rates."

## The Post-Implementation Results

Within less than six months of launching Sunbelt's new hotel program, Kathy has seen some incredible results.

### Excellent Use of Negotiated Rates

Sunbelt's use of negotiated rates climbed to 38% in just the second quarter in which the new hotel program was rolled out and continues to climb, and today has hit past the 65% mark. Employees find it easy to select a negotiated rate as they are clearly marked in the search results and Sunbelt's marketing of their preferred agreements internally have helped to "sell" the negotiated properties to employees.

The company is meeting its volume commitments at individual properties and Kathy's contacts at her preferred hotel chains are very satisfied with the number of room nights they're receiving.

### Average Hotel Nightly Rate drops to \$90

Sunbelt's average hotel rate has dropped to just \$90 per night. "Our previous rate before we implemented the new hotel program was closer to \$150. The savings we've seen as a result of negotiating the new rates and making it easy for employees to choose them have been incredible," says Kathy.

When a negotiated rate is not available, employees are still able to use Egencia to find a great hotel rate. Non-negotiated hotel bookings are averaging just \$97 per night.

### Employees Complying with Nightly Rate Cap

Just 15% of hotels booked are above Sunbelt's maximum allowable rate or \$120 per night including tax. According to Kathy, "Our employees know the policy is in place and with the exception of some of the major US cities, it's easy for them to find an appropriate business-focused hotel within our allowable limits".

### Increase in Negotiated Rates

Building relationships with Sunbelt's preferred hotel chains has also greatly helped Kathy with finding suitable accommodations for the company's disaster support work. According to Kathy, "Sunbelt is a first responder so it's important that we are pro-active making reservations prior to the storms. When Hurricanes such as 'Ike' hit Houston, even though we booked properties in North Houston, those properties were un-operational. Our contacts with preferred suppliers helped us find replacement properties."

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