

The power of outsourcing business travel



Business process outsourcing is set to grow by over 9% per year until 2030, according to Deloitte. For small to medium enterprise (SME) businesses, this boom in outsourcing is not just a trend. When companies need to focus on their key functions, outsourcing non-core tasks is the perfect blend that trims expenses while pumping up productivity.

Outsourcing with the right partner is the key to unlocking a team's potential for small businesses. By passing on routine tasks like HR or business travel to external specialists, internal resource time is freed up to tackle high-value business tasks.

As a travel management company (TMC) that specialises in helping South African businesses succeed, we see this first-hand. Corporate Traveller can manage your travel programme, bringing you the most value while your team focuses on the business.

Contents

1. SMEs face unique challenges
2. Turning business challenges into opportunities
3. 3 common myths about outsourcing
4. How can businesses get started with outsourcing?
5. Finding the perfect partner for outsourcing
6. Outsourcing travel management for simpler business travel
7. What does Corporate Traveller offer as a travel management company?



Why should you consider outsourcing?

Efficiency is a common reason for outsourcing. There has been a switch from using multiple suppliers for many tasks to working with a few focused partners across many aspects of the business portfolio. This saves costs, builds trust, and streamlines the path to achieving business objectives.

According to a survey of SMEs by Clutch, **84%** said they already outsource some of their activities¹, and **70%** of respondents say they intend to boost their outsourcing initiatives in 2025.

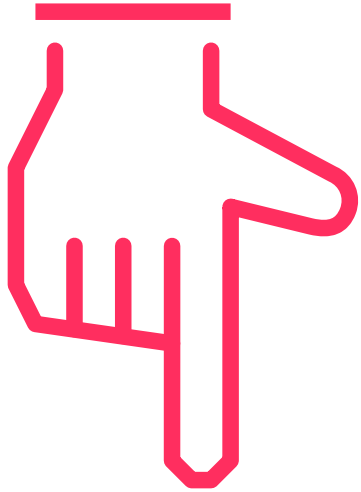
Outsourcing companies that pair cutting-edge technology with a service-based approach can be a strong ally in the dynamic business landscape. SMEs can thrive if they choose the right strategic partners to boost innovation and growth.

As a TMC that specialises in helping SMEs succeed, we see this first-hand. Teams are too busy to worry about which hotel to book or which airline offers the best connections.

With cutting-edge tools and strategic partnerships, outsourcing has evolved from being just a handy tactic to a robust response to the dynamic business landscape. It's a testament to the remarkable adaptability of SMEs and their drive to innovate, grow, and thrive.

¹ <https://clutch.co/resources/outsourcing-key-growth-during-economic-uncertainty>





SMEs face unique challenges

Small or medium businesses face a number of challenges, from cash flow and access to finance to limited resources and talent acquisition.

These factors impact a company's ability to grow, and this is only amplified during times of rising inflation or pressure in the labour market and supply chain. SMEs can sometimes struggle with finding the right employees.

With a small team and limited budget, it's better to do it yourself, right? Well, it depends. SMEs need to focus on their strengths and work smarter. It's essential to keep internal employees building on your core competencies to achieve business success.

Outsourcing can be a powerful strategy for remaining focused.

²[https://www.worldbank.org/en/topic/sme/finance#:~:text=SMEs%20account%20for%20the%20majority,\(GDP\)%20in%20emerging%20economies](https://www.worldbank.org/en/topic/sme/finance#:~:text=SMEs%20account%20for%20the%20majority,(GDP)%20in%20emerging%20economies).

³<https://www.banking.org.za/what-we-do/sme/?cn-reloaded=1>

⁴<https://www.investopedia.com/articles/personal-finance/120815/4-most-common-reasons-small-business-fails.asp>

Small but mighty

SMEs play a big role in job creation. In fact, the World Bank estimates that SMEs account for 90% of all businesses worldwide and 50% of employment. SMEs also play an important role in South Africa.²

SMEs across the country represent more than 91% of businesses, employ around 60% of the country's workforce across all sectors, and contribute 34% of the GDP.³

According to Investopedia.com, one of the main reasons small businesses fail is an unwillingness to delegate. In fact, they say that "smart, successful business owners outsource the activities they do not perform well or have little time to successfully carry through."⁴



Turning business challenges into opportunities

With SMEs facing challenges such as limited resources and a competitive market, it's crucial to find the right strategies and partners for support. With the right supplier, outsourcing can provide a wide range of additional benefits. You can scale without hefty recruitment costs and enjoy these significant benefits:

1. Gaining expert advice on financial management

Business managers must remain informed about accessible resources, shifts in government policies, and other concepts that can help contain costs and maximise value. Outsourcing aspects of financial management to experienced professionals, along with seeking opportunities for better cash flow management can help SMEs alleviate these challenges.

2. Accessing the best talent team

Finding and retaining qualified talent can be a challenge for small businesses, especially in competitive industries. Outsourcing HR and recruitment services can help attract and retain top talent without internal HR resources. Hiring experts can provide immediate access to expertise, new talent, and more flexibility.

3. Staying ahead of digital transformation

Digital transformation is essential to remain competitive in today's tech-driven world and can also increase efficiencies and lower costs. However, companies may not have the expertise or resources to implement new tools and processes.

SMEs can stay ahead of the curve with outsourcing partners experienced in onboarding, technology training, and change management. Enjoy access to the latest

tools, tech, and software without being responsible for upgrades, licensing, or maintenance.

4. Making your mark through global expansion

Expanding into global markets can be a lucrative opportunity, but it can also be very challenging. Outsourcing to experienced global expansion firms can help SMEs navigate the complexities of international trade and regulations with confidence.

Not to mention the travel involved! That's when businesses can really benefit from an experienced TMC to handle the nitty-gritty. Negotiating the best travel deals, managing logistics, and securing the safety of your business travellers are essential to global expansion. This is all possible with a travel management company that has the experience, global network, and customer service credibility to manage the intricate balance of business travel.

5. Promoting sustainability

Sustainability is becoming increasingly important for businesses of all sizes. Sustainability services firms can help SMEs by assessing their operations and guiding them in adopting eco-friendly practices. Travel management companies can also help you measure and offset your carbon footprint.

7. Market competition

Standing out is key in a competitive market. Certain services firms can help SMEs carve a niche for themselves. They develop client acquisition and retention strategies, along with market research and branding, helping your business thrive in the market.

8. Data protection

Data is a valuable asset that needs protection. Businesses specialising in data security are your allies. They help SMEs navigate the complex realm of data protection, ensuring your business's data remains secure.



SMEs in South Africa face a number of challenges, including load shedding, the exchange rate and rising input costs. If professional services can help me navigate some of the complexities of running a small business, like the implementation of the POPI Act and PAIA Manual, payroll and HR administration, then I'm going for it.

Paul Schluter, Director,
Techno Surfaces, Cape Town

3 common myths about outsourcing



True decision-making comes with looking at a cost-benefit analysis of outsourcing. You don't want anything to mess up your balance sheets, so outsourced services must be a good financial fit. Let's look at some common myths about outsourcing and the reality of what to expect.

Myth #1: Outsourcing is too expensive for SMEs.

Hiring a professional consultant is an investment, but outsourced services provide businesses with specialised expertise and industry-specific knowledge, leading to streamlined processes, reduced costs, or a stronger market position.

Myth #2: Outsourcing only creates additional costs.

Not true! Business travel experts, for instance, know how to get your travellers great perks and benefits while also saving your company money. Utilising experts can also speed up projects, get products to market faster, and decrease expensive mistakes.

The total cost of an employee is at least double their salary, according to the Nielsen Norman Group. By hiring consultants, you can avoid the tasks of managing, training, and developing your own employees. You can also save money on things like hiring fees, payroll, and insurance.

Myth #3: You can't measure the ROI of outsourcing.

In fact, results like ROI can be measured for outsourcing, just like other business strategies or projects. Here's how you can ensure you get the most bang for your buck.

- **Set your objectives.** Establish specific goals with your supplier, like the particular actions and timelines you want to achieve.
- **Define tangible results.** Communicate measurable outcomes like increased revenue or cost savings.
- **Determine intangible results.** Share intangible aspirations such as improved morale or customer satisfaction.
- **Measure progress at regular intervals.** Stay on track by monitoring progress throughout the collaboration.
- **Evaluate KPIs:** Assess key performance indicators to gauge success quarterly or annually.

How can businesses get started with outsourcing?

Small businesses are used to balancing all the day-to-day activities themselves, but this can get harder as you grow. Often, small business managers think they can take it all on themselves and save money in the process. However, time is a finite resource for business managers as well.

Regardless of your goals, whether it's cost savings, efficiency, expanding services, or daily operations relief, a thoughtful plan is the backbone of successful outsourcing. Start with these simple steps to prepare for outsourcing business tasks:

- 1. Understand your current state.** Know the ins and outs of your costs and requirements. Estimate what you'll pay before you get the proposal.
- 2. Encourage healthy competition.** Even if you're happy with your current partner, making them compete for your business optimises pricing and terms. It also provides insights from multiple organisations, helping identify efficiency opportunities and workflow improvements.
- 3. Craft the right agreement.** The right terms and conditions are crucial to successful outsourcing. Avoid terms that restrict your ability to hire employees and vague obligations.
- 4. Manage efficiently.** An outsourced operation requires basic management. Monthly performance checks and regular operational reports are key. Make adjustments based on real needs, not just for peak times.
- 5. Learn from changing conditions.** The last five years have highlighted new operational opportunities. Remote work, job submission tools and regular functional analysis can make outsourcing more beneficial operationally and financially.



“Whenever you see a successful business, someone once made a courageous decision.”

Peter F. Drucker

Finding the perfect partner for outsourcing

Often, SMEs will wait until the breaking point or those milestone moments before making the decision to outsource. But milestone events are constantly happening within SME businesses!

Once you've accepted that you need help, how do you decide which services to outsource? It's easy. See where your internal team can deliver the most business success and what sucks most of their time, then delegate accordingly. Not an expert in business travel bookings? Outsource it.



The next step is determining who to work with as your business travel partner. Here's how you can find the right fit for your business:

- 1. Use your network.** Word of mouth is a fantastic way to identify potential TMCs, especially if they understand your industry and have worked successfully with other small businesses. Don't be shy when it comes to researching prospective candidates, including reading reviews!
- 2. Lean on trusted connections.** SME business managers do not trust just anyone with their business. Finding suppliers with the right credentials and reputation can remove this feeling of insecurity. Look for a company that is in sync with your culture, goals, and vision. Ask about their policies on data security, confidentiality, sustainability, and DEI.
- 3. Look for a proactive partner.** It takes time to source the perfect partners and brief them on the history, challenges, goals and vision of the business. A good outsourcing partner will help drive this process, set policy and targets, and demonstrate how it will be achieved and measured.
- 4. Meet often.** It takes a while to build rapport and trust. Invest the time, and you'll reap the rewards!
- 5. Set up strong communication methods.** Be transparent from the start. Make sure your shortlisted candidates have all the information they need in order to make a meaningful pitch. Put a strong service level agreement (SLA) in place, and commit to transparency and open, honest communication at all times.
- 6. Ask about expected results.** Yes, outsourcing costs money. It can also save plenty down the line in money, time, and stress! A strong contender will be able to easily articulate the value of working with them. Establish clear objectives and expectations in your SLA, leaving no room for disappointment later on.
- 7. Don't default to the lowest bidder.** Remember the old proverb, "You get what you pay for"? Conduct your due diligence and go with the best fit for your business.
- 8. Ask for a transition plan.** Many teams are averse to change and might want to do things how they've always been done. A skilled partner can create a transition plan to carefully manage employees through the changes.
- 9. Keep control of your costs.** Once you've got into a groove with your new routine, scope creep can happen quickly. Ask for regular reviews of your costs.

Outsourcing travel management for simpler business travel



A travel management company handles the nitty-gritty of travel, like flights, accommodation, and visas, across many complex itineraries. They provide proactive, affordable options and special deals while helping employees follow travel policies and resolve emergencies as they arise.

What TMCs bring to the table:

- **Travel policy advice:** A TMC will help businesses design and implement a travel policy that suits their business objectives and the needs of their travellers. This process includes determining which fares and accommodation to book.
- **Delivering savings and value:** TMCs have strong buying power that can secure the best available rates and exclusive deals. These deals are generally out of reach for SMEs with unmanaged travel. Your travel supplier can also identify savings based on company travel data and help find value-added perks across your whole business travel programme.
- **Prioritising duty-of-care:** SMEs may be more flexible in terms of decision-making and the ability to get up and go, but traveller wellbeing and duty-of-care are still critical. A TMC can deliver peace of mind to travellers and business managers with timely information and advice.



Partnerships are about finding people who share your vision and values, and who are willing to work together to achieve common goals

Richard Branson





What does Corporate Traveller offer as a travel management company?

Corporate Traveller is an experienced TMC offering a comprehensive and personalised approach. Our expertise is built on decades of experience in the business travel industry, and we're ready to support you with our local and global teams.

As experts in business travel, we work with over 16,000 companies and understand your individual challenges. We've seen first-hand the power of outsourcing and believe that working with us on your business travel needs will save time, save money, and accelerate your business growth.

Corporate Traveller customers can enjoy:

- **Independence:** Not affiliated with any particular travel supplier, providing a wider range of choices and better savings.
- **Outstanding service:** Committed to providing excellence in service. This includes having dedicated Travel Managers who are experts in their field, as well as 24/7 emergency support. Our travel experts have an average of seven years of industry experience.
- **Expert onboarding and training processes:** Delivering a seamless experience for your entire team when getting started.
- **Continuous optimisation:** Constantly improving customers' travel programmes using data from built-in next-generation reporting insights and customer success management.
- **Valuable supplier relationships:** A long-standing network of relationships with travel suppliers, which allows for the negotiation of better rates and extra travel perks for customers.
- **Clarity and transparency:** Committed to being transparent with customers where everything is defined upfront, and there are no hidden costs.
- **Scalable tech, reporting, and expensing capabilities** with scalable tech, reporting, and billbacks to manage cash flow.

If you're a business managing travel on your own (or with another TMC), you might have these recurring questions:

- How can I save money on business travel?
- How can we gain more value from travel?
- How can business travel be more stress-free for employees?

Corporate Traveller has the best playbook to achieve this. Backed by deep industry expertise and a global network, we'll review your travel programme to confirm whether it is optimised for success.

That's why it isn't just about saving money. It's also boosting productivity, increasing opportunities, supporting peace of mind for your travellers, and enjoying great travel perks.

If you're only sticking with the status quo, maybe it's time to dive deeper.

