

TMCs: When global isn't truly global

By  Euan McNeil

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How global are global companies really?

It's a question that's been raised repeatedly over the years, with some experts arguing that companies are never truly global.



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Pankaj Ghemawat, author of *World 3.0: Global Prosperity and How to Achieve It*, says most companies are only semi-globalised. “Like the rest of us, they tend to stay focused on familiar environments,” he explains.

To become a global company or a global-first company, you have to globalise every aspect of your business, says Nataly Kelly, VP International Operations and Strategy at HubSpot. “This means every function within the company, and the people, process, and technology within that function need to be global.”

It goes without saying, thus, that if you're wanting to go global-first, your travel management company (TMC) is going to need to be truly global. The reality is that many TMCs, even those who claim to be, are not.

Many TMCs work with local partners or franchisees in select markets. Independent TMCs have joined consortia or networks that work along similar lines to airline alliances and have either single or shared ownership.

These networks claim to offer global control, supported by local content and knowledge. In reality, they use different technology and reporting systems, rendering consistent service levels virtually impossible. Scratch beneath the surface and you'll sometimes find conflicting processes, cultures and contractual arrangements, all impacting on customer service.

Destination specific demands

Corporate travel on the African continent is characterised by unpredictable business environments, foreign language barriers, foreign currency shortages, closed visa regimes and poor air access, hampering intra-African travel. From a travel policy perspective, companies need to receive reliable on-the-ground information to adapt more easily to each country's unique requirements and idiosyncrasies.

Monique Swart, founder of the African Business Travel Association (ABTA), bemoans the lack of opportunities for company's in-house travel managers to visit African countries to learn about the specific demands of different destinations. "Travel departments increasingly need to tighten the purse strings within their companies and they simply don't have the budget or don't believe it's necessary to send out their travel team to various destinations across Africa," she said.

Hallmarks of a truly global TMC

The benefit of a truly global TMC with a solid grasp on local content is, therefore, immeasurable. Having teams on the ground who understand their local markets, and who have the common technology platform and processes to use that knowledge consistently are the hallmark of a truly global TMC.

Going forward, global TMCs must be able to gather, integrate, analyse and interpret local data on a global scale, ensuring that their clients' programmes not only benefit from accurate data but from insight into how they can be improved proactively.

In the near future, TMCs will become intelligence hubs for the data generated from travel suppliers, finance, HR and security teams, as well as travellers. Stakeholders will each be connected to a suite of tools through a single connection gateway to all booking, reporting, analytics, risk management and approval; traveller profiles, mobile and expense management.

Read more in FCM's whitepaper [The Benefits of a Truly Global TMC](#).

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