



Partnership Travel Consulting

Strategic Global Travel Programs



Airfare and Hotel Rate Auditing Overview

January 20, 2025



Submitted To:

XYZ Corp



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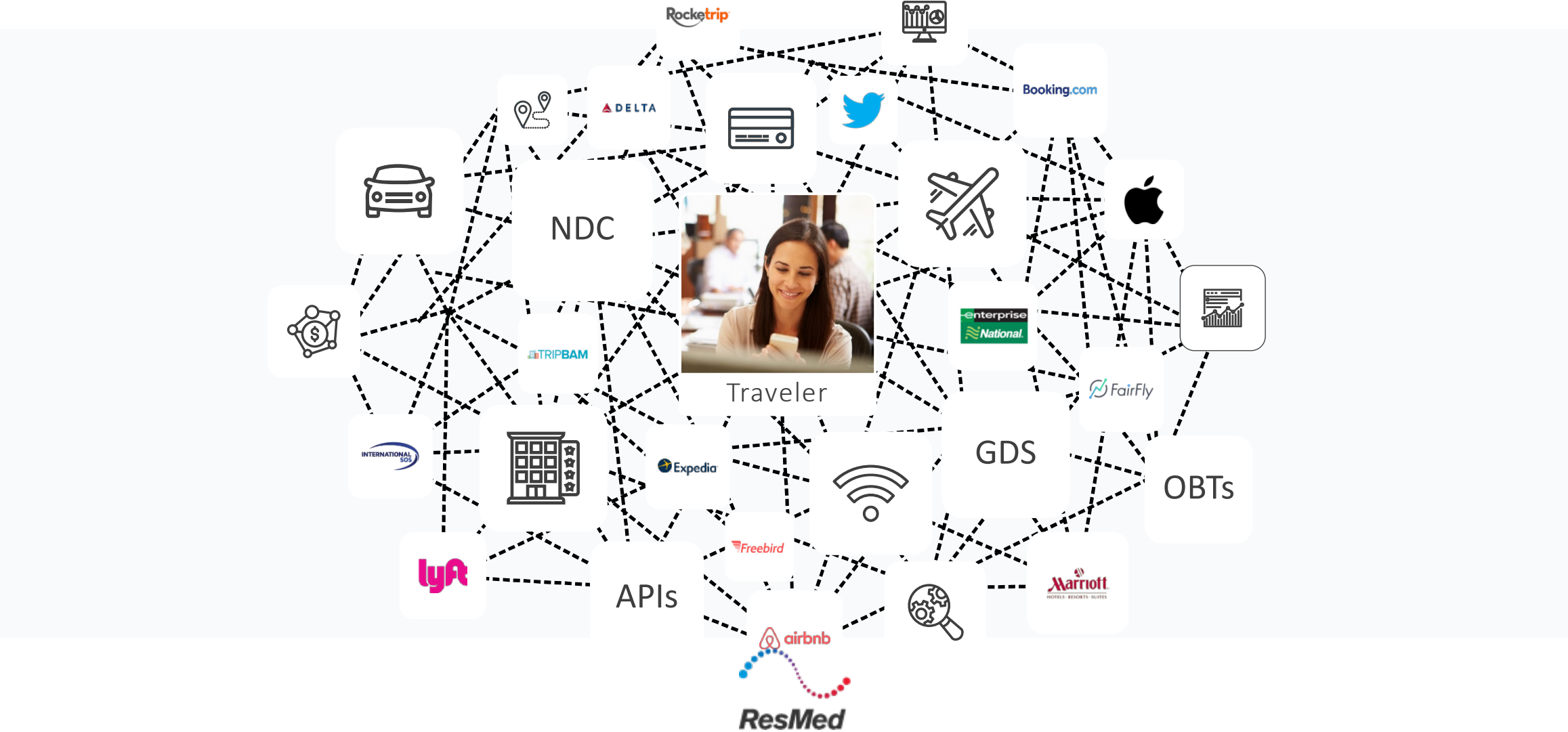
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Why your Company should audit the managed travel program

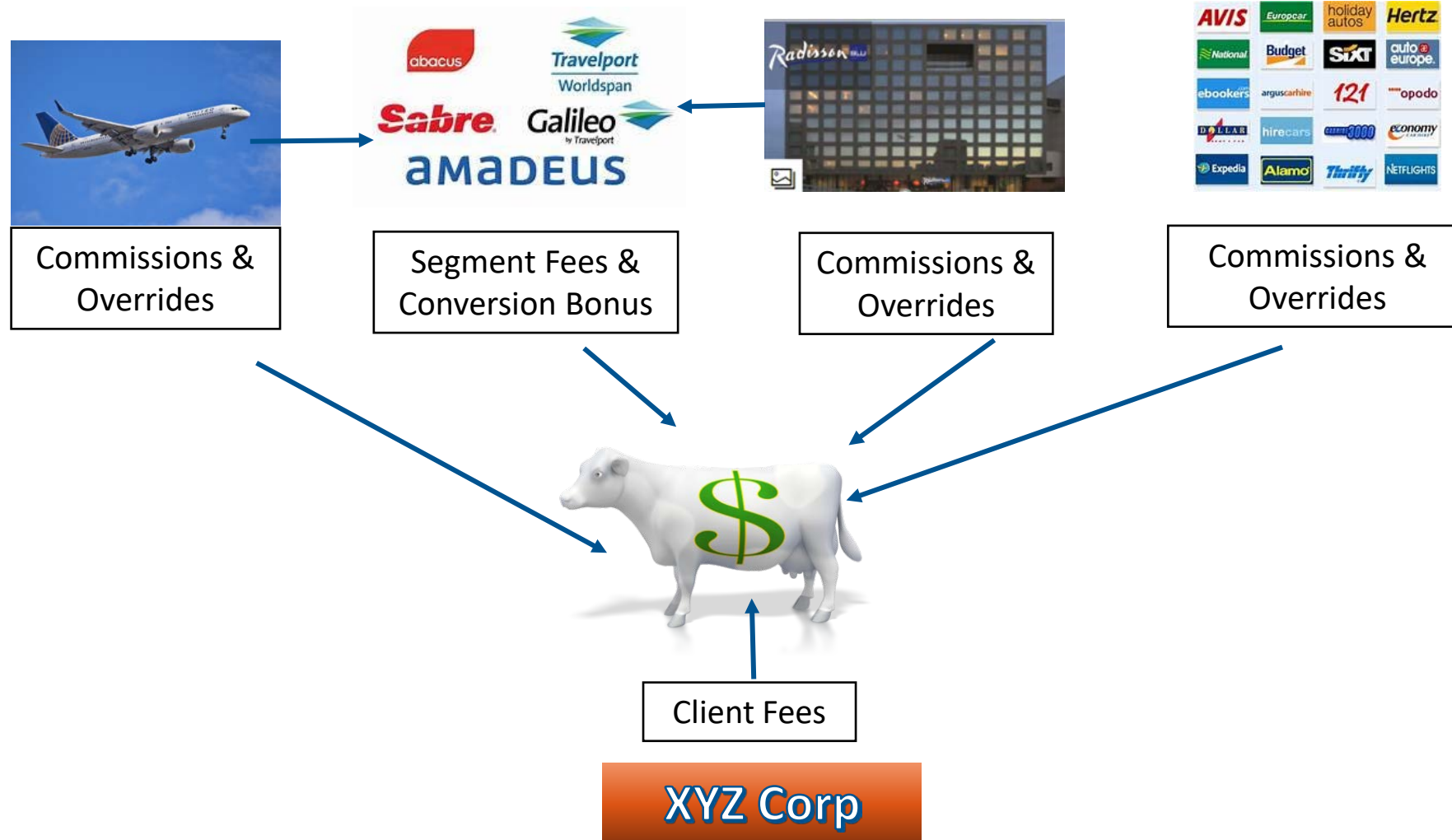
- Travel is the 3rd highest controllable expense in any company; left unchecked airfare and hotel typically-account for 80% of total travel costs
- The Travel Management Company (TMC) model operates under a dual income stream system whereby the client and suppliers fund the TMC. (Slide 5). This conflict of interest needs to be actively managed as the TMC has significant influence over your total cost of travel.
- Travel supplier contribution to TMC EBIDTA accounts for more than 50% and the balance is from client fees; **the higher the airfare and hotel rate, the higher the incentives are to the TMC (from suppliers)**
- Partnership Travel Consulting (PTC) has the unique ability to conduct both historical audits as well as live audits at the time of booking . Historical audits are for hotel commissions that the TMC has committed to return to the client. Live audits are conducted at time of booking for both airfare and hotel rate integrity
- The live audits are conducted within an hour of booking allowing time to rebook lower airfare or the preferred hotel at the company's negotiated discounts
- The results of the audit will guide XYZ towards next steps which could range from employee's booking lower fares or rates or adding an extended audit of the TMC or issue a competitive RFP to replace the incumbent OBT (and TMC).

The Traveler Should Not Have To “Surf” To Find The Lowest Logical Airfare or Hotel Rate





TMC Revenue Streams are 3-Sided



The GDS collect payments from airlines, hotels, car rental and then rebate a segment bonus to the larger TMC's
In addition, the client pays transaction fees to the TMC

Who benefits from higher airfares?



AIRLINE



NDC enables airlines to offer more than just the seat up to and including a higher price or additional experiences i.e. priority boarding more legroom etc.



GDS



A major airline agreed to pay the GDS a higher fee for higher fares; Paying double or more for seats higher than economy class



TMC



The TMC is paid commissions and overrides based on total volume to an airline. In addition, the GDS is paying higher incentives to the TMC for higher airfares



TRAVELER

As a rule, the higher the airfare the more frequent flyer points the traveler receives. The likelihood of an upgrade is tied to the fare paid



Who benefits from higher hotel rates?



HOTELS



When hotel bookings are made by the traveler directly through the hotel's website the hotel property saves on GDS fees and TMC commissions.



TMC



The TMC is paid a minimum of 10% commissions on the daily room rate and overrides based on total volume to the hotel chain.



TRAVELER

The higher the room rate that the traveler selects, the better the room as well as amenities and in many cases clubroom access. For the 50% of travelers who book their hotels directly, data indicates they are not receiving the corporate discounts. This also impacts the company's ability to negotiate during hotel RFP season

Audit and Compliance Options Matrix

CATEGORY	OVERVIEW	PROCESS
HOTEL	Rate Audit	Verify that your company's negotiated rates for 2025 are available for each of the 4 Quarters (Seasons) in 2025. If your rate is not loaded, we notify the hotel that they "failed" the audit
	Compliance Audit	Identify new bookings where the traveler did not book within travel policy; i.e. the employee did not book a preferred hotel that was available. Emails can be sent directly to the traveler with a copy to the employee's manager if the savings is above a specified amount. We can exclude by DK# (Execs, Groups, Departments)
	Preferred Hotel Audit	Identify PNR's where your employee booked the preferred hotel but at a higher rate (verifying that preferred rate was available). An email can be sent to the hotel to correct the rate to the company's negotiated rate without involving the traveler
	"Squatter Audit"	Identify and notify hotels that were not accepted in your preferred program to remove their "preferred" listing in the TMC and OBT systems
AIRLINE	Lowest fare booked within policy	Review PNRs for lowest fare booked Within time window of the policy (i.e.> +/- 2 hours of requested time). Emails can be sent to employee if over a set \$ amount or higher class of service than authorized.
	Compare airfare booked to airline website	Airlines continue to post fares on their websites that are lower than what is in the GDS accessible to the TMC. We have found their differences between \$3000 - \$6000 for a single international business-class trip
OBT (Online Booking Tool)	Priority Placement Audit for Hotels	Review that your Company's negotiated rates are prominently displayed ahead of TMC rates if they are higher or at parity
	Top City Audit	Review that your Company's preferred airlines and hotels are prioritized in the display and identified as "Company Preferred"
TMC (Travel Management Company)	Hotel commission audit	If the TMC agreement includes rebating hotel commissions, PTC can audit the value of those commissions retroactively going back 18 months





Airline Channel Audit Process

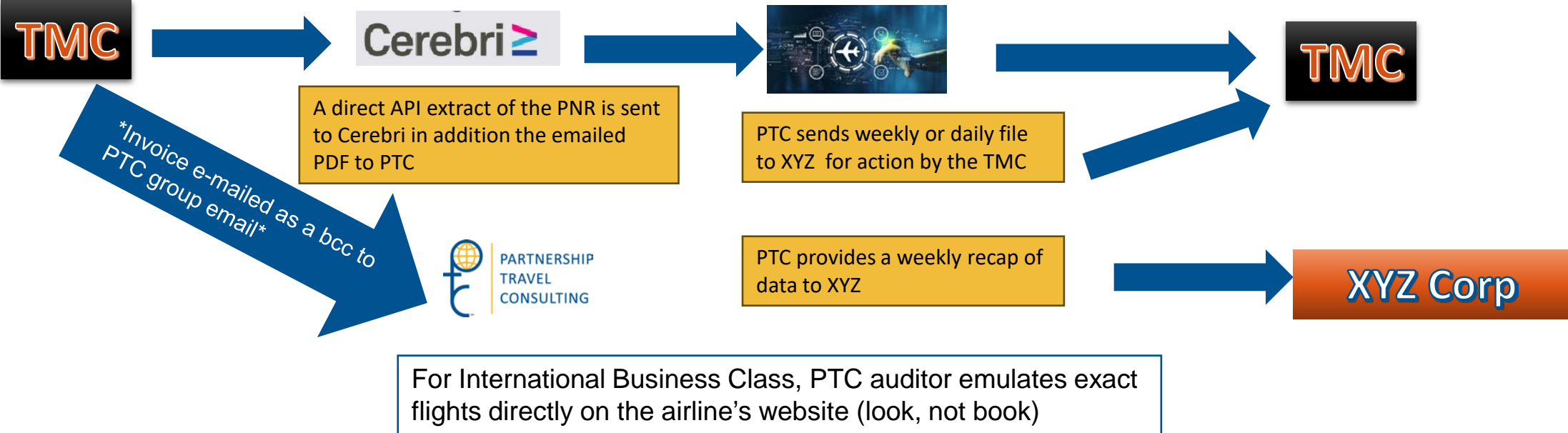
New bookings ticketed by the TMC compared against each of the corresponding Airline Websites*

- TMC will be required to send a copy of each booking within one hour of ticketing (as a bcc when sent to the traveler)
- PNRs will be audited for airfare ticketed against the exact same flights on that airline's website
- PTC will advise TMC and XYZ on a daily basis of any airfare variance (over a pre-determined amount per booking).
- XYZ will receive weekly audit results which will exclude PII but will have a referenceable PNR Record Locator for TMC (we can exclude the passenger's name)

*This is an automated process augmented by spot-auditing by our staff international business class tickets. The PTC Auditor will access the airline website anonymously and enter a search for the same flights and cabin class. There will be no reference to the traveler or XYZ as we are not "logging in". We are not looking for alternate flights or carriers, just the identical flight, date, booking class and carrier.

Channel Audit: (Non-GDS) Summary Workflow

TMC sends copies of PNR's once ticketed to PTC's partner Cerebri via API and to PTC as a PDF blind-copy identical to what the traveler receives

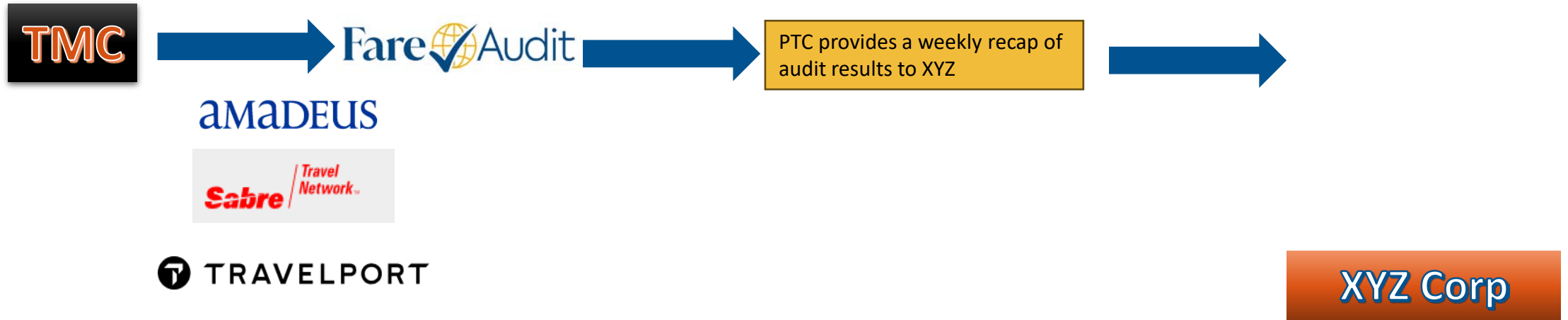


*Email group sample:
XYZtravel@partnershiptc.com



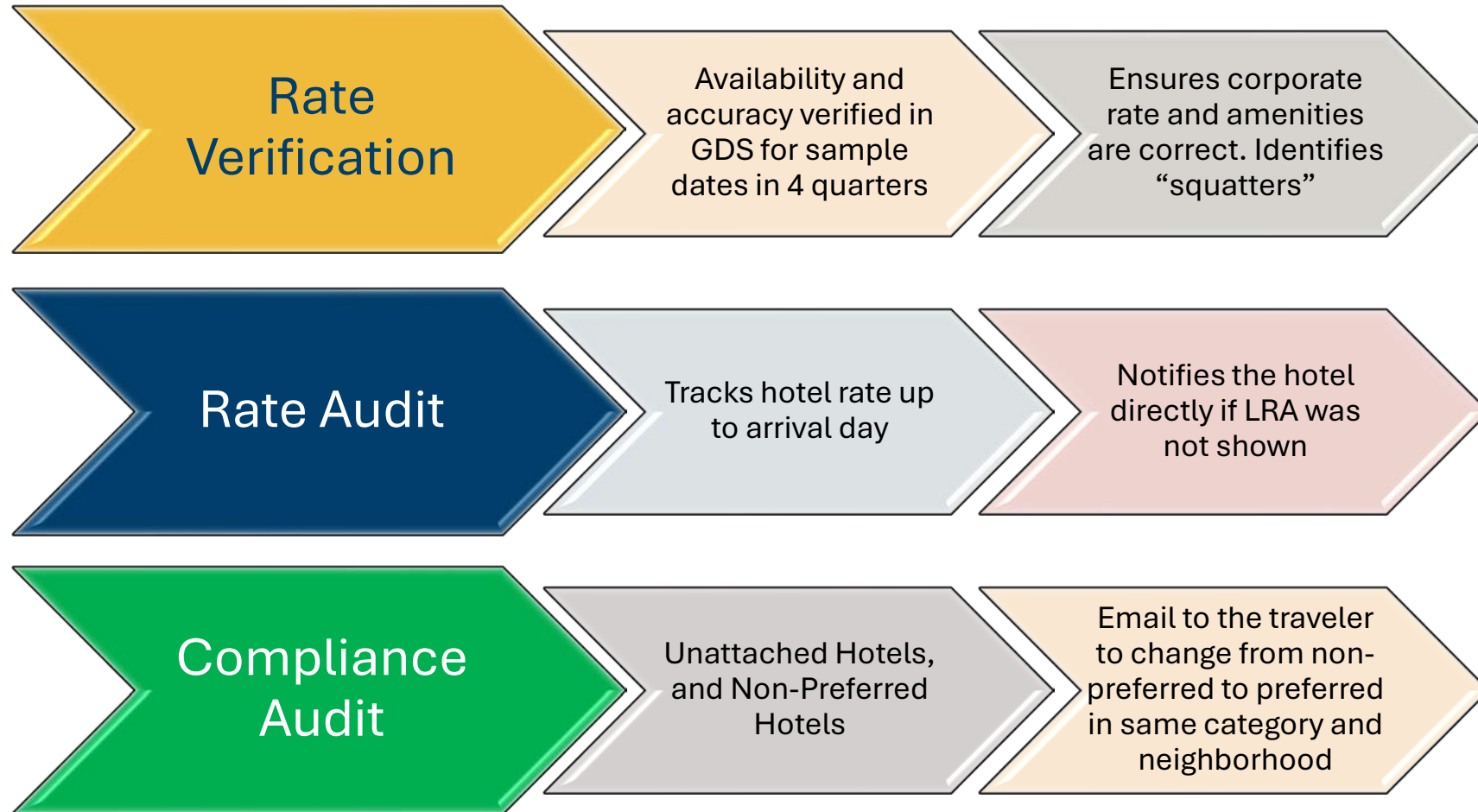
GDS Summary Workflow

TMC Queues PNR's once ticketed to Fare Audit via GDS immediately



*Email group:

XYZtravel@partnershiptc.com



Why is hotel savings at half the potential?

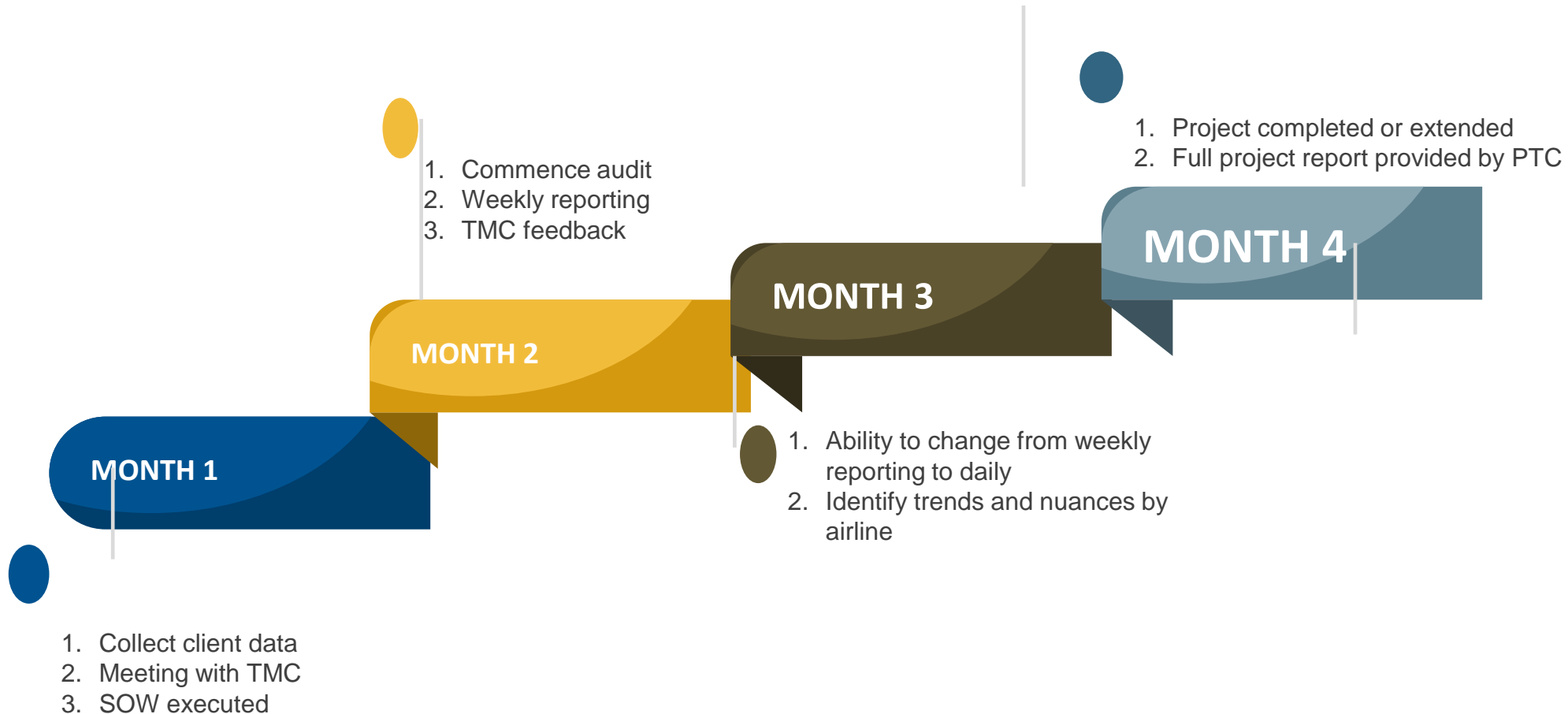
1. ~ 50% of all hotel bookings are booked through the TMC or OBT
2. In the online booking tool first screen, travelers rarely pick the lowest rate on the screen
3. The booking tool may not have been configured to show the Company net discounted rates first

Room Options	Price
Room, 1 King Bed Loyalty program benefits may not apply. Free internet. Rules and cancellation policy	\$246
Guest room, 1 King, City view - Free WiFi - Booking.com rate Loyalty program benefits may not apply. Free internet. FWIFI. Rules and cancellation policy	\$246
Room, 2 Double Beds Loyalty program benefits may not apply. Free internet. Rules and cancellation policy	\$263
Long Term Stay - Long Term Stay Rate, Guestroom, Guest Room, 1 King (Sabre) Rules and cancellation policy	\$271
Long Term Stay - Long Term Stay Rate, Guestroom, Guest Room, 2 Double (Sabre) Rules and cancellation policy	\$288
Guest room, 1 King, City view - Free WiFi - Booking.com rate Loyalty program benefits may not apply. Free internet. FWIFI. Rules and cancellation policy	\$289
Deluxe Room, 2 Double Beds Loyalty program benefits may not apply. Free internet. Rules and cancellation policy	\$290
Deluxe 2 Double Beds, Larger Guest room, 2 Double, City view - Free WiFi - Booking.com rate Loyalty program benefits may not apply. Free internet. FWIFI. Rules and cancellation policy	\$290
Room, 1 King Bed, River View Loyalty program benefits may not apply. Free internet. Rules and cancellation policy	\$299
Member Retail Rate - Member Rate Flexible, Guestroom, Guest Room, 1 King Rules and cancellation policy	\$303
Room, 2 Double Beds, River View Loyalty program benefits may not apply. Free internet. Rules and cancellation policy	\$307

Human nature would guide the employee towards the \$303 rate which is commissionable to the TMC

Audit Timeline Summary

- The audit set-up can be done in < 30 days. We would need a copy of the travel policy as well as the airline discount summaries, and negotiated hotel directory.
 - The above is not required for the airline channel audit
- GDS branch access to be set up for Fare Audit and TMC





PTC Fee Model: Transparent and Modular*

PTC will use our own Contractors (who have signed our standard Agreement and NDA) to monitor live bookings (PNRs) the same day they were ticketed. Each booking will be compared to the airfare offered directly on the airline's website for the exact same flight/dates and cabin class.

* PTC's SLA will be to audit each booking within 1-4 hours of receipt daily (excluding weekends). The audit will be 100% of all records booked via the OBT or with the TMC directly by phone or email. The audit is once per booking and is not reviewed again if changed.

PTC's proposed pricing model is simple and transparent with 2 components:

1. **Monthly project management fee**: discounted if prepaid for 3 months)
2. **Per-booking fee**: Per booking (PNR) that has airfare with a ticketed dollar amount
 - a. Re-issues of a prior ticket and leisure travel will be excluded



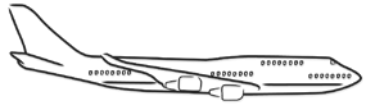
PTC Fee Model: Airline Website vs. GDS (Airfare Only)



AUDIT TYPE	TERM (MONTHS)	REPORTING FREQUENCY	EMAILS TO TMC	MONTHLY FEE	PER/PNR FEE
GDS versus airline website	3	WEEKLY	NO		
	6				
	12				
GDS versus airline website	3	DAILY	NO		
	6				
	12				
GDS versus airline website	3	HOURLY	YES		
	6				
	12				



PTC Fee Model: Airline and/or Hotel (GDS only*)



HOTEL



AUDIT TYPE	DESCRIPTION	TERM (MONTHS)	REPORTING FREQUENCY	EMAILS TO TMC	MONTHLY FEE	PER/PNR FEE
GDS Airfare Audit	Compares the airfare ticketed to the lowest available fare within the travel policy (from the GDS)	3	NEXT DAY	NO		
		6	NEXT DAY	NO		
		12	OVERNIGHT	NO		
GDS Hotel Audit	Compares the hotel booked to identify if it is not in policy and can generate an email identifying a comparable preferred hotel within close vicinity of the hotel that was booked	3	NEXT DAY	NO		
		6	NEXT DAY			
		12	OVERNIGHT			
GDS Air & Hotel Audit Bundled	Both airfare and hotel audit conducted simultaneously on the same PNR	3	OVERNIGHT	YES		
		6				
		12				

*Does not compare against airline website; but compares the airfare booked to the lowest available airfare within policy





In January of 2025, Fare Audit became a wholly-owned subsidiary of Partnership Travel Consulting, LLC (PTC). Andrew Menkes, Founder & CEO of PTC took on the additional role as President of Fare Audit, Inc.

Exhibits

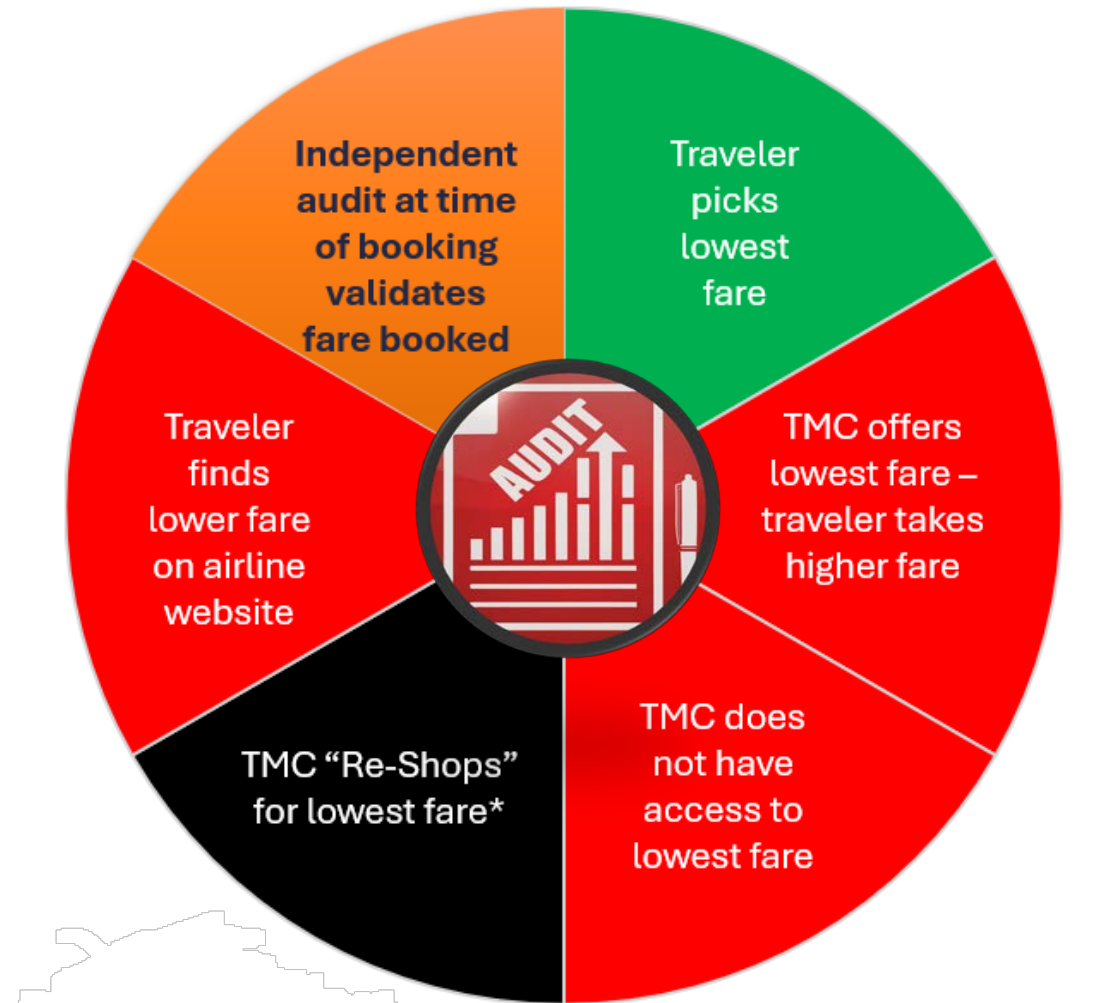
www.partnershiptc.com

www.fareaudit.com

What's the best practice to ensure your company achieves your budgeted airfare savings for 2025?

1. Assume the employee picks the "lowest logical fare"
2. Assume your TMC quotes the lowest fare
3. Assume your TMC has access to the lowest fare (including the airline website)
4. After the ticket is issued, engage a 3rd party company (or your TMC) to "Re-Shop" and share the savings achieved*

* You could end up paying the TMC or 3rd party \$1,000 for finding a lower fare the same day as booked



Fare Audit

Hire Fare Audit to review every booking BEFORE the ticket is issued to ensure that your discount was applied, or that there was a lower published fare



Actual US Domestic NDC/WEB variance January 1-31

US NDC/WEB variance

WEB AIRLINE	FARE BOOKED (\$)	AIRLINE WEB FARE (\$)	Ticket Count	Airline Web Difference
UA	\$ 180,430	\$ 157,388	65	\$ (23,042)
AA	\$ 143,334	\$ 124,470	129	\$ (18,864)
DL	\$ 29,905	\$ 24,870	22	\$ (5,035)
(blank)	\$ 27,177	\$ 24,494	15	\$ (2,683)
SQ	\$ 23,295	\$ 20,072	7	\$ (3,223)
WN	\$ 10,248	\$ 8,711	36	\$ (1,537)
LX	\$ 11,834	\$ 8,099	5	\$ (3,735)
AS	\$ 4,206	\$ 3,976	9	\$ (229)
BA	\$ 5,079	\$ 2,895	7	\$ (2,184)
CM	\$ 3,667	\$ 2,599	1	\$ (1,068)
AA/B6	\$ 2,708	\$ 2,577	1	\$ (131)
LH	\$ 1,693	\$ 1,617	2	\$ (76)
BA/AZ	\$ 1,273	\$ 1,173	1	\$ (100)
TG/CX	\$ 857	\$ 694	1	\$ (163)
AC	\$ 560	\$ 537	1	\$ (23)
UA/DL	\$ 435	\$ 415	1	\$ (19)
AS/DL	\$ 496	\$ 406	1	\$ (90)
OS	\$ 409	\$ 359	1	\$ (50)
DL/AA	\$ 366	\$ 351	1	\$ (15)
HO	\$ 595	\$ 250	1	\$ (345)
UA/AS	\$ 301	\$ 216	1	\$ (85)
AS/UA	\$ 325	\$ 195	1	\$ (130)
LG	\$ 177	\$ 164	1	\$ (14)
HA	\$ 161	\$ 155	1	\$ (6)
Grand Total	\$ 449,530	\$ 386,684	311	\$ (62,846)

Difference (%)

14%



NDC/WEB variance January 1-31

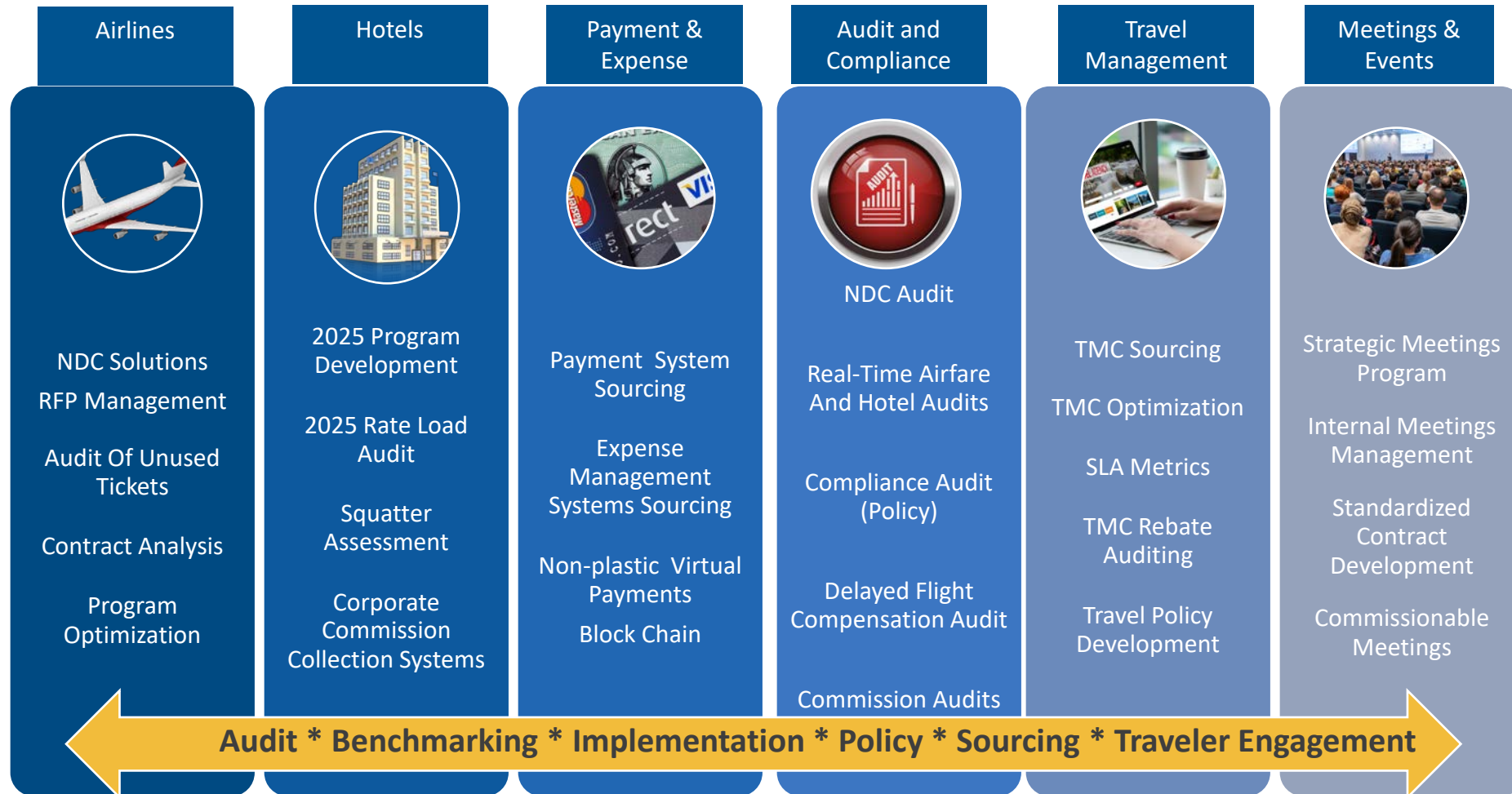
UK NDC/WEB variance

WEB AIRLINE	FARE BOOKED	AIRLINE WEB FARE	Ticket Count	Airline Web Difference
BA	£ 62,293	£ 56,203	52	-£ 6,090
KL	£ 3,877	£ 3,634	8	-£ 244
UK	£ 2,822	£ 2,597	1	-£ 225
LX	£ 6,042	£ 5,369	8	-£ 673
AZ/BA	£ 195	£ 156	1	-£ 39
AZ	£ 605	£ 510	4	-£ 95
AF	£ 314	£ 278	2	-£ 36
QR	£ 3,593	£ 3,466	1	-£ 127
LG	£ 807	£ 713	3	-£ 94
(blank)	£ 279	£ 252	2	-£ 27
KL/AF	£ 5,995	£ 5,930	1	-£ 65
CX	£ 4,014	£ 3,576	2	-£ 438
FI	£ 400	£ 310	1	-£ 90
HO	£ 629	£ 262	1	-£ 367
AA	£ 1,197	£ 1,056	3	-£ 140
CA	£ 761	£ 717	1	-£ 45
LH	£ 775	£ 742	3	-£ 34
SQ	£ 2,870	£ 1,857	2	-£ 1,013
IB	£ 10,274	£ 9,746	2	-£ 528
FZ	£ 1,023	£ 999	1	-£ 24
VN	£ 1,804	£ 1,721	1	-£ 83
EI	£ 2,842	£ 2,719	1	-£ 124
BA/LX	£ 213	£ 201	1	-£ 12
Grand Total	£ 113,625	£ 103,014	102	-£ 10,611

Difference (%)

9%

Category Expertise Summary





PTC Overview



Founded in 2000, in **New York City**, with consultants based in the U.S.LATAM, UK, EMEA and Asia Pacific



Local market expertise

Regional and Country-specific nuances



Subject matter experts in **business travel program optimization**



Business model focused exclusively on **corporate travel. We do not accept projects from suppliers**



A global consulting team who individually have **decades of consulting experience**



Have provided services to more than 30 of the **Business Travel News Corporate Travel 100***

**Annual BTN ranking of corporations with the largest T&E spend*

Global Network



APAC

Virginia Fitzpatrick
Australia



Simon Hague
Hong Kong

Suresh Makhija
India



Alexandra Fitzpatrick
Australia

Robert Norman
New Zealand



Andrew Menkes
CEO



Maureen Brady
Virginia



Bob Brindley
California



Howard Brooks
Georgia



Sophie Mokhtari
California



Betty Balli
Florida



Sam Andraos
Canada



Fernão Loureiro
Brazil

Carol Randall
United Kingdom



Brigitte Jakubowski
France



Riana Fouche'
South Africa



Winfried Barczaitis
Germany

