

## The Wire...from AirPlus July 2010: After the Ash

**AIRPLUS.** WHAT TRAVEL PAYMENT IS ALL ABOUT.



### Travel management improvements emerge from the ash of Iceland's Eyjafjallajokull volcano.

When the eruption of Iceland's Eyjafjallajokull volcano shut down European air space April 15 to 20, 2010, it stranded more than 10 million travelers across the globe. As travel management professionals know all too well, many of those stranded were business travelers—and it was their company's responsibility to provide reasonable accommodations during the crises as well as a safe return home. While most companies worked hard to live up to this responsibility, doing so came at a cost, according to a recent online poll of travel buyers and suppliers conducted by AirPlus International. With the advantage of hindsight, however, many companies are revising policy and process to reduce the impact of future transportation crises on their travel programs.

Eyjafjallajokull crippled the operations of European airlines, as well as intercontinental flights originating in countries from the United States to South Africa to Thailand. Nearly 100,000 flights were cancelled during the height of the crisis, costing airlines more than US\$2 billion. As the volcano continued to choke up ash into May, pockets of additional cancellations and delays rippled through the European airways. The full impact of the eruption on the airlines has yet to be calculated—and the same is likely for the companies whose business meetings were cancelled or postponed.

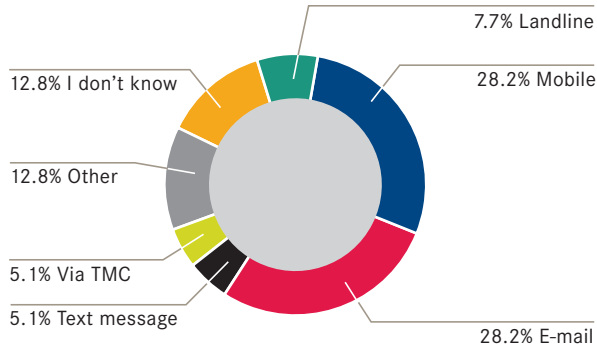
### What challenges did the Iceland Volcano eruption in April/May 2010 pose for your company's travelers/ travel program?

Productivity/business challenges due to inability to travel	48.8%
Extra travel expenses for travelers stranded abroad	53.7%
Safety and security concerns for travelers stranded abroad	31.7%
Inability to communicate effectively with travelers stranded abroad	12.2%
Inability to work effectively with TMC partner to bring travelers home efficiently	7.3%
None	26.8%
Other	2.4%

More than 73 percent of the companies surveyed by AirPlus indicated their travelers or travel management program was affected in some way by the eruption. The majority of respondents indicated that extra travel expenses incurred by stranded business travelers had a significant impact on their travel programs. While additional costs may have been the most widespread concern, respondents revealed several others.

Nearly half of survey respondents pointed to productivity challenges posed by the inability to travel, whether their employees were already on the road or potential trips and meetings had to be cancelled or postponed. For travelers who were actually stranded, survey respondents cited challenges to ensuring their employees' safety and security in the scramble to secure hotel rooms, alternate

**What was the most effective method of communicating with stranded travelers during the disruption?**



transportation or other accommodations on the ground. More than 12 percent cited communication challenges with stranded travelers, while 7 percent complained of the inability to work with their TMC partners to bring travelers home efficiently.

Communication is key during a crisis and, thanks to technology, most survey respondents (nearly 88 percent) cited adequate communications with grounded travelers. Cell phones proved essential to the effort, with 28. percent of survey respondents indicating they were the most effective method of communication. The company email address was the other essential tool, and with 70 percent business travelers now carrying smartphones, receipt of these messages was likely supported by this type of mobile device.

Still, nearly one-third of survey respondents indicated they wanted to make sure their communications plan during a crisis is more clearly defined and easier to execute. They will be revising their communications policies and procedures in response to the weaknesses in their travel programs that the volcanic eruption crystallized. Almost 15 percent will be creating or revising their safety and security policies to ensure a better response to travelers impacted by emergencies. The same percentage responded more specifically to the crisis as a transportation issue and will drive education around alternative forms of travel for emergencies. It is likely that some companies will include virtual travel alternatives, such as sophisticated videoconferencing or virtual conferencing tools as a part of this education to allow important meetings to occur even if travel options are stymied.

The largest percentage of respondents—nearly 37 percent—indicated that their companies are not taking any action in response to the ash cloud that paralyzed

**What actions has your company's travel management taken (or is it planning to take) in response to challenges posed by the volcano?**

Create or revise safety/security policies	14.5%
Implement new technology to assist in emergency travel situations	9.8%
Expand the scope of expense policies related to travel disruption	7.3%
Revise communications policies/procedures for emergency situations	29.3%
Drive education around alternative forms of travel for emergency situations	14.6%
None	36.6%
I don't know	9.8%
Other	2.4%

the European air space. While the eruption was a unique emergency in that it caused no imminent threat to travelers' personal security, corporations may take the stance that the eruption was a one-time event and that the costs incurred could not have been avoided through advance planning. For almost 63 percent of companies surveyed, however, the event was a rare opportunity to test their preparedness during an actual crisis and improve their travel programs.

**Additional Resources:**

**Air Industry Experts Discuss Volcanic Ash Lessons**

<http://www.thetransnational.travel/news.php?cid=air-industry-volcanic-ash-lessons.Apr-10.29>

**Europe Easing Air Restrictions**

<http://www.portfolio.com/business-news/2010/04/19/iceland-volcano-disrupts-air-travel-and-challenges-european-economy>

**The Days the Earth Stood Still**

<http://www.newsweek.com/2010/04/22/the-days-the-earth-stood-still.html>

Survey Methodology: For this issue of *The Wire*, AirPlus International surveyed 41 travel management professionals in North America and Europe from July 15 to July 25.

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