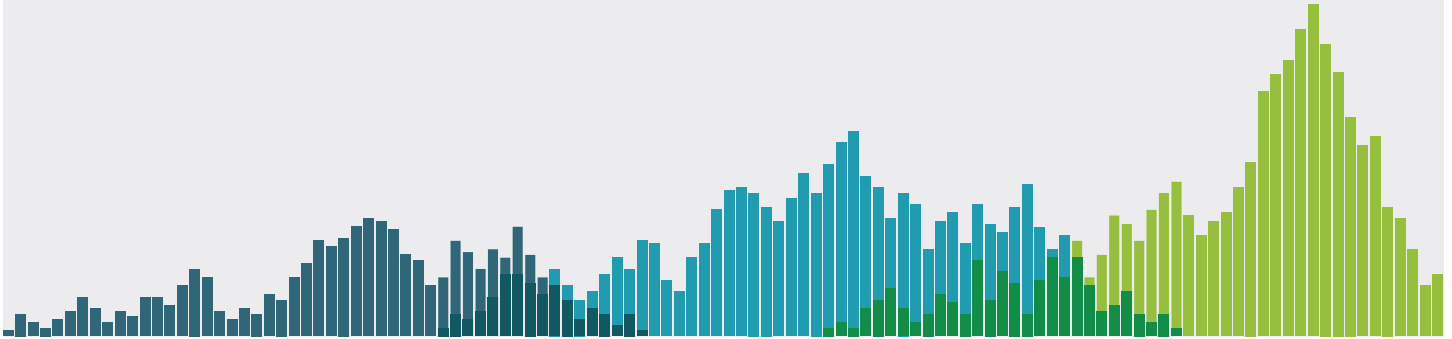


Case Study

Travel Leaders Group Realizes Business Value with ARC's Memo Analyzer

Leveraging Memo Analytics Tool Helps Leading Travel Agency Company Optimize Debit Memo Resolution



About the organization:

Travel Leaders Group is one of America's largest travel agency companies, delivering high-touch, personal travel expertise to leisure and corporate clients through more than 6,500 company-owned, franchised and affiliated travel agencies.



Challenge:

Each Travel Leaders Group brand was handling debit memos individually, which made it difficult and time consuming to uncover patterns and identify problem areas causing debit memos across the organization.



Strategy:

Leverage ARC's Memo Analyzer business intelligence tool, which provides a holistic and branch-level view of memo activity to reveal debit memo trends and anomalies. Use of this tool would allow Travel Leaders Group to develop targeted plans, process changes and training to reduce the occurrence and impact of future debit memos.



Results:

Using ARC's Memo Analyzer tool, Travel Leaders Group has improved communication with stakeholders and carrier partners, increased efficiencies around memo analysis and research, and reduced practices leading to debit memos—all which has enabled significant cost savings for the organization.

Debit memos are a burden on the travel industry community, costing entities millions of dollars annually and absorbing significant resources dedicated to dealing with and resolving memos. Agencies are issued debit memos for a myriad of reasons—many falling into the categories of commissions, fares and taxes.

ARC's Debit Memo Working Group has made great strides in aligning industry partners to tackle critical debit memo issues, which has helped reduce the overall volume since 2013. However, debit memos remain a costly and inefficient process for the industry.

Finding a Memo Analysis Solution

Travel Leaders Group, one of America's largest travel agency companies, has experienced significant growth through acquisitions, multiplying the company's challenges around debit memo management. With various back-office systems, each brand was managing their debit memos separately, which led to inefficiencies and lack of transparency. Without a holistic view of memo data, it was difficult for the company to pinpoint larger patterns and specific issues causing debit memos.

She'era Medad, financial controller for three of Travel Leaders Group brands, stated, "Debit memos have always been a challenge to manage, especially for a large business such as Travel Leaders Group. With brands handling their debit memos individually, it was an arduous, manual task to conduct analysis agency-wide."

During Travel Leaders Group's involvement in ARC's Debit Memo Working Group, Medad learned about ARC's Memo Analyzer business intelligence tool. Memo Analyzer offers a consolidated view of memo activity, revealing trends, anomalies and memo drivers to help agencies better understand performance and improvement opportunities. The tool also leverages data directly from Memo Manager, the core ARC product TLG uses for debit memo resolution.

Medad, along with Travel Leaders Group's revenue management and financial analysis teams, decided Memo Analyzer was the right solution to help the company. "Memo Analyzer was user-friendly, visual, and most importantly, offered a full picture of our memos to help us identify trends and problematic areas," Medad said. "We knew the tool could help us improve communication and streamline processes to ultimately reduce debit memos. Plus, this tool would automate memo analysis, saving us time and resources."

Memo Analyzer Tool in Action

Once Travel Leaders Group purchased ARC's Memo Analyzer solution, the company rolled out the tool to eight senior managers, representative of Tzell Travel Group, Protravel International, Travel Leaders Corporate and Nexion brands. This cross-divisional team began meeting monthly to discuss key findings and design new practices to mitigate issues causing debit memos. With the tool in place, Travel Leaders Group found that they were able to spot recurring patterns that had previously gone unnoticed. Moreover, the tool allowed them to measure improvement areas, year-over-year performance and comparison to industry benchmarks.

Memo Analyzer Helps Agencies Answer ...

- What airlines do we owe the most money to and why?
- What are the key drivers behind debit memo occurrence?
- How does our memo performance compare to the industry?
- Which airport pairs generated the most debit memos and why?
- How many days does it take us to close a memo?

Medad stated, "Being able to review the same set of data simultaneously opens the door for everyone across the company to share information on memo activity and trends more effectively. Memo Analyzer allows us to take a closer look at debit memo reasons and the business impact on the company as a whole."

Medad continued, "There is no way we could do this type of thorough analysis before. Being able to see memo patterns by airline and reason just didn't exist." The findings made it possible to proactively design agent training programs

and form new internal procedures. In addition, this allowed Travel Leaders Group to communicate with individual airlines in a timely manner about issues driving debit memos, inevitability strengthening supplier partnerships.

Business Value Realized

Memo Analyzer has helped Travel Leaders Group streamline internal processes and improve efficiencies, including reducing manual memo analysis and research efforts by a considerable amount. Most importantly, Travel Leaders Group has been able to pinpoint areas to save money by minimizing practices that result in debit memos.

"Every agency should know how much they are spending on debit memos," Medad said. "It's not just the cost of the debit memo itself, it's also the time and resources it takes to research and resolve. Debit memos should not just be an assumed cost of the business. With a tool like Memo Analyzer, the patterns and training opportunities present themselves, allowing you to see how much money you would be saving by simply doing things more accurately."

The tool offered accurate analysis with fact-based, reliable data from ARC—the same data airlines rely on. "Our experience using ARC's data and tools has been very positive," Medad explains. "The data is reliable, timely and offers trusted benchmark comparisons. Plus, ARC stays ahead of the curve by offering cutting edge analytical tools, while ensuring the data presented is meaningful to agencies."

Top 5 Actionable Steps Taken with Memo Analyzer Data

- Determine agent education opportunities on ticketing practices and processes
- Identify areas for airlines to conduct training on fare, rule or contract specifications
- Uncover contract misinterpretations on fare rules or commissions
- Pinpoint internal processes that require change or new procedures
- Communicate with airlines to remedy issues driving memos

About Travel Leaders Group:

As America's largest travel agency company, Travel Leaders Group delivers a high-touch, personal level of travel expertise to leisure and corporate clients through our more than 6,500 company-owned, franchised and affiliated travel agencies throughout the United States, Canada, the United Kingdom, Greece, Ireland and Australia. The travel agencies that are part of Travel Leaders Group alone comprise over 30% of all agencies in North America. Our team of leaders – from our expert agents to our executives -- are dedicated to delivering the best travel experience. For more information, please visit travellersgroup.com.

About ARC

The Airlines Reporting Corporation (ARC) is the premier driver of air travel intelligence and commerce in the air travel industry with leading business solutions, travel agency accreditation services, process and financial management tools and high-quality data. In 2015, ARC settled \$88.3 billion worth of carrier ticket transactions for more than 9,400 travel agencies with 13,000 points of sale. Established in 1984, ARC is headquartered in Arlington, Virginia, with offices in Louisville, Kentucky, Tampa, Florida, and San Juan, Puerto Rico. For more information, please visit arccorp.com.