

Purchasing

AUGUST 2015

B2B

Canada's Supply Management Magazine



SAFE PASSAGE

Procurement, risk and the business traveller

THE GLOBALIZED RMB

PROCUREMENT TRENDS

PH: 406/5/10 518.00

Purchasing **B2B**

fleet management

Travel Management Canada

Features

- 6 TRENDS IN PROCUREMENT**
Three questions for procurement leaders to ask.
- 12 THE GLOBALIZED RMB**
Chinese money comes of age as a trade currency.
- 14 SAFE PASSAGE**
Procurement, corporate travel and risk management.
- 32 SETTING SAIL**
E-procurement, shipbuilding supply chain among topics at SCMA national conference.



Also inside

- 5 BUSINESS FRONT**
- 10 PURCHASINGB2G**
- 7 PROCUREMENT PROFILE**
- 34 THE LAW**



18 fleet management

14 Travel Management Canada

Connect With Us Online

We encourage you to visit us online to stay in touch with what's happening in your industry and to view enhanced articles.


PurchasingB2B.ca

[@PurchasingB2B](https://twitter.com/PurchasingB2B)

[Michael Power](https://in.Michael Power)

Features



ASK MORE OF YOURSELF

Earning an SCMP designation, while a great career move, doesn't happen overnight or without challenges. Learn how one designation holder coped with those barriers.
www.PurchasingB2B.ca/features

SMART INVOICING

Companies have devoted time and resources to improving their accounts payable (AP) processes. But what do they need to succeed in this process? Read about how many such organizations are moving to e-invoicing and leveraging technology-based solutions that enable them to execute it.
www.PurchasingB2B.ca/features

PurchasingB2B Weekly eNewsletter

Sign up today for regular industry news and insights.
www.PurchasingB2B.ca/e-newsletter-subscription

Safe Passage

Procurement, risk and
the business traveller

Panel participants (l-r): Dirk Baerts, Egencia; Thomas Hudel, Esri Canada; Dr. Robert Quigley, International SOS.



By Michael Power

In today's globalized economy, business travel is gaining importance for many companies and organizations. As a result, it has become an important portfolio for procurement professionals as employees spend more time on the road. But geopolitical unrest, natural disasters like floods, earthquakes and tsunamis, along with other unexpected events, highlight the importance of preparing for potential travel risks. It's more important than ever for organizations to know where their travellers are, what risks they face and what to do should the unexpected arise.

PurchasingB2B held a panel discussion June 12 at the Supply Chain Management Association's (SCMA) national conference in Halifax to discuss issues surrounding business travel, risk and procurement's role in keeping travellers safe. Tools that procurement can use to help mitigate risks for their company and travellers, best practices, legal obligations such as duty of care and the role of mobile technology and automation were all touched on during the discussion.

Experts from procurement, risk management and corporate travel management participated in the panel, moderated by *PurchasingB2B* editor Michael Power. On the panel were: Thomas Hudel, CSCMP, manager, purchasing & accounts payable, Esri Canada; Dirk Baerts, managing director Canada, Egencia; and Dr. Robert Quigley, MD, D.Phil, regional medical director and senior vice-president of medical assistance, Americas region, International SOS.

To begin, the group discussed the risks that travellers face on the road. Regarding traveller calls that International SOS receives, Dr. Quigley broke them down into several categories. The first was "travel disruption," which includes injury, illness and man-made or natural disasters. Natural disasters can include tsunamis, volcanoes or weather instability, while man-made disasters can mean bombing, terrorism and so on.

When it comes to injuries or illnesses, vehicle accidents are among the most common. "I can't tell you how many weeks I hear the same

story—a business traveller decides to go to a meeting in the UK, flies overnight, decides they want to have that meeting the next day," Quigley told the audience. "They rent a car, drive the car and forget that the driving is on the opposite side of the road—the next call we get is that the individual is in a coma in a hospital ICU in London. And I promise you that that goes on over and over."

International SOS receives calls about travellers with fevers, he said and calls also come in related to "behavioural health," Dr. Quigley noted, where a business traveller has an undiagnosed psychological problem. When that traveller gets put in a new environment, their life gets disrupted and a condition can surface.

To that list, Baerts added a traveller not arriving at a destination, or discovering their hotel is unavailable. "There's technical risk in that," he said. "You purchase a ticket, arrive at the airport, and there's fog—missed meeting, missed revenue, missed opportunity. Or, you get to a hotel [only to hear] 'oh, I'm sorry, we're sold out.' What do you do? Especially in a remote location it's not the most fun situation to be in and pretty disruptive to your business plans."

Added to these risks is business travel's emotional nature, Baerts said. Travel disruptions can affect not only business routines but day-to-day life as well, he noted. Passengers end up stranded overseas or with no hotel and organizations must ensure there are ways out. "You can't make the weather change, but we can actu-

“Depending on your industry segment and special needs, you have to have a bespoke risk mitigation policy—not one that’s a cookie cutter approach.”

~ Dr. Robert Quigley

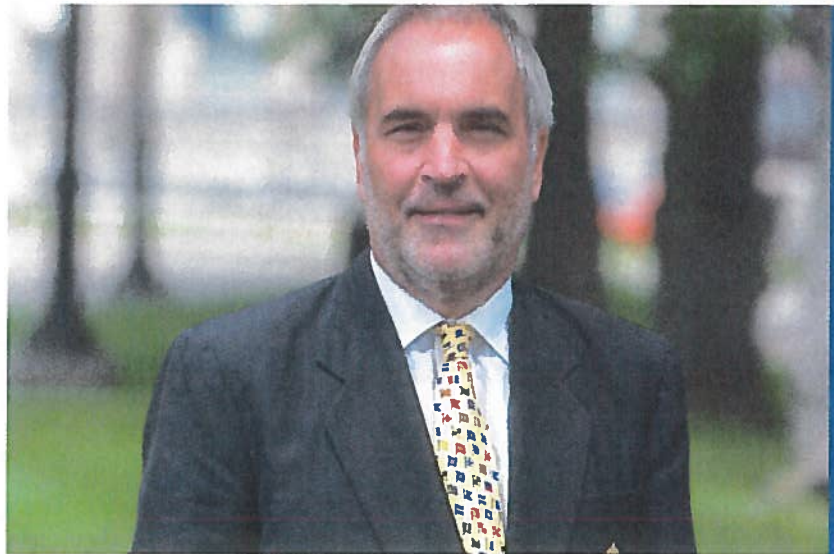
ally make sure that we know more or less what’s going to happen and where we can prevent some unforeseen circumstances,” he said.

Business travel is meant to provide a return on investment, noted Hudel. If unforeseen events prevent the traveller from meeting objectives, business suffers. And while sometimes overlooked, Hudel said, reputational risk is part of an organization’s overall risk assessment.

To mitigate those risks, Hudel encouraged companies to provide employees with detailed information about destinations, including potential political unrest, vaccinations requirements, weather conditions, driving rules, cultural etiquette and other information. “There needs to be some kind of response plan that must be rapid and decisive, managed by individuals who understand how to implement and what the protocols are,” he said.

While travel policies are important, Baerts stressed ensuring that a policy gets followed and that employees understand why the document exists in the first place. Travellers may be confused about why they must fly a certain airline or book in a certain hotel over other, possibly less expensive options, Baerts said. But it can be difficult to track employees staying in those other hotels. “We don’t know about the hotel, we don’t have the data, and that person can go off the map,” Baerts said. “There are policies to be followed but you need to explain why in order to mitigate the risks.”

Dr. Quigley stressed knowing who is traveling. The employee makeup is shifting from predominantly baby boomers to also include millennials, who can be less risk averse than their older colleagues. A travel risk mitigation policy must cater to that audience as well, Dr. Quigley said. “Depending on your industry segment and special needs, you have to have a bespoke risk mitigation policy, not one that’s a cookie cutter approach,” he said.



Duty of care

Integral to any plan to keep employees safe is duty of care, and the panel discussed the concept as it relates to business travellers. For Baerts, duty of care is an employer’s responsibility towards employees to ensure they’re safe. During travel, the workplace is extended outside of the office and employees are travelling on the organization’s behalf, he noted.

Hudel defined duty of care as “the legal obligation of a person or an organization to avoid acts of omissions likely to cause harm to others.” In Canada, Hudel noted, the Criminal Code addresses duty of care. Companies must take reasonable steps to protect workers, and penalties for failing to do so range from fines, lawsuits or criminal charges. The courts look at what the risk to the employee was and what steps were taken to mitigate risks, Hudel said. “In terms of the Criminal Code, there would need to be a marked and substantial departure from that of a reasonably prudent employer,” he said. “Charges are reserved for something that’s wanton and reckless, something that’s very blatant.” Provincial legislation also impacts duty of care, Hudel noted, with the threshold for violations less demanding than the criminal code—typically, an employer would face a fine for violations.

Procurement’s role

Procurement also plays a role in keeping travellers safe on the road, the panel noted. From a procurement standpoint, the first issue to address is whether the procurement professional is also a travel manager, noted Hudel. If the answer is yes, that person must advise the business of the risks related to duty of care. If not, then let the travel manager or travel department know about the risks involved.

As well, Hudel stressed that travel policy is only one element of the equation. Tasks need to be assigned, and employees must know who’s going to perform those tasks, when and how. “Procurement, basically, then needs to assist with the travel risk management program development,” he said. “So assist in assessing the company’s risk, developing and implementing policies and procedures, communicating and educating travellers and sharing best practices internally, as well as externally, with peers.”

Procurement can make the business aware of the need to incorporate risk management not only into policies, but a business’s practices and protocols, Hudel said. Procurement can also facilitate between

stakeholders while getting buy-in from those stakeholders. He recommended tapping the expertise of travel management companies and other experts specializing in travel risk management. "Be open to suggestions from organizations that manage this on a fulltime basis and understand what they can bring to the table," he said. "Don't hide behind policy documents and from a procurement standpoint say 'hey, I did my part, I helped develop a policy.' The common gap for procurement is not getting the knowledge that you need from external sources when you need to."

Hudel recommended procurement professionals educate themselves on travel risk management while educating stakeholders. Address the issue proactively, rather than reacting after an incident. "It's not a hindrance to business travel, but rather a two-way business requirement between employees and employers to ensure health and safety in accordance with duty of care requirements," he said.

Dr. Quigley compared travel risk management to a three-legged stool—organizations must have an ethos, an understanding of corporate social responsibility and a concept of duty of care. Duty of care isn't the sole responsibility of procurement, legal, the C-suite or any single department. "It's everybody's responsibility," he said. "So that concept of duty of care needs to be disseminated throughout any organization. It makes for a much healthier workforce."

Policy

While a risk management policy is an integral part of traveller safety, whether an organization has such a policy depends on its culture and how they regard their employees, noted Baerts. Some policies contain detailed, prohibitive rules that direct employees on what they can and can't do while travelling on a company's behalf. When such policies fail, organizations should ask whether it's a document that exists simply to protect the organization from a legal perspective, he said.

Organizations don't consider travel policies as much as they should, Hudel noted. Senior levels within an organization in particular should focus on the topic while recognizing that travel policies require more

clarity. It's an easy win for procurement to stress with the C-suite the importance of travel risk management. Doing so can help ensure program compliance. "Knowing where our employees are at all times is part of duty of care," he said. "We need to know that they're OK. We need to have a check-in process. There are a lot of different aspects to this and it's not given the attention it needs. We just assume that employees are going to send us an email and say 'hey, I'm here.' But is that enough?"

When building a travel risk management plan, Dr. Quigley agreed that organizations should avoid waiting until a crisis takes place to develop such a plan. Doing so can risk a company's reputation. Organizations should understand the locations that their employees are travelling to and whether there are risks associated. If there's civil unrest or a weak healthcare infrastructure, ensure that they're educated about potential risks.

Seasonal risks such as monsoons can affect safety. What the employees plan to do while on the road is also important; for example, work in mines, on oil rigs or places with lots of machinery can all present risk. "Finally, you have to ask yourself, 'is this a job that needs to be done on-site or is this something that can be done remotely?' I think if you look at the design of your risk mitigation program in the context of the five Ws (who, what where, when and why) it's a good starting point," Dr. Quigley said.

Hudel pointed to technology in risk management, like tracking with smart phones the location of employees. Companies must balance that ability with privacy concerns. Tracking can take place on a voluntary basis, Hudel pointed out. Employees can be required to check in periodically, and for those travelling in high-risk areas, GPS options are also available. Geo-fencing, for example, allows organizations to see in detail where an employee is.

Whatever the policy provisions surrounding privacy, Hudel stressed that there must be buy in

"You can't make the weather change, but we can make sure that we know more or less what's going to happen and where we can prevent some unforeseen circumstances."

~ Dirk Baerts



“We need to understand that knowing where our employees are at all times is part of duty of care. We need to know that they’re OK. There are a lot of different aspects to this and it’s not given the attention it needs.”

~ Thomas Hudel



from employees. “There has to be an understanding that their privacy will be respected,” he said. “But there is this requirement for understanding where they are from a duty of care standpoint to ensure that their risk is managed and mitigated.”

Ensure that partners are involved in implementing and running a risk management policy, noted Baerts. For example, when looking for a hotel in a remote area, ensure the building employs adequate safety standards. If the region is known for tsunamis, a beach hotel may not be the safest option. “Think about those things when you’re looking at suppliers,” he said. “In areas that are prone to natural disasters like earthquakes, look for airports where you have multiple carriers, so in an emergency you can get people out. Involve your travel management company at all times.

Involve your assistant company at all times—it becomes a group effort.”

Resources exist to help ensure traveller safety during a trip, said Dr. Quigley. Simple actions like visiting a family doctor or dentist for check ups beforehand are prudent, as is speaking with other employees who have already visited a destination. Assistance companies such as International SOS have medical and security subject matter experts available around the clock to counsel travellers, he noted. Without an assistance company, it’s crucial to have a point of contact within a company that travellers can call. “There’s nothing worse than having an accident or getting sick in an area that’s remote which seems to be the case with the globalization of our workforce, where you don’t speak the language, you don’t understand the culture and you don’t know where appropriate facilities are,” he said.

The panel touched on several issues related to procurement, travel and risk management to highlight the way forward for organizations to ensure traveller wellbeing. Certainly, focusing attention on mitigating risk is essential to both travel management and procurement. **B2B**

Business Travel Safety Tips

While most business trips go smoothly, unforeseen circumstances can always arise. Below is advice for dealing with potential bumps along the road.

The “Three Rs” of travel safety

The Government of Canada encourages Canadians to follow the “Three Rs” of international travel:

- Read up on safety and security, local laws and customs, entry requirements, health conditions and other key travel topics by consulting the government’s Country Travel Advice and Advisories (travel.gc.ca/advice).
- Register with the government through the registration of Canadians Abroad service before leaving Canada, so we can contact and assist you in an emergency abroad or inform you about an emergency in Canada (travel.gc.ca/register).
- Reach us at our Emergency Watch and Response Centre in Ottawa for urgent assistance while abroad (travel.gc.ca/emergencies).

If you travel frequently, it’s wise to arrange for regular medical check-ups and a pre-travel health assessment before leaving.

Avoiding accidents and injuries

Traffic accidents are the most common cause of death among travellers under 50 years of age. Reduce your risk by taking the same precautions you would at home and by being aware of local traffic laws.

- Make sure you have travel health insurance coverage for both illness and injuries sustained in accidents.
- Get information about traffic regulations, vehicle maintenance practices and the road system of the countries you’ll be visiting.
- Before renting a car at your destination, check the tires, seat belts, spare wheels, lights and brakes.
- Don’t get into a vehicle if you think the driver may have been drinking or taking drugs.

For more information or to get free copies of the Government of Canada’s free travel health booklet, visit travel.gc.ca/publication.

Source: *The Public Health Agency of Canada and Foreign Affairs, Trade and Development Canada.*