



# CFE Mexico Case Study



**Comisión Federal de Electricidad (CFE)** is a nationalized provider of generation, transmission and distribution of electrical power services to 26.4 million customers in Mexico. The company has 87,000 employees throughout Mexico, all of whom are considered potential business travelers.

## Challenge

With offices in every corner of Mexico, domestic travel is a significant expenditure at CFE. Before implementing an online solution, CFE didn't have visibility into its total travel spend and the task of making travel reservations was completed exclusively over the phone – a time-consuming and costly process. Seeking to increase efficiency and savings, as well as provide a user-friendly solution to its travelers, CFE decided to deploy online booking technology.

## Solutions

In the first quarter of 2008, CFE became the first government company in Mexico to deploy an online booking solution, choosing GetThere as its travel decision management platform.

CFE Travel Services Manager Salvador Valerio took a unique approach with GetThere's rollout. Looking to deploy GetThere to half of the company in year one, Valerio targeted an initial group of 120 travel arrangers. The arrangers handled 60 percent of CFE's branch office locations representing 45 percent of company's total travel spend.

"It's one thing to educate a relatively large group about a new solution and gradually grow its use," said Valerio. "It's another to get the group to embrace it wholeheartedly."

Valerio accomplished his goal by using an incentive-based strategy. If arrangers used GetThere for at least 80 percent of their bookings, Valerio pledged to relieve them of other back-office responsibilities that many considered tedious in nature. "These activities took up a great deal of their time," said Valerio. "They liked the idea of only having to manage the online reservation process."

To support Valerio's ramp-up strategy with arrangers, the CFE travel team held regional training meetings with arrangers to discuss the GetThere platform and learn how quickly they could optimize the online solution to drive compliance and savings across the travel program. Arrangers also learned more about the intertwined connections between CFE's online site, travel agency and the Sabre GDS, which the agency used to facilitate quality control and fulfillment. CFE's agency also works with Sabre Travel Network to ensure the shopping and booking of negotiated rates and lowest available fares for all travelers.

No Boundaries. Just GetThere.

## CFE by the Numbers

- > 90 percent online adoption
- > 17 percent savings on total travel spend
- > 5.6 percent savings on average ticket price
- > \$9 million USD in travel spend on GetThere
- > 1,774 average trips taken per month (booked on GetThere)

## Results

The arrangers got the message. With half of the company implemented in 2008, CFE reached 90 percent online adoption among this segment. The figure is far above GetThere's Latin America customer average of 71 percent adoption\*\*, proving CFE's commitment to moving travel bookings online vs. traditional agent booking. In 2008, CFE averaged 1,774 trips monthly (booked online).

CFE's widespread adoption paid immediate dividends, especially in a year that will be remembered for the start of a global economic downturn. Average ticket price for air fell by 5.6 percent compared to 2007. This proved to be a particularly noteworthy achievement on many fronts.

In 2007, the Mexican government attempted to subsidize travel agencies by mandating that government companies must use a travel agency to manage their travel needs. At the same time, government travel budgets were reduced, meaning CFE had to maintain its same travel volume with less money and by booking airfares through a third party. Despite these obstacles, CFE was able to meet its savings goal in 2008 through its widespread use of GetThere.

Furthermore, thanks to GetThere's diverse functionality and CFE's increased ability to manage reservations, policy compliance and suppliers online, **CFE cut total travel spend by 17 percent.** Valerio points to the reduction in cancelled trips and those associated costs as a strong indicator of GetThere's impact.

Additionally, CFE enjoyed a newfound flexibility with airline carriers. Travelers previously had only one choice to fly, and now they have several. "We reduced a lot of bad practices simply by using GetThere," Valerio said.

## Implications

The first goal Valerio has set forth for 2009 is to finish implementing the entire company on GetThere. CFE has also begun discussions on bringing hotels under its online umbrella, which would open new opportunities for savings.

With a goal of reducing costs by 20 percent this year, the company plans to activate more GetThere features like Unused Ticket Messaging, which alerts users at the point-of-sale of any unused tickets their travelers have available. As CFE looks to grow its travel program in new and inventive ways, it will also explore building a separate GetThere leisure site as a special reward for employees.

CFE's principle initiative this year is to consolidate all travel through one agency. This move will give Valerio much more control and visibility into the travel program, as well as a greater ability to reduce costs.

"It is the first time a large government company in Mexico will manage their entire travel volume through one contract, where the whole company will benefit from consolidating, even down to the smallest offices," Valerio said.