THE STRATEGICALLY SUSTAINABLE BUSINESS TRAVEL PROGRAM

BUILT WITH CARBON-ACCEPTABLE AIRFARES

cytric easy by amadeus

tClara

TRAXO

JUNE 2024

The gravity of the matter is becoming clear: traditional goals and methods for managing business travel are no longer sustainable. A new paradigm is not just a suggestion; it's a necessity.

Why? Traditional travel management focuses on reducing the cost of travel, which enables more low-value trips and increases carbon emissions. Low prices and cost savings can no longer be the top priorities in a carbon-sensitive world.

This white paper introduces a promising new paradigm for those seeking to manage business travel in a long-term, strategically sustainable manner. This innovative approach is designed to reduce the number of low-value trips, increase the ROI on travel budgets, and improve traveler well-being, all while significantly curbing business travel emissions.

Key features of this paradigm are its use of the value-based carbon intensity metric and its call for an annual reduction of 8% in business airfares' carbon intensity. These features are aligned with requirements from the Science Based Targets initiative and the European Sustainability Reporting Standards.

The Strategically Sustainable Business Travel Program

By Scott Gillespie, Industry Advisor at tClara

In This Report

1. Executive Summary

Managing business travel in a long-term, strategically sustainable way requires adopting four integrated strategies (Fig. 1) and using carbon-acceptable airfares (Figs. 11, 12) for the next 25 years.

Airline trips account for roughly 90% of business travel emissions. This paper presents a paradigm for eliminating low-value business trips and significantly decarbonizing the remaining flight-based trips.

Key findings from tClara's recent survey of 410 US-based executives and managers responsible for approving business trips include:

- Executives identified their companies' three top travel-related goals (Fig. 10)
  - Achieve more successful business trips
  - Protect the health and well-being of our travelers
  - Reduce our travel-related carbon emissions
- 20% to 33% of business trips are low-value or safely replaceable by virtual meetings (Fig. 2)
- Roughly 80% of executives agree that companies should build a culture of challenging the need for travel, and their travel budgets are not aligned well with their company's strategic goals (Figs. 3, 4)
- Over 50% of respondents said their travelers don't care about a flight's carbon emissions (Fig. 6)
- Carbon taxes and paying airlines to use Sustainable Aviation Fuel (SAF) are unpopular methods for reducing business travel emissions (Figs. 7, 26)
- Executives say, "What is the expected ROI of this trip?" is the best question for deciding to approve a business trip (Fig. 16; see Fig. 34 for tClara's pre-trip ROI formula)
- Over 80% of executives and managers agree that travelers should be asked if a trip poses any concerns about their well-being (Fig. 21)
- 46% of executives and managers think their companies will shift toward more virtual meetings; just 16% foresee a shift to more in-person meetings (Fig. 22)

These and other findings helped shape this paper's innovative approach to managing business travel in a strategically sustainable way. To achieve this goal, executives must constantly:

FIG. 1

1	**Purchase Carbon-acceptable Airfares**	Because other airfares are not strategically sustainable.
2	**Challenge air travel's value**	To eliminate low-value trips and their emissions, align business travel with strategic business goals, and ensure a justifiable ROI on the travel budget.
3	**Invest in traveler well-being**	Because successful trips require willing and able travelers.
4	**Improve virtual and in-person meetings**	To eliminate more lower-value trips and to make higher-value trips more successful.

This powerful approach depends on basic economic principles, disciplined decision-making, and modest innovations in corporate travel booking tools. Many of its elements can be implemented now; others may take a year or two.

Companies committed to managing business travel in a carbon-responsible way should take seven steps to explore the merits of this method. (Page 37, The Path Forward)

This approach will benefit from—but does not depend on—airline decarbonization gains. Here, companies fully control their business travel decarbonization destinies.

ABOUT THE SURVEY DATA - INPUT FROM BUSINESS TRAVEL'S DECISION MAKERS

tClara designed a survey to elicit the views of those who decide whether or not a business trip should be taken. Responses were collected in April 2024 by a market research firm from its business-to-business panel of US-based managers and executives from a wide variety of for-profit organizations.

Each of the 410 qualified executives and managers works at a firm that employs at least 500 people; the average is 3,800. The average respondent manages about 30 employees and has approved an average of 10 to 15 business trips in the last six months. Each respondent passed all three red-herring (quality control) questions embedded in the survey.

"Executives" are those with the titles of President, Partner, CFO, C-suite, Executive VP, Senior VP, or VP. "Managers" are those with the titles of Director, Senior Director, Managing Director, General Manager, Supervisor, Manager, or Senior Manager. "Executives and managers" refer to the combined set of 174 executives and 236 managers.

2. What's Wrong With The Status Quo?

The art of managing business travel is thirty years old.

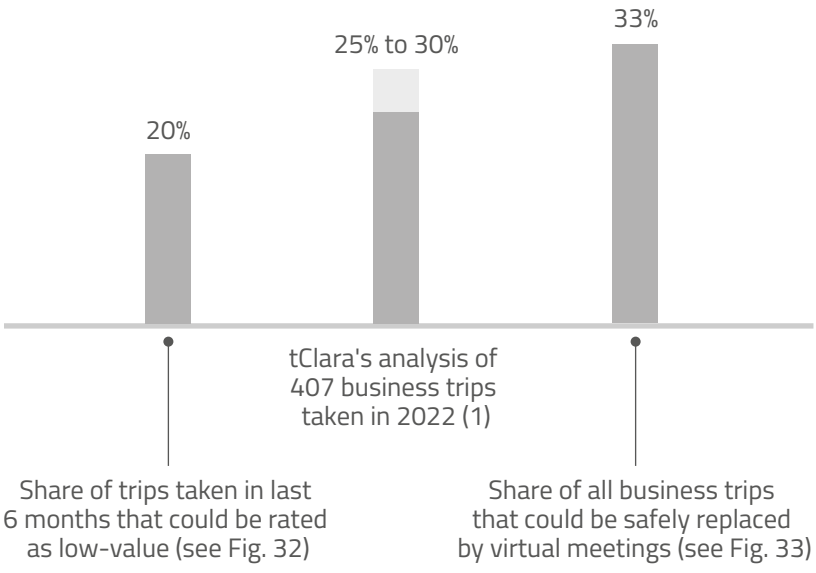
Its traditional mission is to keep costs low, provide a duty of care to travelers, and ensure compliance with travel policies. As carbon-intensive travel becomes a major concern, we must realize that this 30-year-old approach will not work.

20% TO 33% OF TRIPS ARE LOW-VALUE OR REPLACEABLE

Previous research by tClara found that 25% to 30% of US business trips were low-value. Executives polled in this study estimate that, on average, 20% of all trips taken by their company in the last six months could be rated as low-value. The same group estimates virtual meetings could replace 33% of all business trips. If business trips were a product, such a high scrap rate would set off alarms.

FIG. 2

Estimates of low-value and replaceable business trips



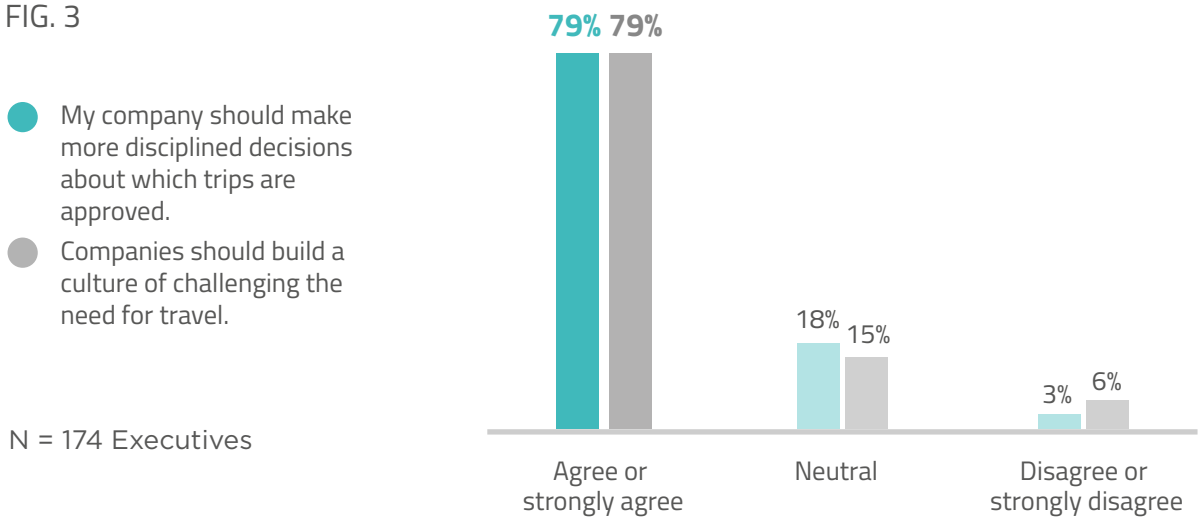
(1) tClara whitepaper, "The Justified Business Trip," April 2023

The lower the airfare, the easier it is for travelers and their managers to justify taking low-value trips. Low-priced airfares are counterproductive in a carbon-first travel program.

TRAVEL DECISIONS NEED MORE DISCIPLINE

Low-value trips should be considered a high-priority problem for every business travel program. Executives are receptive to addressing this issue. Nearly 80% of executives say that 1) companies should build a culture of challenging the need for travel and 2) their companies need to make more disciplined decisions about which trips are approved.

FIG. 3



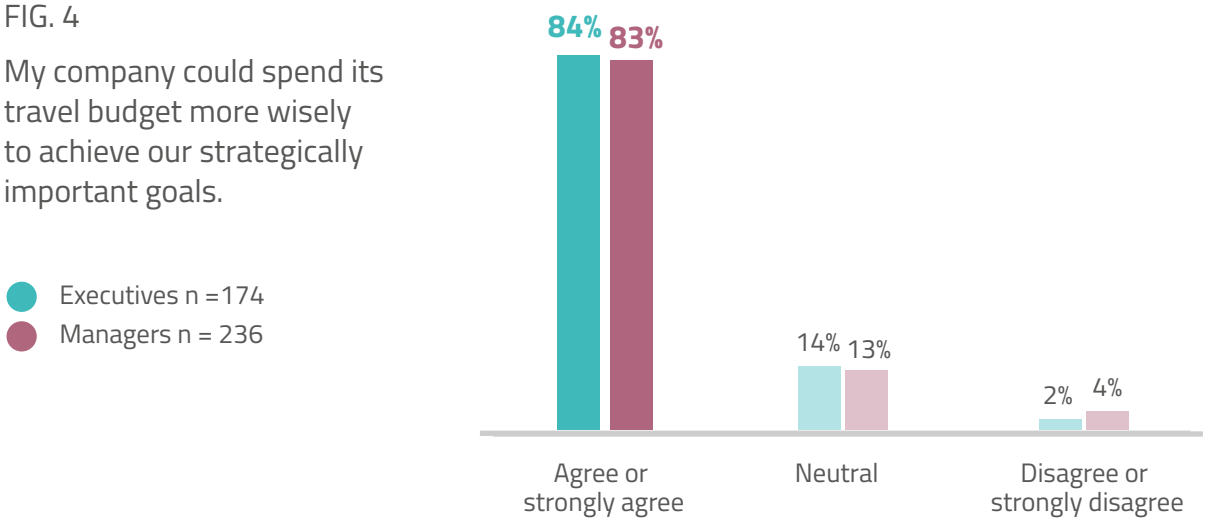
TRAVEL BUDGETS ARE NOT ALIGNED WITH STRATEGIC GOALS

Very few companies do a good job of clearly linking business trips to important business goals. Those companies that use a pre-trip approval system typically focus on cost and policy compliance. If captured at all, the trip's purpose is stated in broad terms, such as "internal."

No wonder more than 80% of executives and managers agreed that their companies could use their travel budgets more wisely to achieve their strategically important goals.

FIG. 4

My company could spend its travel budget more wisely to achieve our strategically important goals.



LOWER-COST AIRFARES CAUSE HIGHER EMISSIONS

Everything else being equal, lower airfares allow more trips to be taken from a travel budget than if the airfare prices were higher. More trips taken mean more carbon emissions.

FIG. 5a

Travel policies reduce ticket prices

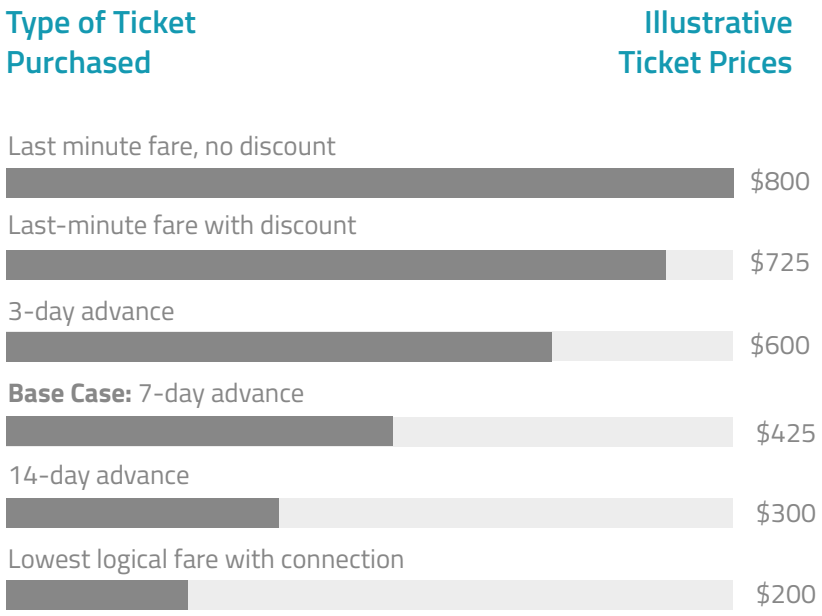


FIG. 5b

Lower prices mean more tickets are bought

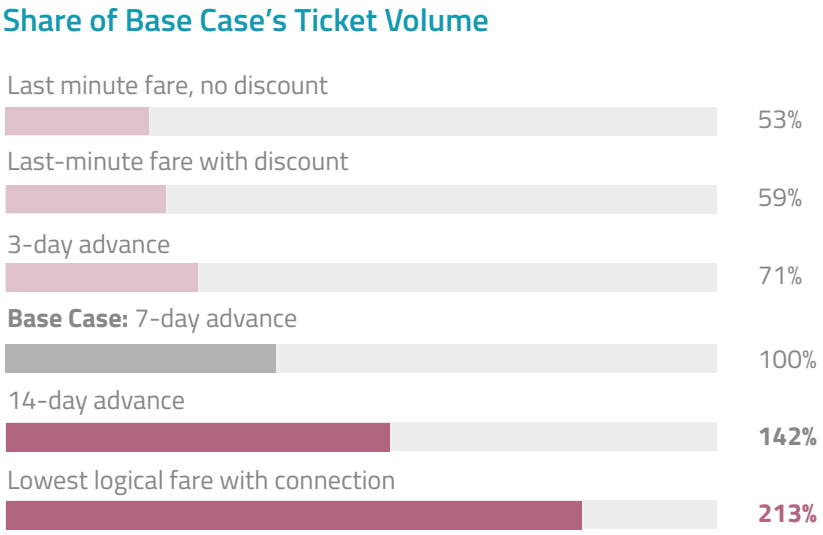
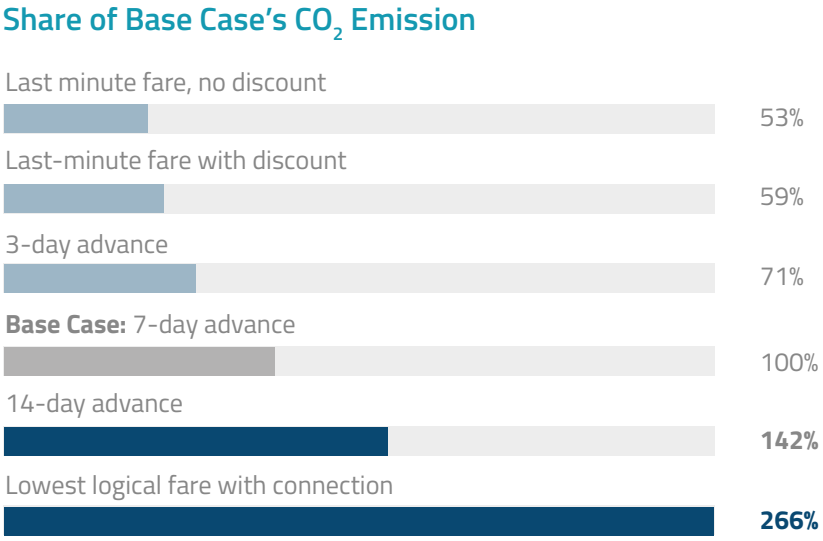


FIG. 5c

More tickets mean higher total CO_2 emissions



Further, as airfare prices come down, so does the value needed from business trips to justify their cost. Lower prices enable lower-value trips, while higher airfares help prohibit them.

In a carbon-sensitive world, the airfare's price matters. This is why companies must focus on a ticket's ratio of carbon emissions to its price, aka the ticket's value-based carbon intensity.

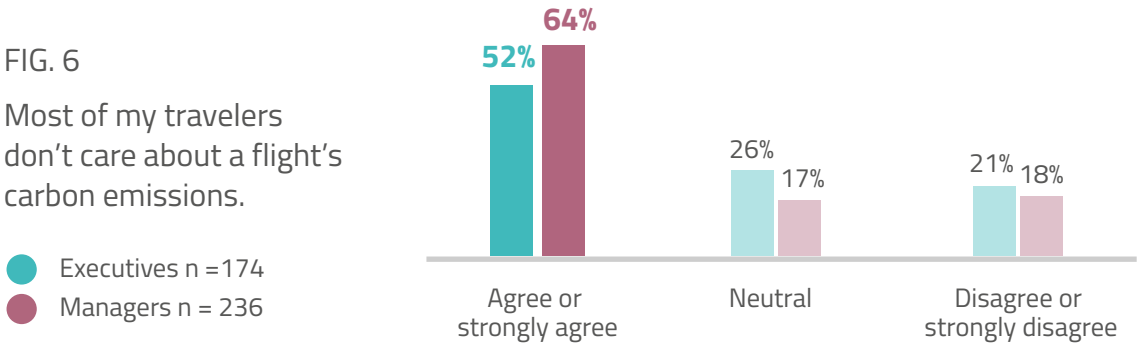
Companies must choose between low-cost and low-carbon-intensity policies. Today, it is not possible to achieve both.

MOST TRAVELERS DON'T CARE

Most executives and managers say most of their travelers don't care about a flight's carbon emissions. This finding underscores the need to explain the rationale for reducing business travel emissions and for senior management to "walk the talk."

FIG. 6

Most of my travelers don't care about a flight's carbon emissions.



SUSTAINABLE AVIATION FUEL AND CARBON TAXES ARE UNPOPULAR SOLUTIONS

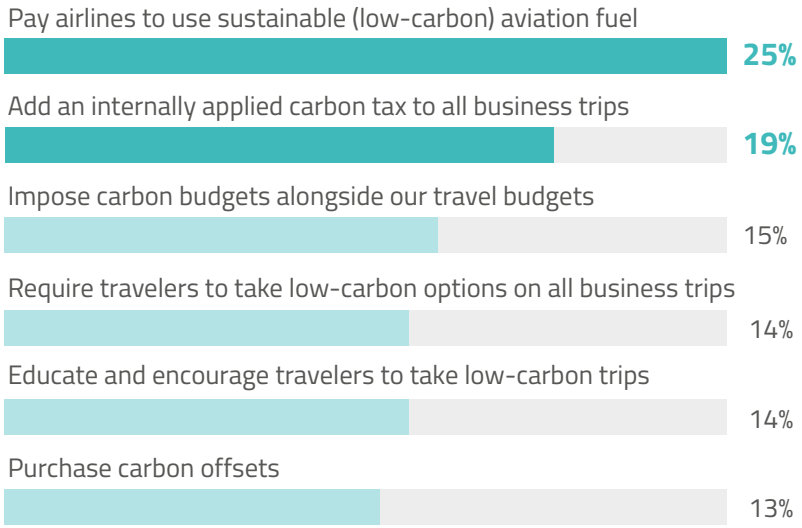
The aviation industry has high hopes that sustainable aviation fuel (SAF) will help lead to near-zero emissions. Some corporate travel programs apply internal carbon taxes to fund purchases of SAF and carbon offsets. While these solutions have strong support from some of the world's largest companies, they are not popular among the managers and executives surveyed for this study.

The two least preferable methods for reducing business travel emissions among all executives and managers are applying carbon taxes and paying airlines to use SAF.

FIG. 7

Which method would you **least** prefer your company use to significantly reduce its business travel carbon emissions?

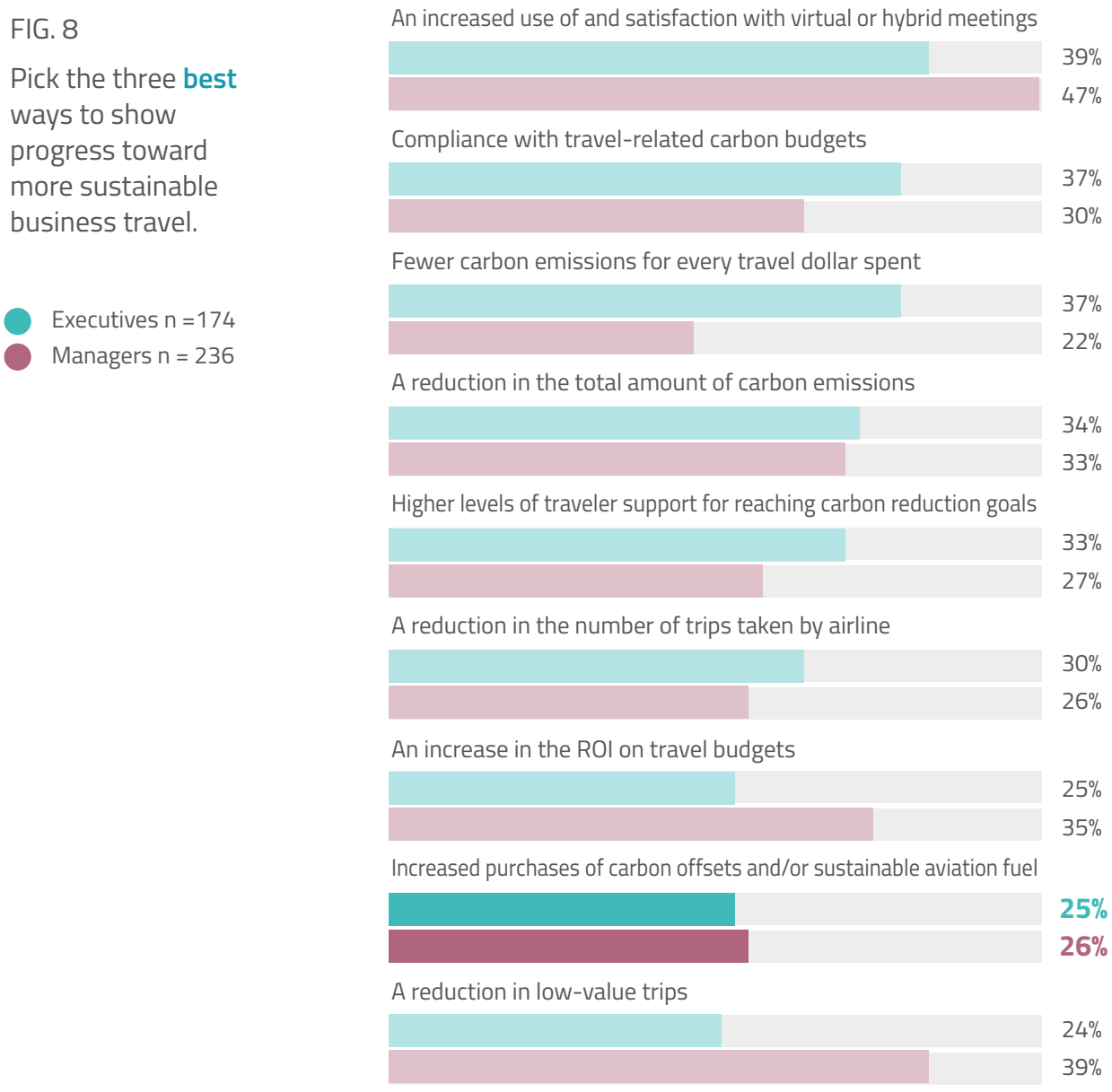
N = 174 Executives



Executives and managers said “Increased purchases of carbon offsets and/or sustainable aviation fuel” was the second least popular of nine options for showing progress toward more sustainable business travel.

FIG. 8

Pick the three **best** ways to show progress toward more sustainable business travel.



Traditional methods for managing business travel were not designed to reduce low-value trips nor bring travel emissions to near zero. Doing so requires a fundamentally different approach. Executives need a clear definition of this goal, its business logic, and an effective long-term strategy to achieve it.

3. What's the New Goal?

Like many others, the aviation industry has set an ambitious goal of achieving net-zero emissions by 2050. About 90% of business travel emissions come from airline travel.

The strategically sustainable business travel program's goal is to reduce the value-based carbon intensity of its air travel spend by at least 8% each year, reducing its 2019 level by at least 92% by 2050.

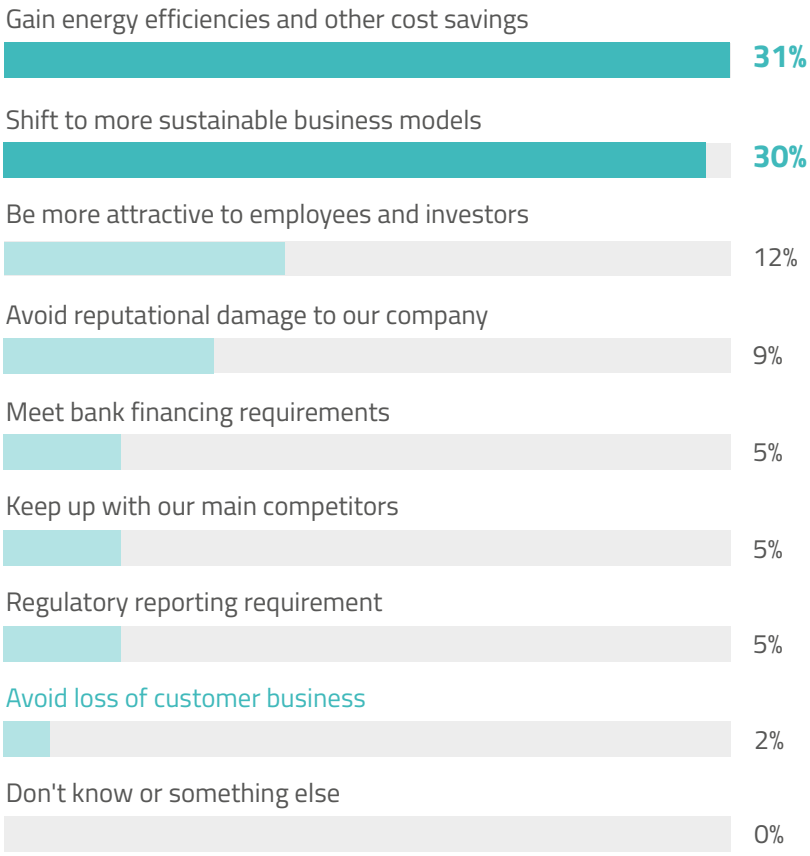
WHY COMPANIES HAVE CARBON REDUCTION GOALS

Three-fifths of executives said the most important reason their firms have a carbon reduction goal (not specific to travel) is to gain energy efficiencies and other cost savings (31%) or shift to a more sustainable business model (30%.) "Become more attractive to employees and investors" came in a distant third (12%)

FIG. 9

Pick the most important reason why your company has a carbon emissions reduction goal.

N = 174 Executives



Linking operational benefits to carbon reduction makes for compelling business logic. Corporate goals and operating requirements must similarly ground a sustainable travel strategy.

CORPORATE TRAVEL-RELATED GOALS

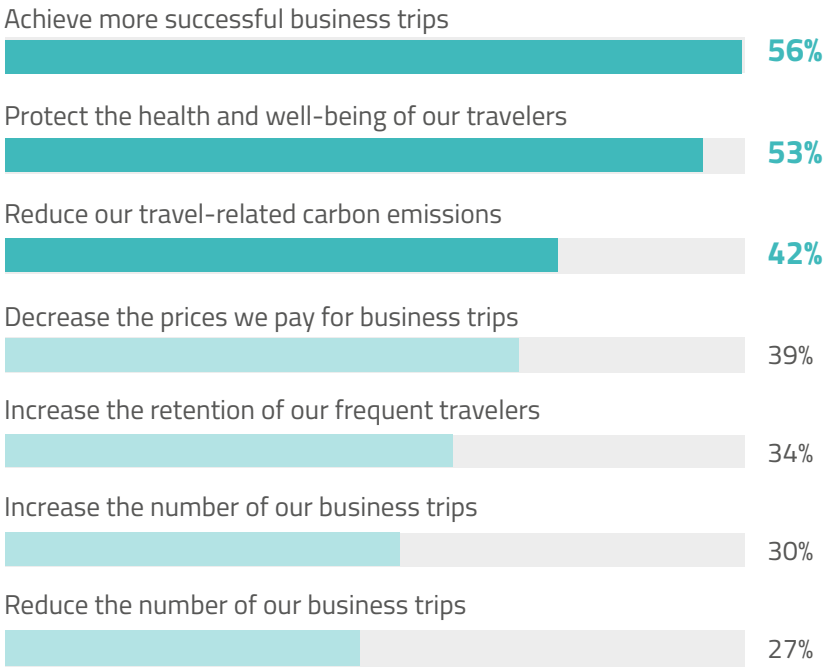
When executives were asked about their travel-related priorities, the most popular answers were:

1. More successful trips (56%)
2. Protect traveler health, safety, and well-being (53%)
3. Reduce travel-related carbon emissions (39%)

FIG. 10

Choose the three most important travel-related goals for your company.

N = 174 Executives



These three goals, along with improving meetings, are central to this paper's approach to managing travel in a strategically sustainable way. Pursuing these goals will require strong executive commitment and a shift in middle-management thinking about cost, carbon emissions, and value.

This paper's thought-provoking solutions will not be cheap or easy, but they should intrigue executives at every carbon-sensitive company.

4. A 25-year-long Glide Path to Near-Zero

The business travel industry will not be sustainable from a climate perspective until it produces net zero emissions.

This is unlikely to happen before 2050, the year the aviation industry has set its goal to become a net zero carbon emitter.

For business travel to be considered strategically sustainable, it must decarbonize itself by 2050 using a 25-year-long glide path of annual reductions in value-based carbon intensity. This approach gives business travel stakeholders clear targets for measuring progress toward its decarbonization goal.

THE VALUE-BASED CARBON INTENSITY METRIC

The European Sustainability Reporting Standards require organizations to report their Scope 3 greenhouse gas emissions in the form of CO_2e kg per net turnover (aka revenue), e.g., 1.00 CO_2e kg per dollar. This value-based carbon intensity metric is used by this paradigm.

In 2019, the average well-to-wake carbon intensity for American, Delta, and United was 1.19 CO_2 kg per net revenue dollar. Decreasing this value by 8% each year before inflation will result in a 92% reduction by 2050.

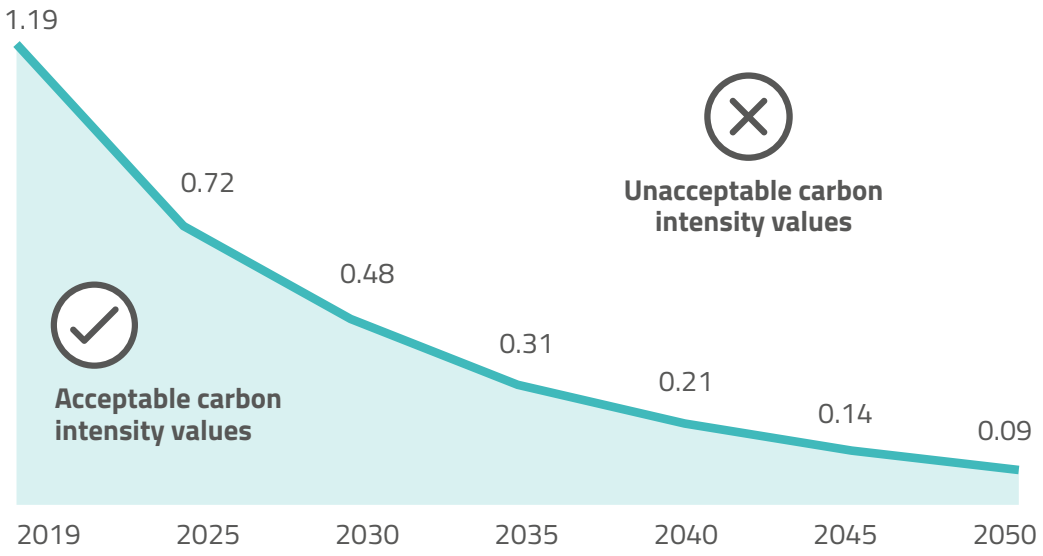
Any airfare with a carbon intensity value at or under the blue line in Fig. 11 is carbon-acceptable. These carbon intensity targets serve as a litmus test for carbon-acceptable airfares and business travel programs.

For context, the Science-based Targets initiative (SBTi) requires that near-term Scope 3 reduction goals, including business travel, reduce carbon intensities by 7% per year for short-term goals and 10% per year for long-term goals. The European Sustainability Reporting Standards require airlines to report their energy intensity per net turnover (ESRS E1.40–42.) Other companies will be required to report their Scope 3 greenhouse gas emissions using a value-based

carbon intensity metric, e.g., 0.72 CO_2e kg per net revenue dollar (ESRS E1.53–55 and AR53–AR55.)

This 8% annual reduction will be achieved by airlines reducing their carbon intensities and companies buying more expensive but less carbon-intensive airfares. Companies will need to generate nearly all of the 8% annual reductions in the early years; the airline industry's carbon reductions will not likely be significant until the mid-2030s or later.

FIG. 11 **STRATEGICALLY SUSTAINABLE CARBON INTENSITY TARGETS FOR BUSINESS AIRFARES.** Well-to-wake CO_2e kg per net revenue dollar unadjusted for inflation.



5. The Power of Carbon-acceptable Airfares

All airline trips have a price that justifies their carbon emissions.

This carbon-acceptable price is a function of the trip's carbon emissions and a sustainably acceptable carbon intensity value (See Fig. 11.)

In a net-zero world, an airline trip would have no net carbon emissions. Since the ideal carbon intensity value is zero, smaller carbon intensity values are better for the climate.

RECOGNIZING A CARBON-ACCEPTABLE AIRFARE

Aviation emission calculators such as the **Travel Impact Model** administered by Google make it easy to determine the carbon emissions for most flight itineraries. The 25-year-long glide path provides strategically sustainable annual carbon intensity targets. These are the two ingredients for finding a flight's carbon-acceptable price.

FIG. 12 **HOW TO DETERMINE A CARBON-ACCEPTABLE AIRFARE PRICE**

Example: Seattle to Denver round trip in Economy

1. Estimate the ticket's carbon emissions in kilograms — **280 CO_2e kg**
2. Divide the emission quantity by the strategically sustainable carbon intensity value — **0.72 kg per $**

= **$390** Before taxes and fees

Any net airfare at or above this price in the Economy cabin is carbon-acceptable.
Need a lower price? Find a ticket with lower emissions.

FOCUS ON THE TICKET PRICE DENOMINATOR

Carbon-acceptable airfares will almost always be more expensive than low-cost fares for any given trip.

The carbon intensity value declines when the numerator (the amount of CO_2e) shrinks or the denominator (net revenue or net ticket price) grows. There is much more room at the ticket level to increase the denominator, i.e., choose a higher-priced ticket, than to shrink the numerator.

Executives committed to strategically sustainable business travel air travel will need to endorse the benefits of higher airfare prices, including:

REDUCING THE TICKET'S CARBON INTENSITY

MAKING LOW-VALUE TRIPS HARDER TO JUSTIFY

BUYING HIGHER QUALITY, MORE CONVENIENT, AND MORE FLEXIBLE TRAVEL

Companies will ensure the strategically sustainable decarbonization of their air travel spending by requiring their travelers to buy carbon-acceptable airfares.

IT'S OK TO FLY BUSINESS CLASS

Notably, carbon-acceptable prices exist for travel in all cabins—economy, premium economy, business, and first-class—and by private jet. Carbon-sensitive corporate travel policies can allow travel in premium cabins and private jets if the price is carbon-acceptable and the trip's expected ROI is sufficient.

Below are examples of carbon-acceptable airfares in several domestic and international markets.

FIG. 13 **CARBON-ACCEPTABLE ROUNDTRIP NET AIRFARES**
Based on a carbon intensity value of 0.72 kg per dollar - Rounded to nearest $100

		Economy Cabin	Premium Economy, Short Haul	First Class, Short Haul	Premium Economy Long Haul	Business Class, Long Haul	First Class, Long Haul	Private Jet
Cabin CO_2e Multiplier Factor		1.0	1.0	1.5	1.5	4.0	5.0	11
City Pair	**Est. CO_2e kg**							
New York - Chicago	220	$300	$300	$500				$3,400
Dallas - Washington, D.C.	300	$400	$400	$600				$4,600
Chicago - Los Angeles	440	$600	$600	$900				$6,700
Atlanta - Seattle	600	$800	$800	$1,300				$9,200
New York - London	900	$1,300			$1,900	$5,000	$6,300	$13,800
Chicago - Frankfurt	1,130	$1,600			$2,400	$6,300	$7,800	$17,300
San Francisco - Paris	1,500	$2,100			$3,100	$8,300	$10,400	$22,900
Seattle - Shanghai	1,800	$2,500			$3,800	$10,000	$12,500	$27,500

Source: tClara analysis of Google Flights average CO_2e kg per roundtrip flight in Economy; private jet fares are based on publicly available jet fuel consumption data, estimated seating capacity, and estimated load factors.

WORST-CASE TO BEST-CASE AIRFARE IMPLICATIONS

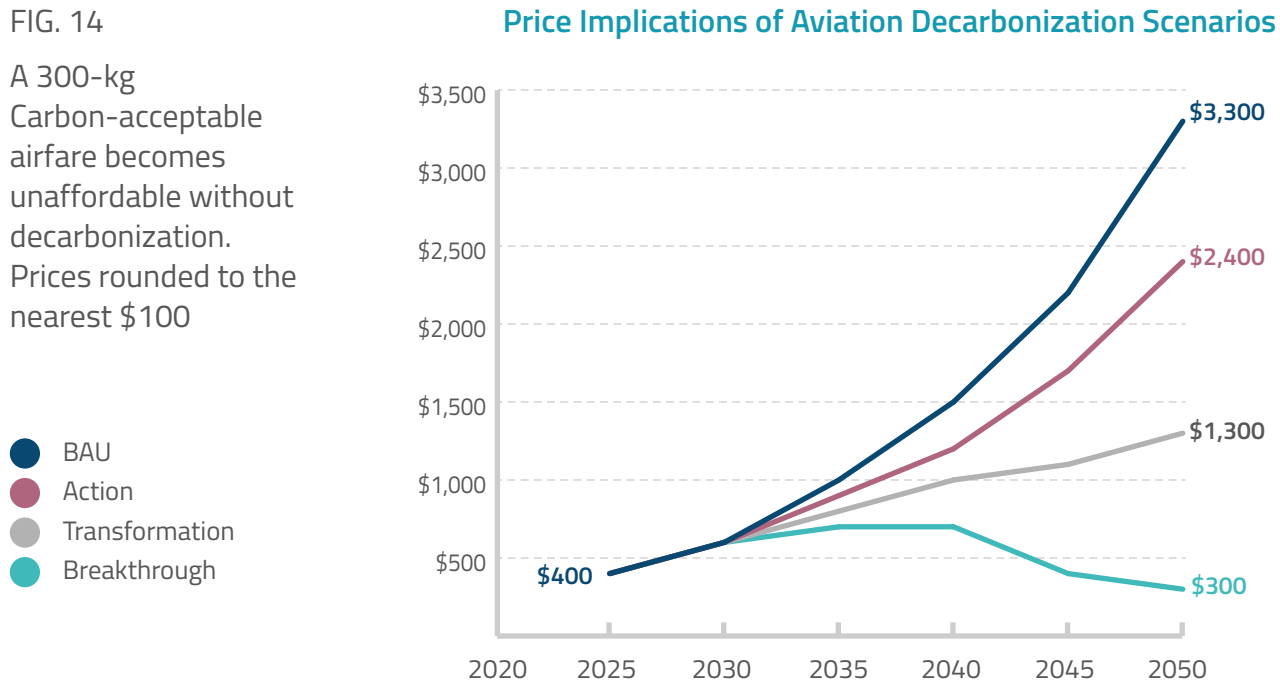
Carbon-acceptable airfare prices must rise by about 9% each year before inflation to achieve an annual 8% reduction in carbon intensity. If airlines fail to decarbonize their industry, carbon-acceptable airfares will become extremely expensive in the 2040s, risking a drastic reduction in demand for business travel.

The International Council on Clean Transportation issued its "Vision 2050" report in 2022. The report developed four scenarios using progressively optimistic assumptions about the timing and adoption rates of a dozen ways the aviation industry could reduce carbon emissions.

If the aviation industry achieves the report's most optimistic scenario, "Breakthrough," then carbon-acceptable airfares will never be very expensive and eventually will become more affordable. Suppose the industry achieves only its modest goals in the "Action" scenario. In that case, carbon-acceptable airfares will rise eightfold in real terms by 2050, sharply driving down demand for business trips by air. The "Business As Usual, BAU" scenario (with no significant decarbonization) has eye-watering price implications.

FIG. 14

A 300-kg Carbon-acceptable airfare becomes unaffordable without decarbonization. Prices rounded to the nearest $100



Source: tClara's analysis of data in "Vision 2050: aligning aviation with the Paris agreement", June 2022, report by the International Council on Clean Transportation and IATA passenger volume forecasts.

So long as companies pay the carbon-acceptable price for any given trip, they will spend their travel budgets in a strategically sustainable way.

Higher prices force executives and managers to think harder about every trip's cost/benefit value. Low-value trips will be weeded out; travelers on high-value trips can buy higher-quality tickets, and airlines will make higher profit margins to fund their decarbonization efforts.

6. Four Integrated Strategies

Goals require strategies designed to achieve them.

These four strategies are designed to collectively ensure that companies will reach their goal of traveling in a strategically sustainable way for the next few decades.

6.1 Strategy: Purchase Carbon-acceptable Airfares

Decarbonizing a travel budget means shrinking its carbon intensity by reducing the proportion of carbon emissions associated with the budget, e.g., going from 0.78 kilograms of CO_2 per dollar this year to 0.72 kg next year. The long-term goal is to shrink the travel budget's carbon intensity by 90% or more by 2050.

The challenge is to decarbonize air travel budgets at a sustainably acceptable pace over the next 25 years. This paper defines this pace as an 8% annual decrease beginning with a company's 2019 carbon intensity level. Applying this pace of decarbonization to the average carbon intensity of the US-based network airlines in 2019 provides these carbon intensity targets:

FIG. 15 **STRATEGICALLY SUSTAINABLE CARBON INTENSITY TARGETS FOR BUSINESS AIRFARES.**
Well-to-wake CO_2e kg per net revenue dollar unadjusted for inflation.

2019	2025	2030	2035	2040	2045	2050
1.19	0.72	0.48	0.31	0.21	0.14	0.09

See the Appendix for annual intensity targets from 2019 through 2050.

BUILD A STRATEGICALLY SUSTAINABLE CARBON BUDGET FOR AIR TRAVEL

Companies can find their carbon budget for air travel by multiplying the

company-wide budgeted expense for air travel, e.g., $5 million, by the budget year's target carbon intensity, e.g., 0.72 CO_2e kg per dollar. This example results in a carbon budget for air travel of 3.6 million kilograms or 3,600 metric tons.

Then, allocate shares of the company-wide carbon budget to the travel budget holders in direct proportion to their shares of the company-wide travel budget. More sophisticated carbon planning tools are available if needed.

For those looking for an even simpler method of adhering to carbon budgets, see the "Invisible Carbon Budgets" link in the Appendix.

SHOW TRAVELERS CARBON-ACCEPTABLE AIRFARES

This paradigm depends on travelers buying carbon-acceptable airfares. The problem is showing carbon-acceptable airfares to travelers shopping for flights. While some self-booking tools display carbon emissions-related data, no corporate booking tool yet has this carbon-acceptable airfare feature.

Identifying carbon-acceptable airfares is a relatively easy feature to develop. Travel and procurement managers must encourage suppliers to add this and other new features to their travel booking tools, as described in the "Challenge Air Travel's Value" section.

RE-DESIGN AIRLINE SUPPLIER CONTRACTS TO FOCUS ON DECARBONIZATION

Corporate contracts with airline suppliers typically focus on the share of flights a company will give the airline and the price discounts obtained. Discounts reduce the cost of travel and enable more low-value trips and their emissions.

Instead, travel procurement executives should bargain with their airline suppliers over mutually agreeable carbon intensity targets. Both sides benefit by driving the corporate account's carbon intensity down. The negotiations will likely shift from price to product and service quality in exchange for an airline's better access to the company's travelers and better positioning in the corporate booking tool.

6.2 Strategy: Challenge Air Travel's Value

The pandemic proved that virtual meetings are an adequate substitute for many business trips. As the consequences of carbon emissions grow, businesses will be pressed to use their travel budgets more wisely. Using carbon-intensive travel for low-value trips is not sustainable. Pre-trip assessments are the key to making disciplined decisions about which trips should be approved.

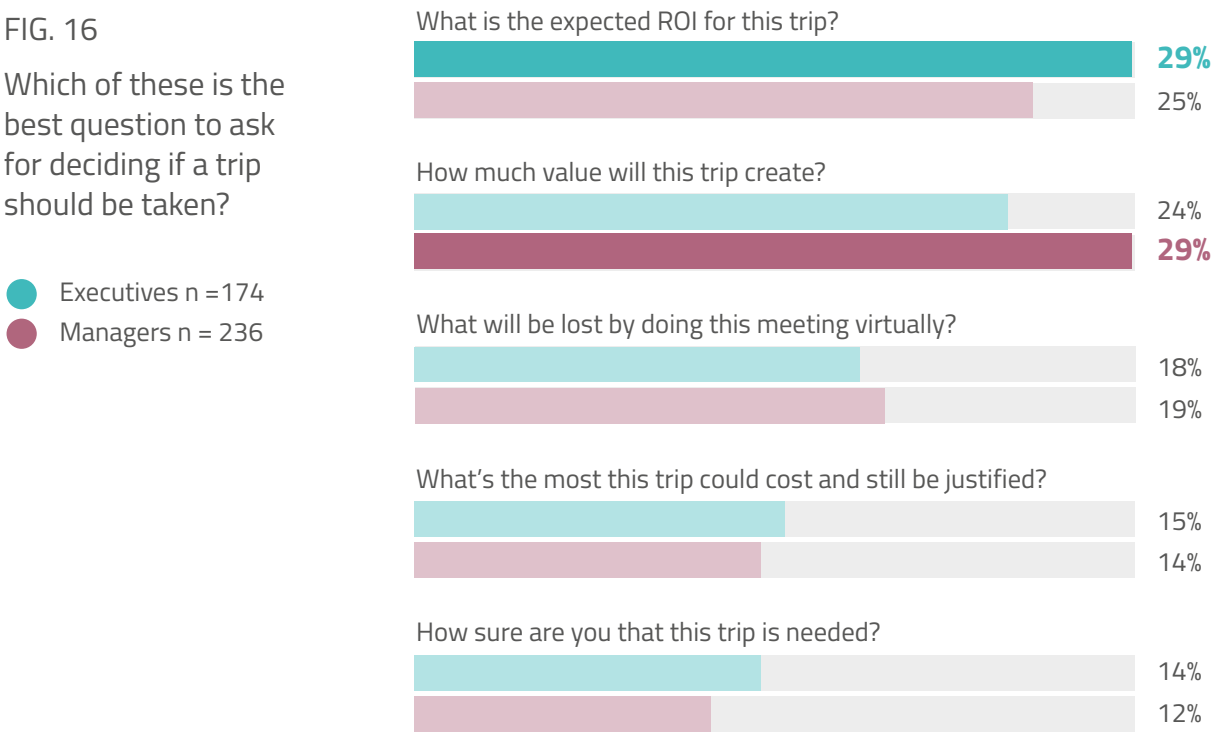
Managers and executives shared what's needed to make these more disciplined decisions.

WHAT'S THE ROI ON THAT TRIP?

When prompted for the **single best** question to ask when deciding whether a trip should be approved, executives favored "What is the expected ROI on this trip?" Two-thirds of all executives and managers chose answers that quantify the trip's value.

FIG. 16

Which of these is the best question to ask for deciding if a trip should be taken?



Until recently, there was no easy and credible way to estimate a trip's expected financial value and its ROI. tClara solved this problem using its justifiable trip

framework. It is designed for pre-trip assessments, requires credible answers to three simple questions, and works on all types of business trips.

Trip approvers can find any business trip's expected ROI and net value by asking

1. What will this trip cost?
2. What is the value of the traveler's time during this trip?
3. What's the highest price that this trip could cost and still be justified?

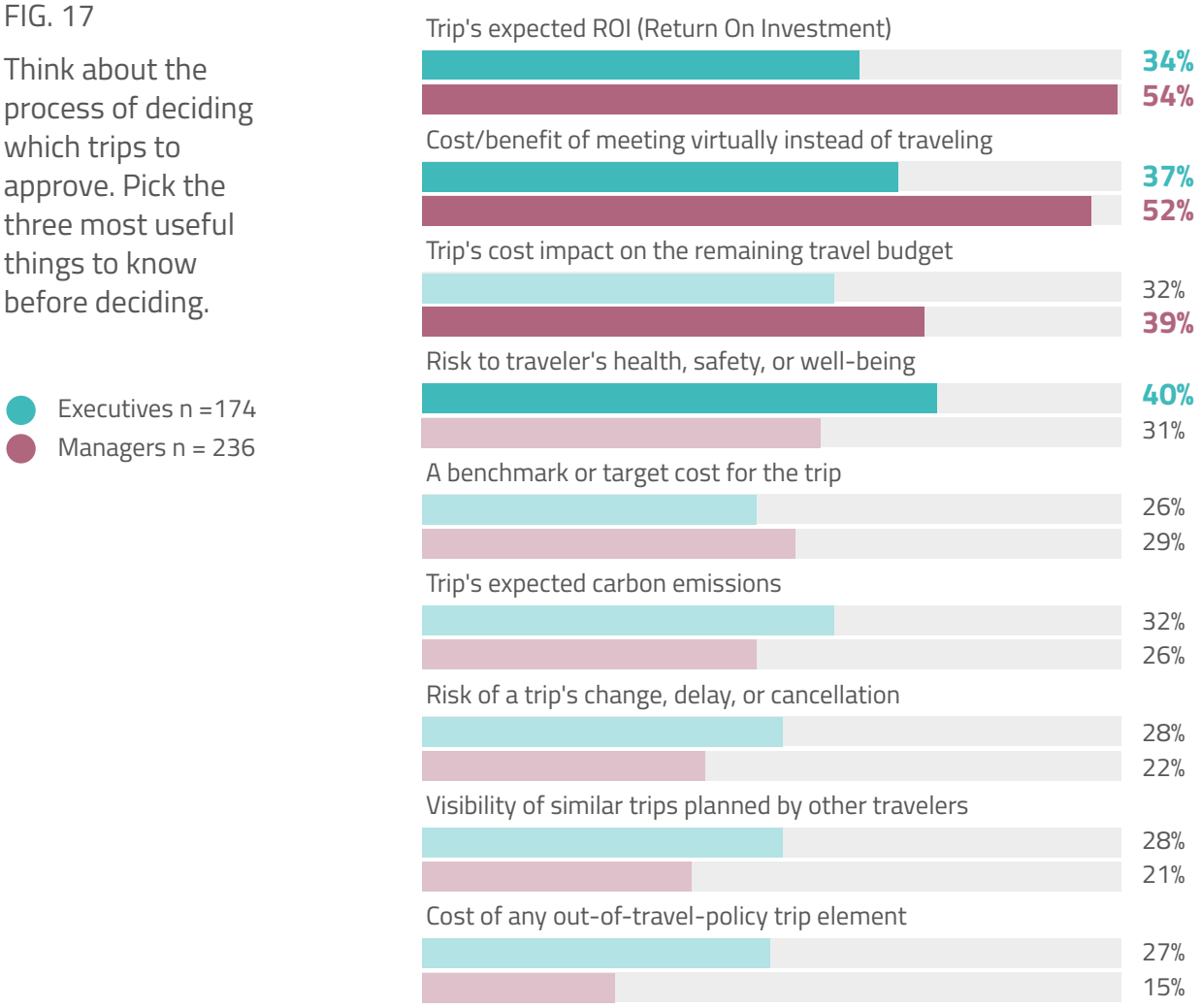
See the Appendix for more details.

TOP FACTORS FOR APPROVING TRIPS

When asked for the **three most useful** things to know before approving a trip, executives and managers revealed several important factors.

FIG. 17

Think about the process of deciding which trips to approve. Pick the three most useful things to know before deciding.



The top tier includes the trip's expected ROI and its flip side – the cost/benefit of meeting virtually. The second tier's factors focus on the traveler's health or safety risks and the travel budget impact. The third tier's factors focus on the trip's carbon emissions and a benchmark cost for the trip. Notably, understanding the cost of any out-of-policy element was chosen the least often.

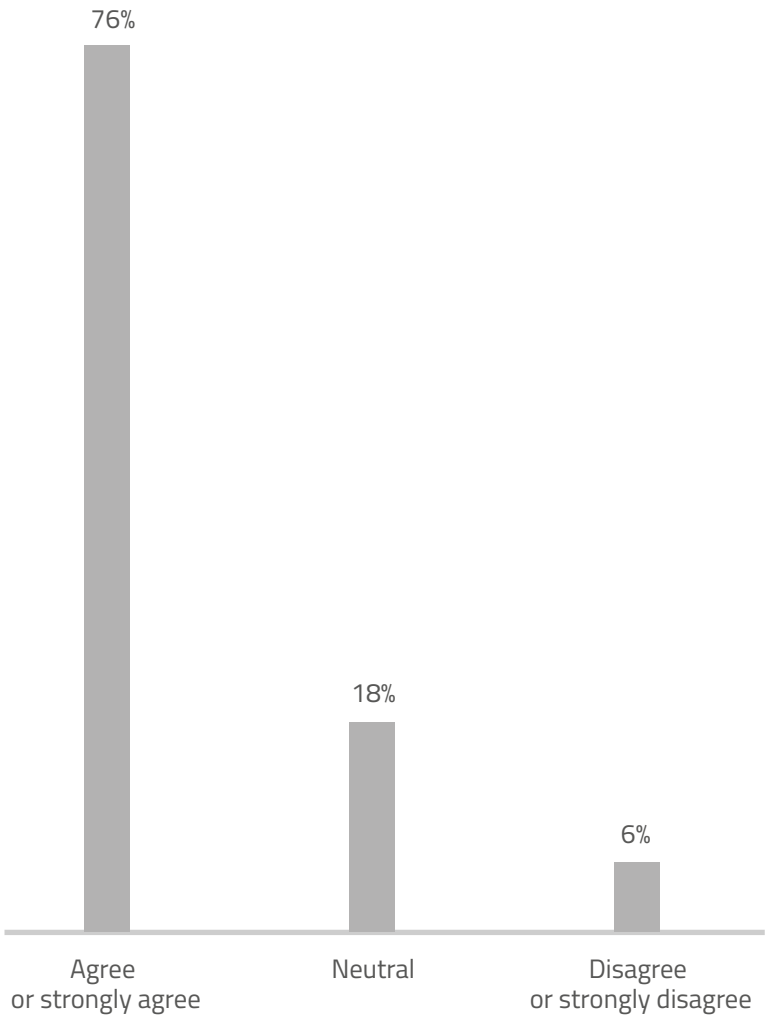
PRE-TRIP ASSESSMENTS GET A THUMBS UP

Pre-trip assessments are designed to test the merits of taking a business trip. They are easily justified by the benefits of preventing low-value trips and their carbon emissions. 76% of managers and executives agree that travelers should spend a few minutes documenting the need for their trips.

FIG. 18

Travelers should be required to spend a few minutes documenting why each trip is needed before they travel.

N = 410
Executives and Managers



THE MODERN PRE-TRIP ASSESSMENT

The strategically sustainable travel program requires travelers to complete a pre-trip assessment and share it with their manager. The modern pre-trip assessment should

- Link the trip to a strategic business goal
- State the trip's specific goal and brief criteria for judging its success
- Produce a credible estimate of the trip's expected dollar value and ROI
- Estimate the trip's carbon emissions and carbon intensity
- Guage the traveler's concerns about any trip-related health, safety, or well-being risks
- Predict the chances of the trip being low-value

A well-designed pre-trip assessment can do all this in less than four minutes. Seek these features from corporate booking tool suppliers and travel management companies.

A CALL FOR NEW TRAVEL BOOKING FEATURES

Managing business travel in a strategically sustainable manner requires a clear understanding of each trip's expected ROI and carbon impact. The corporate booking tool is ideal for presenting these important metrics to travelers. Doing so will enable much more disciplined decisions about which trips to take.

Corporate travel booking technology suppliers must develop a handful of new features to fully enable this new paradigm. New features are needed to

- Integrate information from the traveler's pre-trip assessment
- Identify and prioritize carbon-acceptable airfares
- Dynamically estimate the trip's ROI based on the airfare's price and cabin, trip duration, lodging, and ground transportation and suggest options for improving it
- Estimate the entire trip's carbon footprint and suggest options for reducing it.

Corporate travel buyers should ask their suppliers about their product roadmaps. Today, buyers can find booking tools with helpful sustainability-oriented features. These include flight-specific CO_2e estimates, personal carbon budget dashboards, and proactive options for sharing car, rail, and on-trip ground transfers to promote networking while reducing cost and carbon emissions.

ASSESS AND ALIGN TRAVEL'S STRATEGIC VALUE

Executives managing travel budgets need deeper insight about the impact of their business trips. They will gain these insights by using modern pre- and post-trip assessments and carbon-aware travel booking tools.

These new features will enable management to assess and challenge business travel's value and realign spending as needed. Executives who embrace this approach to managing travel will rely on a portfolio view of their travel spend.

FIG. 19 **A PORTFOLIO VIEW OF OUR BUSINESS TRAVEL (ILLUSTRATIVE)**

6.3 Strategy: Invest in Traveler Wellbeing

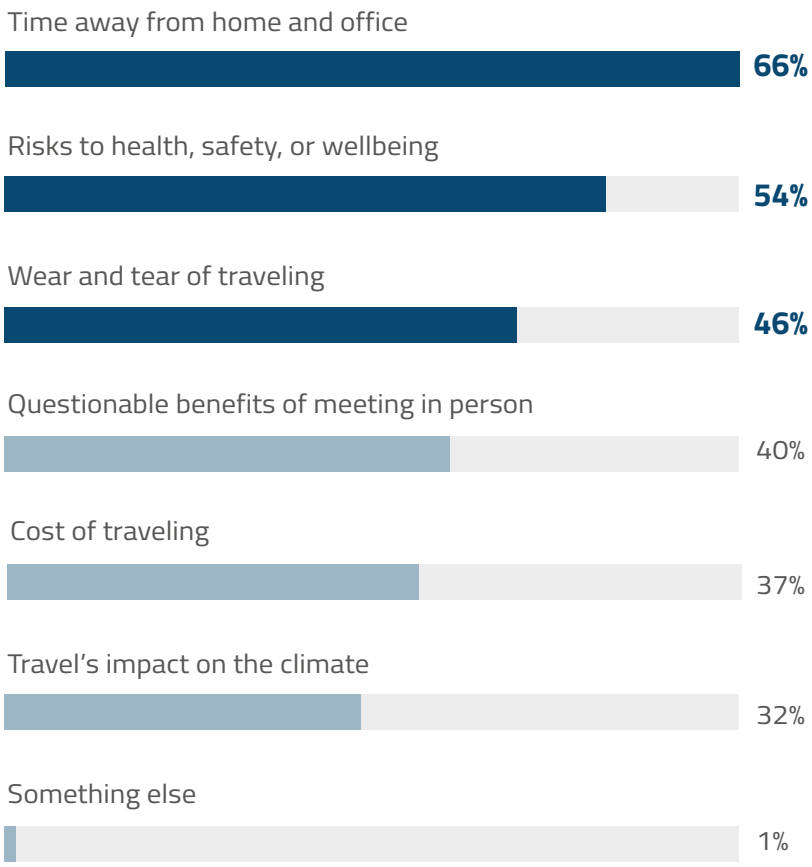
Companies using effective pre-trip assessments and carbon-acceptable airfares will concentrate their travel spending on higher-value trips. Travelers must be fully willing and able to undertake these important trips. That's not currently the case.

Executives and managers were asked for the top three reasons their travelers were reluctant to take business trips. After citing the time and cost of travel, they highlighted concerns about traveler well-being and the wear and tear of travel.

FIG. 20

Pick the top three reasons why employees are reluctant to travel for business:

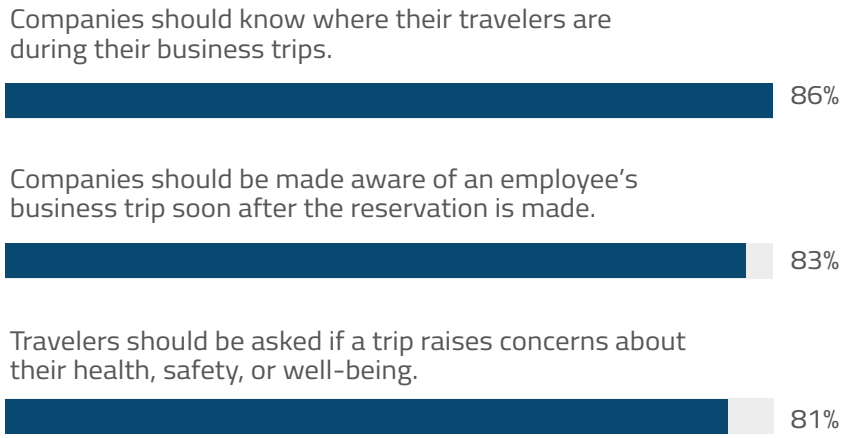
N = 410
Executives and Managers



Companies committed to protecting and improving traveler health, safety, and well-being need timely and actionable information. More than 80% of executives and managers agree with these approaches:

FIG. 21

More than 80% of executives and managers agree or strongly agree that



KEYS TO MORE SUCCESSFUL TRIPS

Getting better sleep before and during trips and flying in business class on flights over six hours were the top two factors cited by road warriors as most likely to contribute to more successful trips, according to tClara's 2018 study "Achieving Better Business Results – Insights From U.S. Road Warriors."

Carbon-acceptable prices allow travelers to book flights in premium cabins if the flights' carbon intensity is at or below the targeted intensity level. Companies seeking to attract and retain frequent travelers should welcome this carbon-friendly policy.

Companies should use carbon-acceptable fares in every cabin to provide travelers with higher-quality, more flexible, and more convenient flights. This approach can be expected to improve traveler retention rates and increase the trip success rate.

6.4 Strategy: Improve Virtual and In-person Meetings

Making business travel more sustainable depends on improving the effectiveness of virtual and in-person meetings for two reasons. Firstly, reducing travel emissions requires virtual meetings as substitutes for lower-value trips. The more effective these virtual meetings are, the greater the number of low-value trips that can be successfully avoided.

Secondly, the steady rise in carbon-acceptable airfare prices drives up the trip's expected value needed to justify its higher cost. Travelers will need more successful outcomes from these increasingly important in-person meetings.

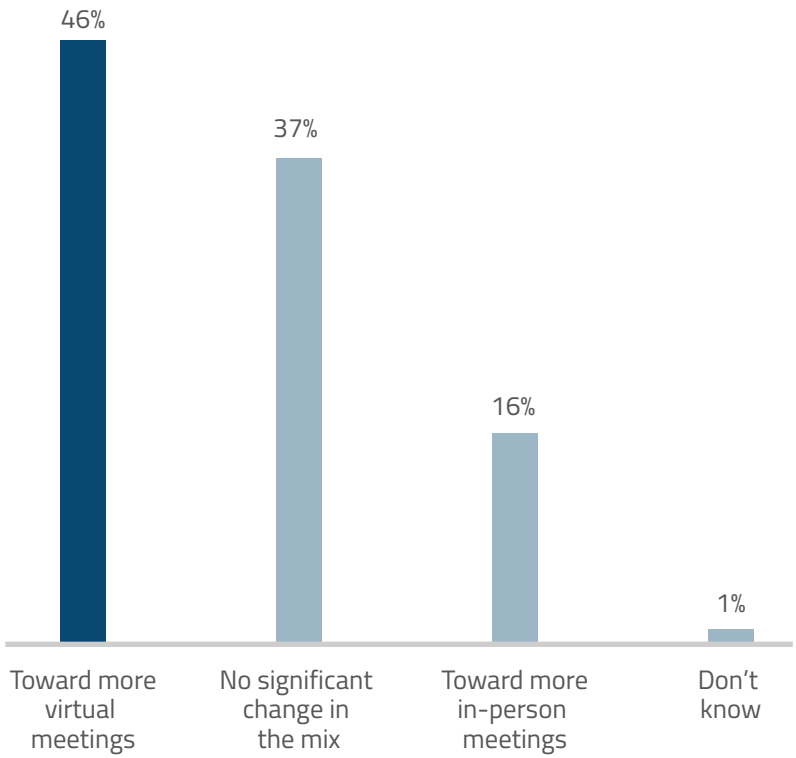
MORE VIRTUAL MEETINGS AHEAD

Nearly half of executives and managers expect their companies to shift to a higher mix of virtual meetings over the next two years, while only 16% see their companies shifting to more in-person meetings.

FIG. 22

Which way will your company most likely shift its meetings mix over the next two years, if at all?

N = 410
Executives and Managers

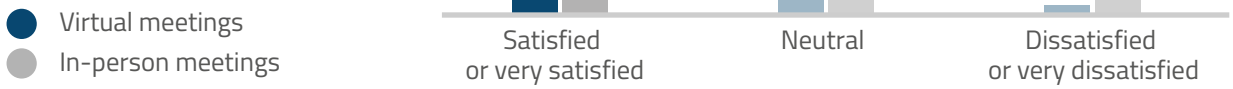


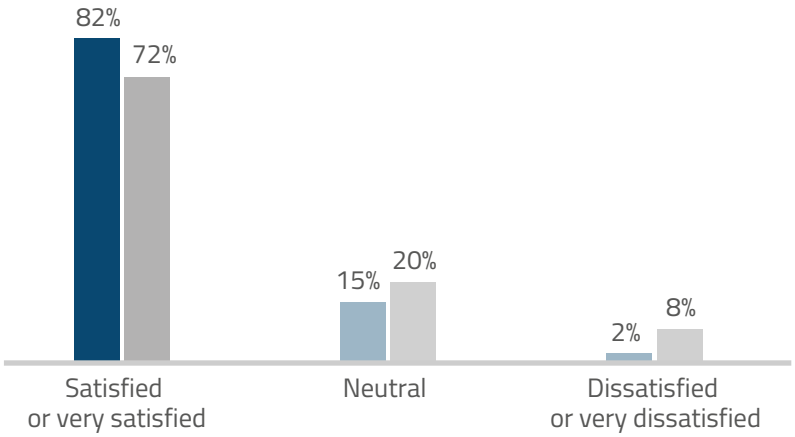
Most executives and managers are satisfied with the cost/benefit of their virtual and in-person meetings.

FIG. 23

How satisfied or dissatisfied are you with the cost/benefit of most:

N = 410
Executives and Managers





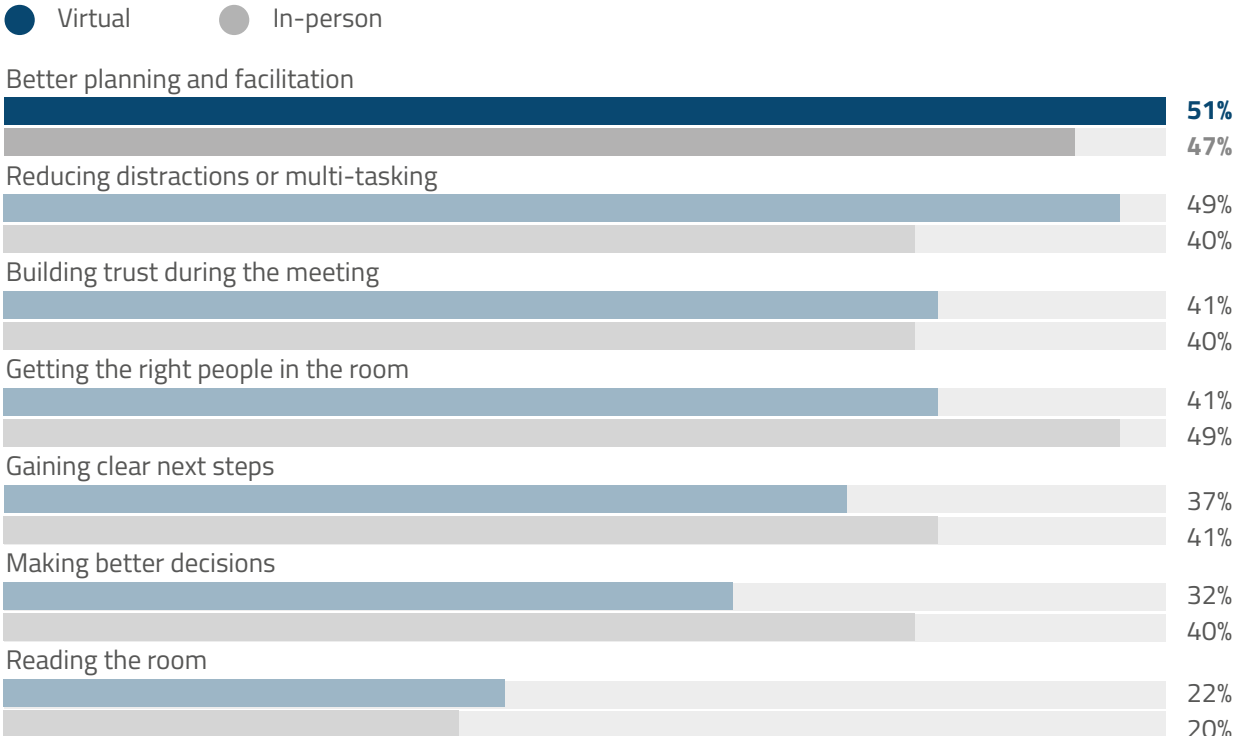
MEETINGS CAN BE IMPROVED

Executives and managers see ways to improve each type of meeting. "Better planning and facilitation" was the most popular across the two groups.

FIG. 24

What's needed to improve most of your _____ meetings? Choose the top three.

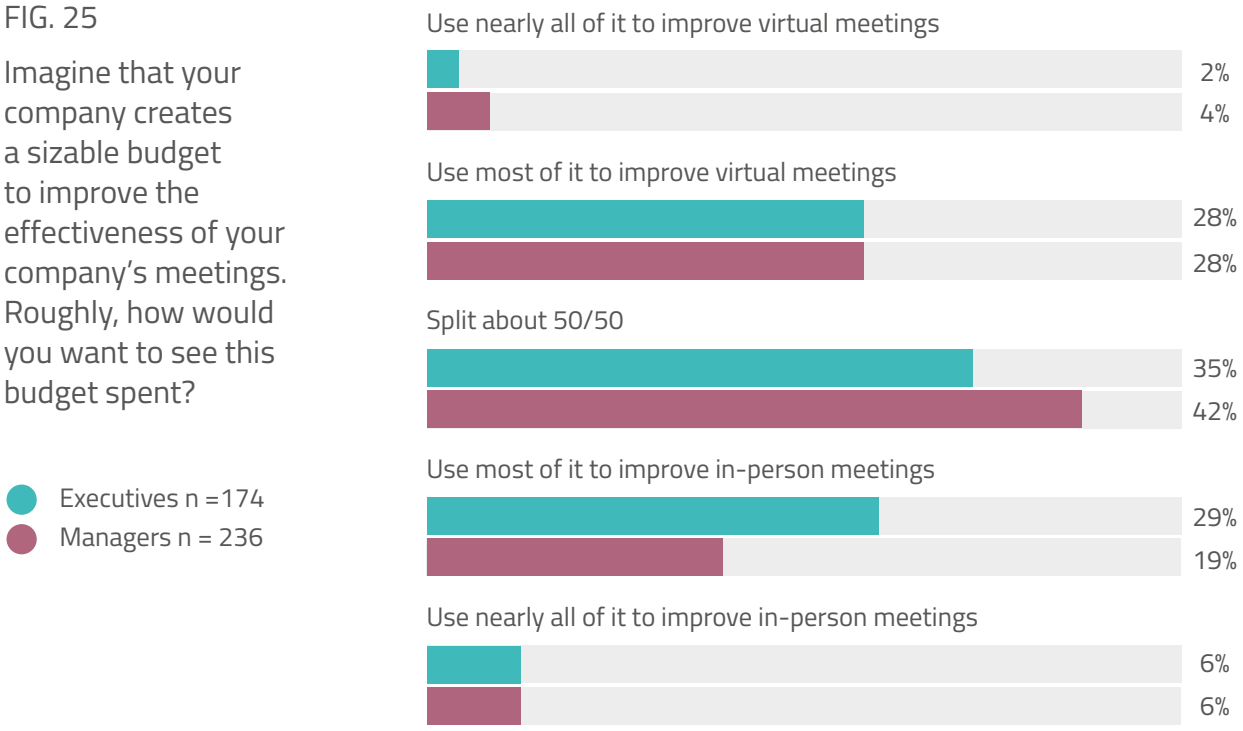
N = 410 Executives and Managers



When asked how they would like to see a budget used for improving meeting effectiveness, the most popular answer was to split the budget equally between virtual and in-person meetings. Executives showed a slight preference for improving in-person meetings.

FIG. 25

Imagine that your company creates a sizable budget to improve the effectiveness of your company's meetings. Roughly, how would you want to see this budget spent?



Much progress has been made in making meetings more effective. "Meeting science" is a relatively new yet rich field of study. Most every company can benefit from training its managers to run better meetings. See the Appendix for more information.

7. Organizational Implications

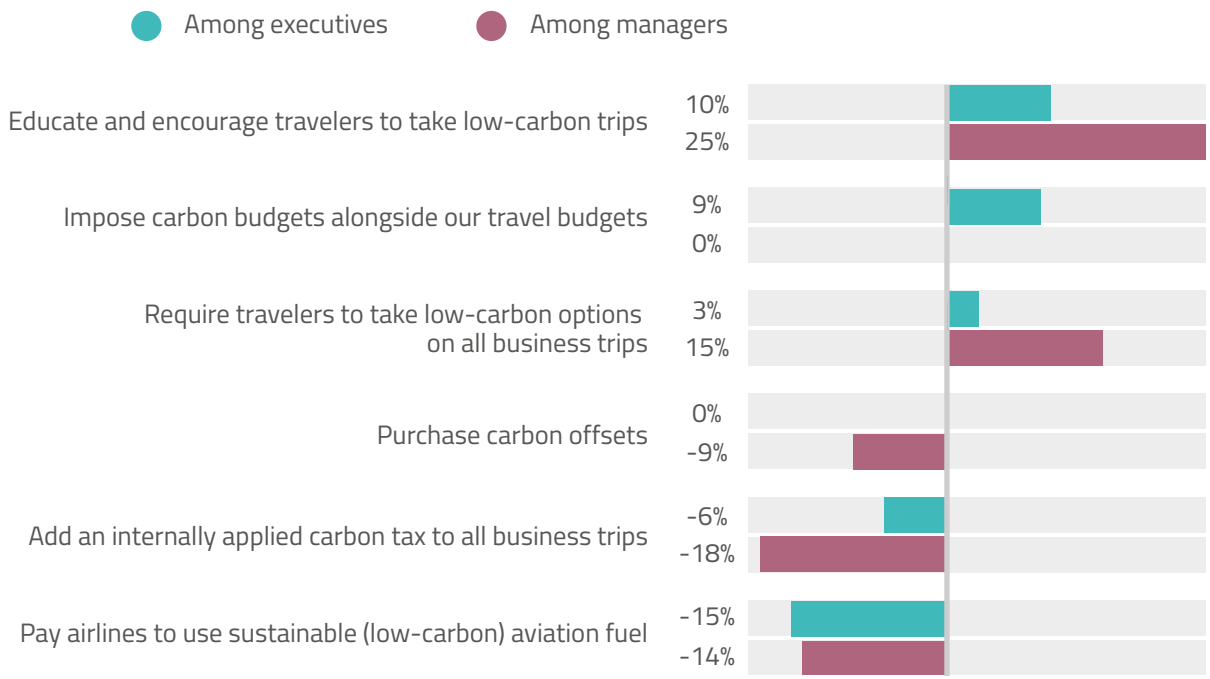
Companies interested in adopting this strategically sustainable approach to business travel must consider the organizational implications.

MOST AND LEAST PREFERRED METHODS FOR REDUCING TRAVEL EMISSIONS

Educating travelers was the most popular net choice among executives and managers when asked for their most and least preferred methods for reducing business travel emissions. (Net is defined as an answer's most preferred percentage minus its least preferred percentage.)

Both groups least preferred adding a carbon tax and paying airlines to use sustainable aviation fuel (SAF).

FIG. 26 Net preferences for how to reduce business travel emissions.



EXPECT RESISTANCE

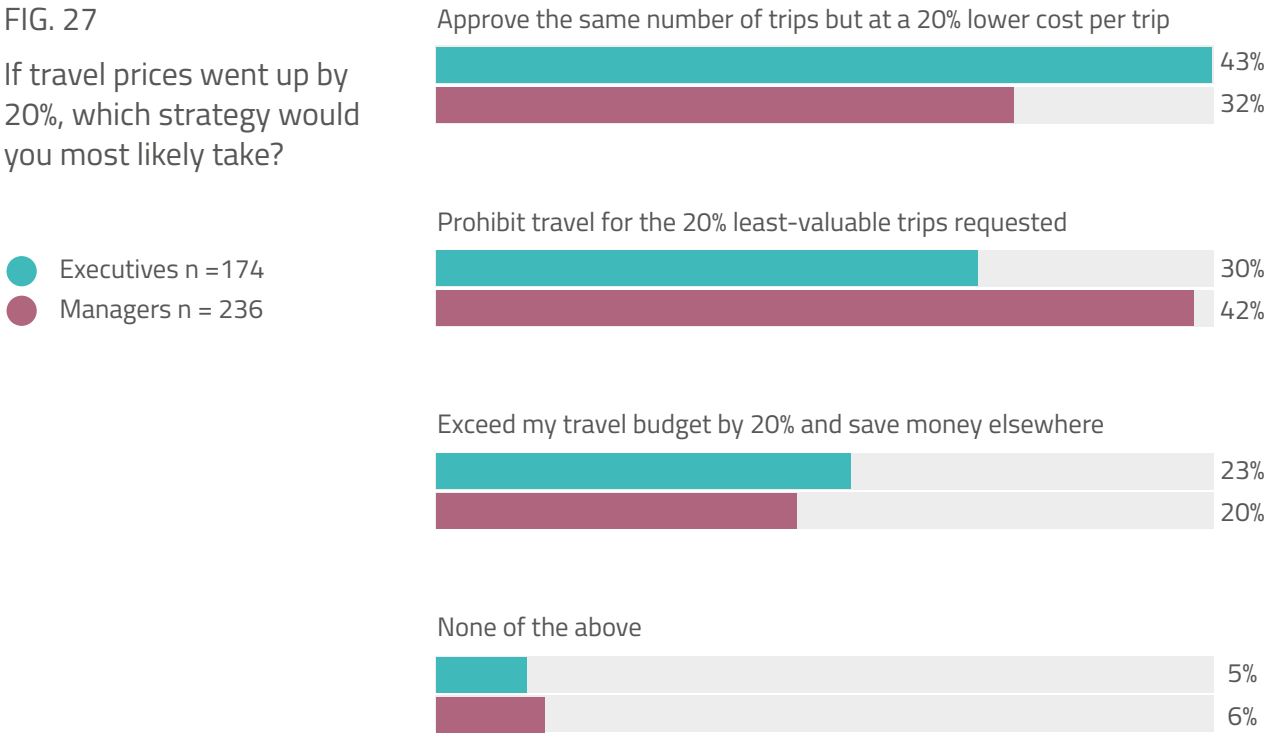
Adopting the carbon-acceptable price paradigm will likely result in higher air travel prices for at least the next ten years. When asked about their response to a 20% increase in travel prices, about 40% of managers and 30% of executives indicated they would eliminate low-value trips—precisely the desired effect.

Roughly 20% of executives and managers would exceed their travel budgets, take the same number of trips, and strive to save money elsewhere. Presumably, this group sees high value in their trips.

Roughly 45% of executives and 30% of managers would strive to take the same number of trips but at lower prices. This group will likely be the most resistant to the carbon-acceptable price paradigm.

FIG. 27

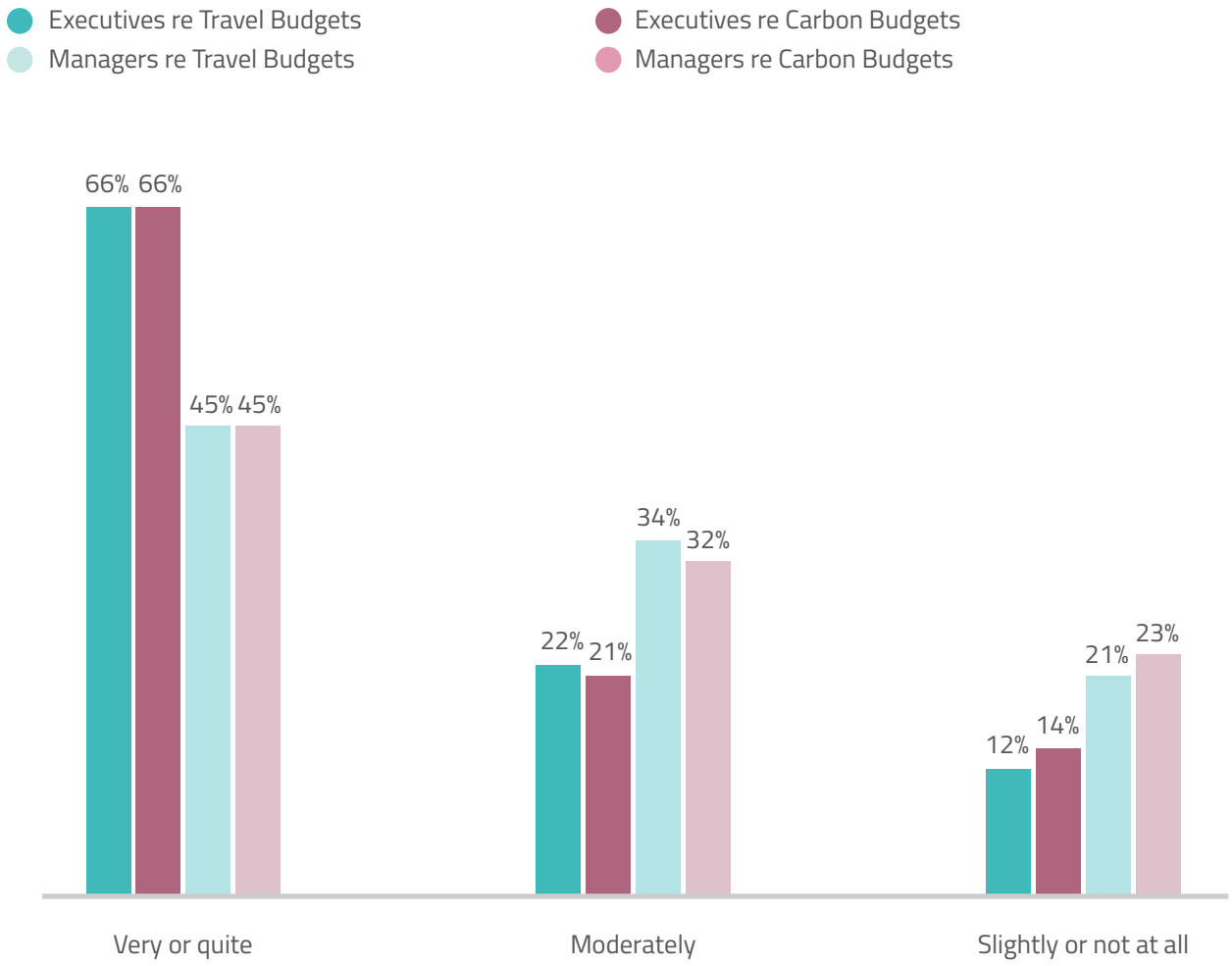
If travel prices went up by 20%, which strategy would you most likely take?



BUDGETS MATTER MORE TO EXECUTIVES

Executives are more concerned than managers about exceeding their budgets. The type of budget, travel spend or carbon, makes no difference.

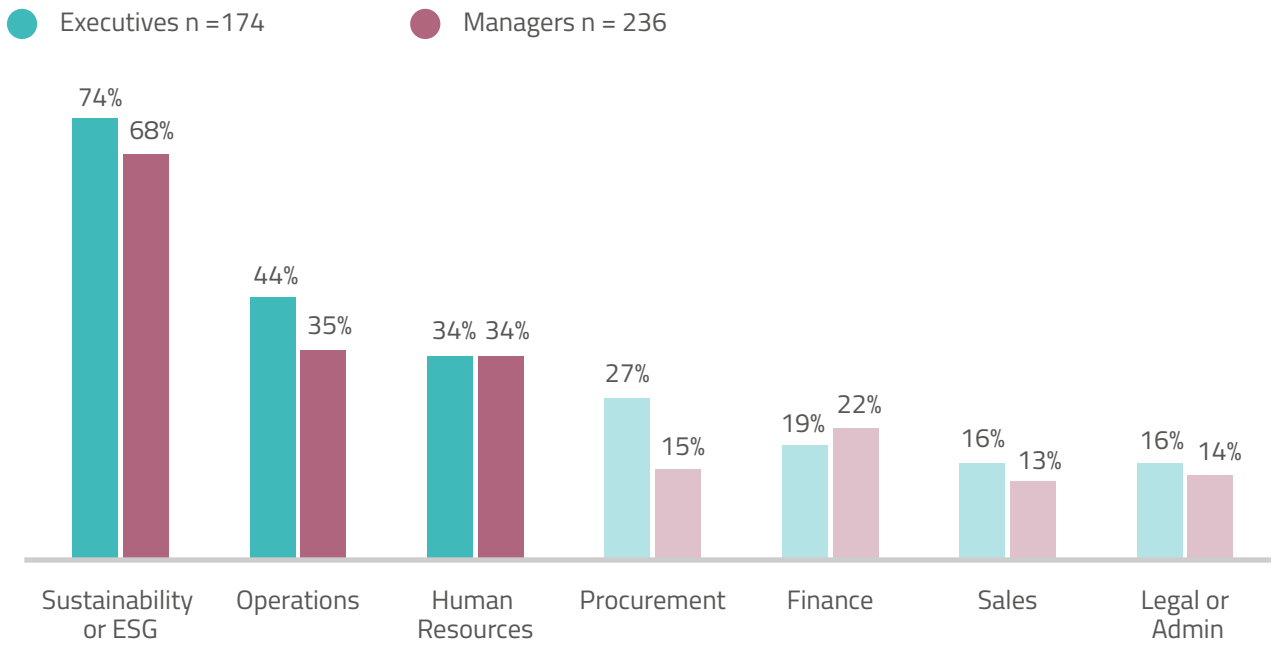
FIG. 28 Assume your CFO gives you a tight budget for travel spending and a tight budget for travel carbon emissions. How concerned would you be about exceeding your _____ budget?



PREFERRED LEADERSHIP AND ACCOUNTABILITY

Executives and managers have broadly similar views about the functional areas best suited to lead this type of initiative. When asked to pick the top two functions, executives and managers selected Sustainability or ESG, Operations, and Human Resources.

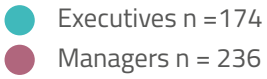
FIG. 29 Assume a company's goal is to take higher-value, lower-carbon trips. Which functional area should lead this effort? Pick the top two:

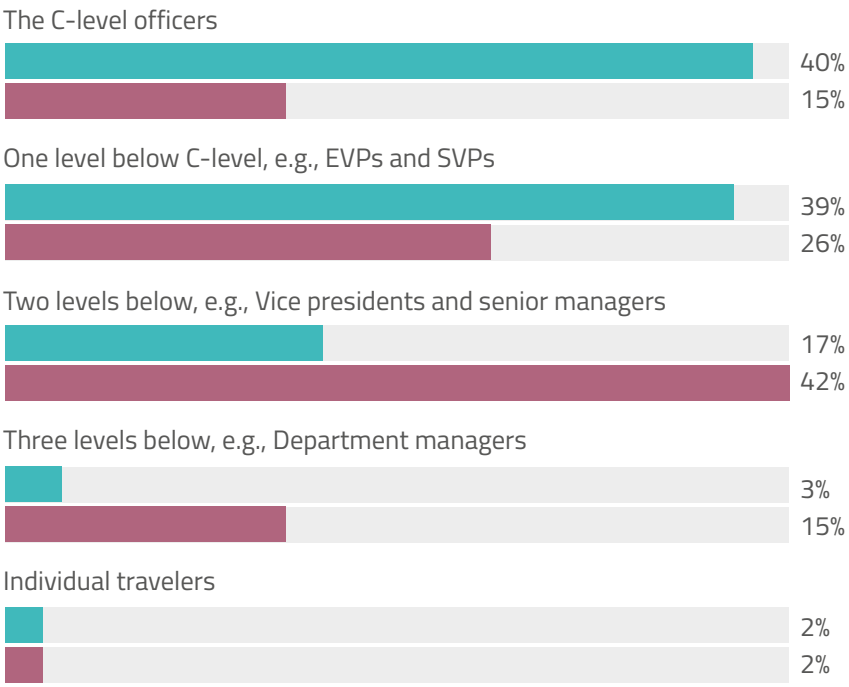


The carbon-acceptable price paradigm requires a company to stay within its carbon budget. Executives prefer that accountability for this be placed at higher organizational levels than managers.

FIG. 30

Which organizational level should be held accountable for ensuring that travel carbon budgets are met?





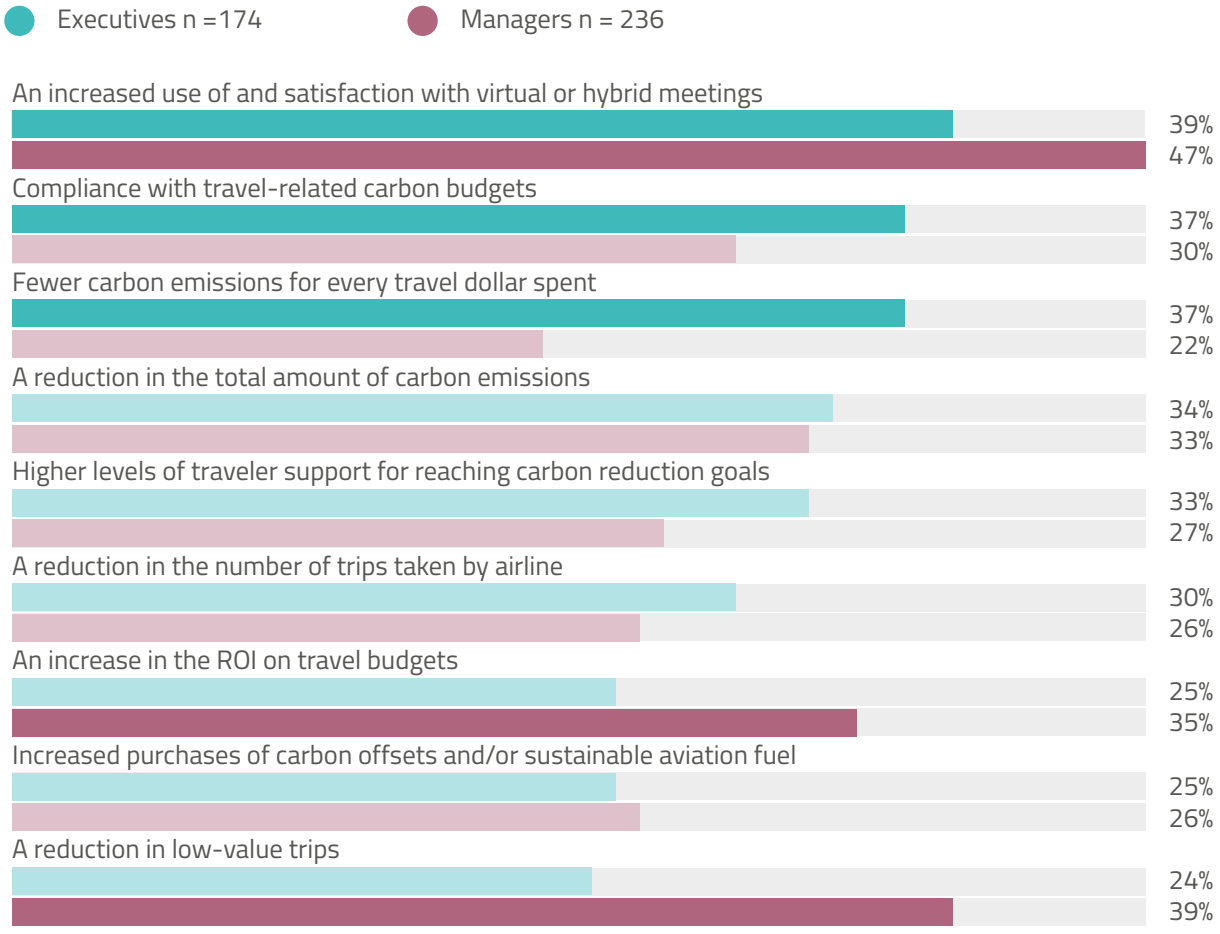
MEASURING WHAT MATTERS

Carbon-sensitive companies need good ways to measure their progress toward sustainable business travel. Executives and managers said their most preferred indicator would be the higher use and satisfaction with virtual or hybrid meetings. This finding underscores the importance of improving the effectiveness of virtual meetings.

The core metric in this paradigm is the company's level of carbon intensity per dollar spent on air travel. Executives said this was their second-most preferred metric, tied with carbon budget compliance.

Managers next prioritized reducing the number of low-value trips and increasing the ROI on travel budgets.

FIG. 31 Pick the three best ways to show progress toward more sustainable business travel:



8. The Path Forward

Executives intrigued by this paper's approach to managing travel should take these seven exploratory steps:

1. **Estimate** the impacts of adopting a carbon-acceptable airfare policy on airfare prices, trips taken, and carbon reductions.
2. **Pilot** a pre-trip assessment project to
    a. Link business trips with strategically important business goals
    b. Estimate each trip's ROI and net expected value
    c. Assess traveler concerns about traveling
3. **Conduct** a post-trip study to
    a. Learn the share of recent business trips rated as low-, moderate-, and high-value.
    b. Identify the most and least carbon-intensive trips recently taken and assess their value.
4. **Engage** with travel technology providers about their roadmaps for pre- and post-trip assessments and ROI- and carbon-aware travel booking features
5. **Ensure** immediate visibility of all business travel reservations made by employees, especially those made directly with airlines and hotels.
6. **Seek** HR's input about the merits of training courses designed to improve meeting effectiveness.
7. **Present** the insights gained from these steps to senior management and debate the merits of committing to traveling in a strategically sustainable way.

Managing business travel in a strategically sustainable way requires a strong and long-term commitment to balancing travel's merits with the climate's needs.

This paradigm provides clear goals, metrics, and compelling strategies to achieve this balance. Executives committed to strategically sustainable business travel should adopt it now.

9. About The Sponsors

Transform meeting collaboration and planning.
Cytric Easy by Amadeus is the only travel management tool natively integrated within Microsoft Teams.
It transforms the experience of planning and booking business travel and boosts collaboration.

Cytric Easy by Amadeus is also the proud winner of BTN's 2024 Business Travel Sustainability Awards Americas for "Achievement in Sustainability" in the Corporate Booking Platform Category.

Amadeus makes the experience of travel better for everyone, everywhere by inspiring innovation, partnerships and responsibility to people, places and planet.
Our technology powers the travel and tourism industry. Inspiring more open ways of working. More connected ways of thinking, centered around the traveler.

We are working to make travel a force for social and environmental good. A collective responsibility to protect and improve the people and places we visit, ensuring travel continues to make positive contribution to our world.

Amadeus. It's how travel works better.
www.cytriceasy.com

tClara nudges the business travel industry forward with influential thinking on strategically sustainable travel, invisible carbon budgets, airline CO_2 modeling, traveler friction, travel procurement, and business travel strategies.

Scott Gillespie, tClara's founder, has been breaking new ground—and a bit of glass—in the business travel industry for 30 years. He has consulted to one-third of the Fortune 500, all the major airlines in North America, and the U.S. government. He was Kearney's leading expert on travel procurement and founder of Travel Analytics. He led the development of an award-winning model of airline CO_2 emissions, authored a US patent for determining airline fair market shares, and holds an MBA from the University of Chicago.

https://www.tclara.com.

TRAXO

Traxo is the world's only provider of real-time corporate travel data capture, eliminating travel program blind spots by automatically capturing employee travel bookings from any source in one place—no behavior change required. All on- and off-channel bookings are combined into actionable reports, enabling optimal omnichannel travel management for data-driven policy updates, improved program compliance, new savings opportunities, comprehensive duty of care and greater traveler satisfaction. Traxo's APIs also allow travel managers to securely distribute travel data to trusted industry service providers and their favorite BI tools. For more information, visit https://www.traxo.com.

10. Appendix

ESTIMATES FOR LOW-VALUE AND REPLACEABLE TRIPS

FIG. 32

As a rough estimate, what percent of all trips taken by your company in the last six months could be rated as low-value trips?

N = 174 Executives

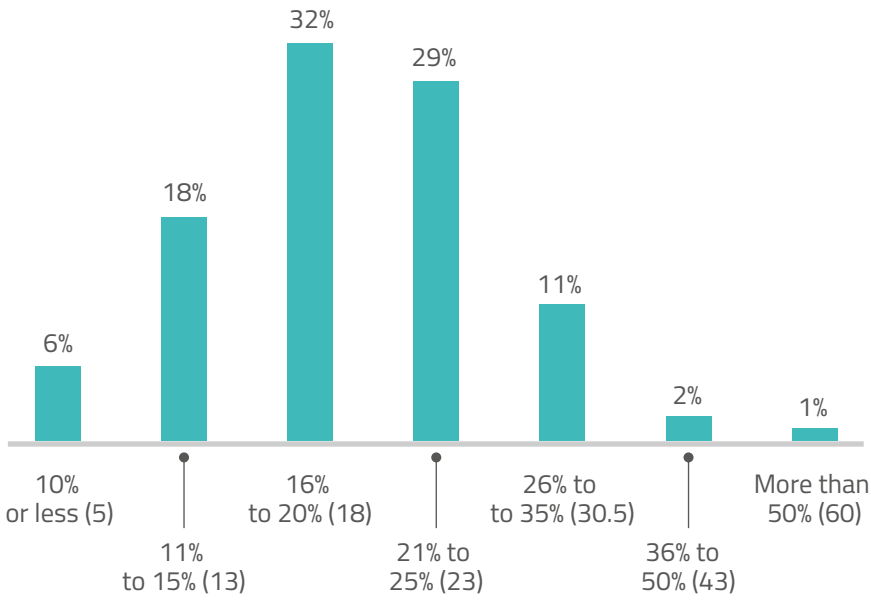
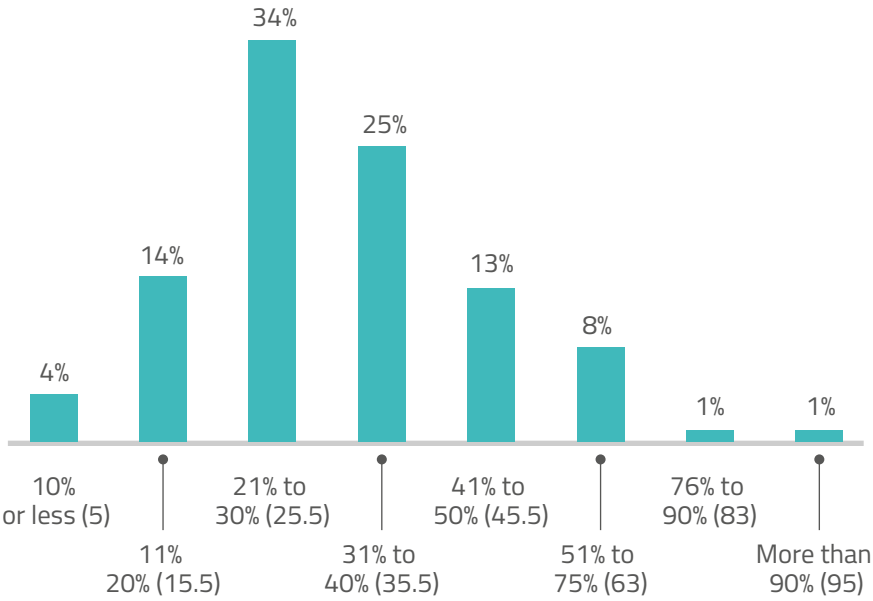


FIG. 33

Consider the many reasons for taking business trips. Roughly, what percentage of those trips could be safely replaced by virtual meetings?

N = 174 Executives



FINDING ANY TRIP'S ROI

In 2023, tClara developed its Justifiable Cost model to find any business tip's expected net value and ROI. It requires credible answers to three questions to produce the trip's expected financial value.

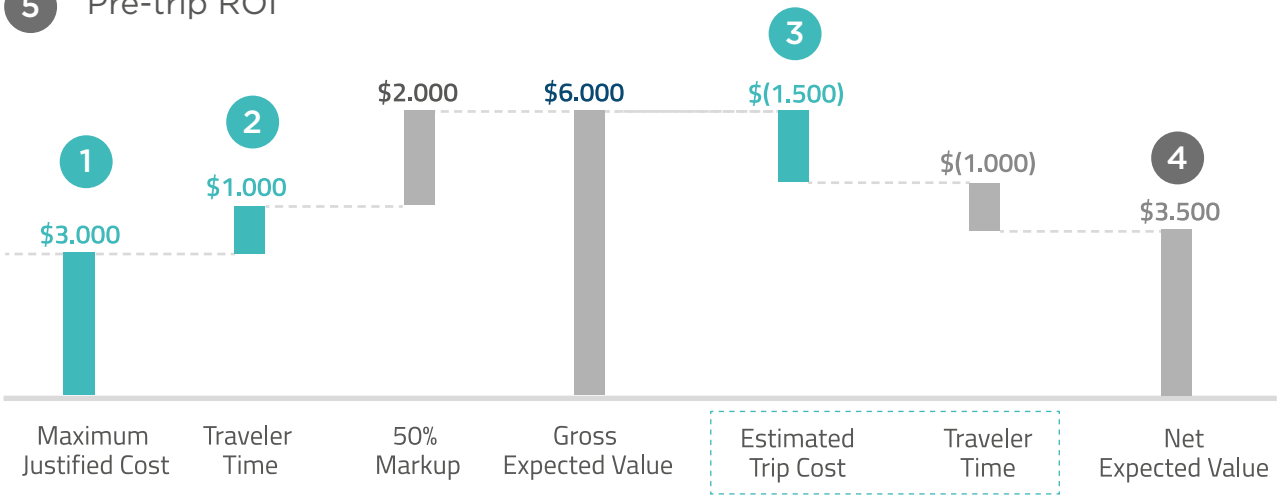
FIG. 34

The traveler is asked to estimate:

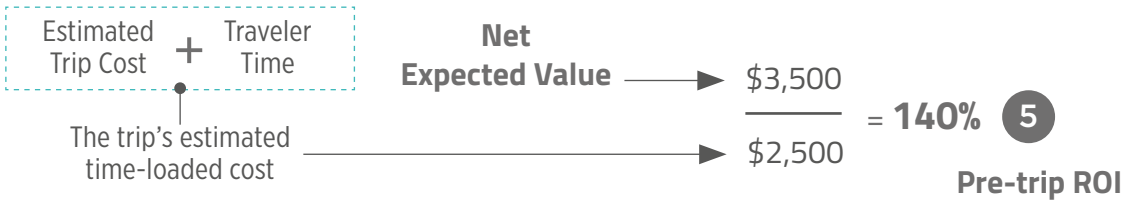
1. The trip's maximum justifiable cost;
2. The value of their time for the trip;
3. The trip's estimated cost.

The model calculates:

4. the trip's Net Expected Value and
5. Pre-trip ROI



Why this markup?
See the next page.



Source: "The Justified Business Trip" whitepaper by tClara 2023

RELEVANT READINGS

The Invisible Carbon Budget
at https://www.tclara.com/_files/ugd/8d3bce_5776ad4218614ba9a147d04b688590c7.pdf

Carbon Budgets
at https://www.tclara.com/carbon-budgets

The Need For Long-sighted Travel Policies
at https://www.thecompanydime.com/op-ed-scott-gillespie-travel-policies/

The Case For Carbon-acceptable Airfares
at https://www.thecompanydime.com/op-ed-scott-gillespie-carbon-acceptable-airfare/

Vision 2050: Aligning Aviation With The Paris Agreement
at https://theicct.org/publication/global-aviation-vision-2050-align-aviation-paris-jun22/

The Justified Business Trip, tClara whitepaper, 2023
at https://www.tclara.com/register-for-tjbt

MEETING SCIENCE RESOURCES

"The Surprising Science of Meetings: How You Can Lead Your Team to Peak Performance"
By University of North Carolina's Professor Steven G. Rogelberg
A pioneering work in the field of meeting science.

"Where The Action Is – The Meetings That Make or Break Your Organization"
By Lucid Meeting's J. Elise Keith
Clear and practical advice for improving any company's meeting culture.

Rate My Meeting
by Xander Groesbeek
A SaaS tool for improving the quality of meetings via constructive feedback.

ANNUAL CARBON INTENSITY TARGETS FROM 2019 THROUGH 2050

FIG. 35

BUSINESS AIRFARE CARBON INTENSITY TARGETS

Well-to-wake CO_2e kg per Net Revenue in 2019 dollars

YEAR	TARGET	YEAR	TARGET
2019	1.19	2035	0.31
2020	1.09	2036	0.29
2021	1.01	2037	0.27
2022	0.93	2038	0.24
2023	0.85	2039	0.22
2024	0.78	2040	0.21
2025	0.72	2041	0.19
2026	0.66	2042	0.17
2027	0.61	2043	0.16
2028	0.56	2044	0.15
2029	0.52	2045	0.14
2030	0.48	2046	0.13
2031	0.44	2047	0.12
2032	0.40	2048	0.11
2033	0.37	2049	0.10
2034	0.34	2050	0.09

Source: tClara