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How To Find The Expected Value Of Any Business Trip

June 24, 2026

TL;DR

The expected value-add (EVA) and ROI of any business trip can be easily found.

The EVA metric is better than ROI for identifying low-value trips.

EVA-based pre-trip assessments will eliminate low-value trips and unnecessary carbon emissions.

Travel budgets can now be truly optimized by

- Approving trips that maximize total EVA or ROI
- Within travel budget, travel risk, and carbon emissions constraints

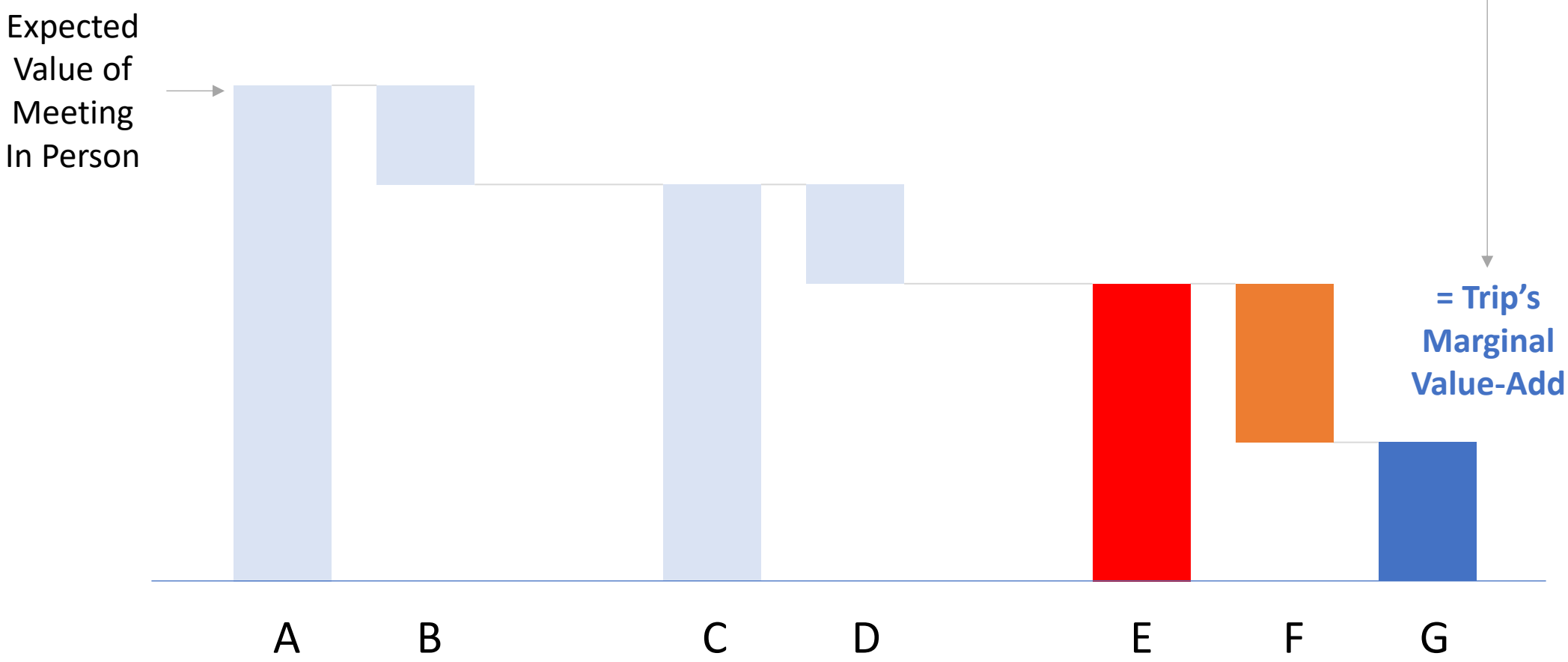
Find a business trip's EVA and ROI now with TripTester at

TripTester.com

(Takes just two minutes)

TWO VALUES REVEAL A TRIP'S MARGINAL VALUE-ADD (EVA)

In theory, we'd start at A, the value of meeting in person, and work to the **expected value-add**.
In practice, we start at **E** and **F**, and work to the left only if we want the pre-trip ROI.



See the Glossary on the next page for an explanation of each letter's label

GLOSSARY

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A. Expected Value of Meeting In Person

The expected marginal monetary value created from the meeting if the prospective traveler attends in person.

B. Value If Done Virtually

The expected marginal monetary value created from the meeting if the prospective traveler attends virtually.

C. Travel's Potential Value-Add

The maximum possible value added by traveling, if travel costs were zero.
(C = A minus B, and C = D + E)

D. CFO's Implied Minimum Return on "Red Line" Cost Limit

Found by applying the CFO's expected rate of return on the travel budget, e.g., 33% in this example, to the "Red Line " cost limit. (D = Expected Rate of Return x E)

E. Trip's "Red Line" Cost Limit (see next page)

The highest amount at which the trip would be approved by a rational manager well-informed about the trip's potential value-add (C), travel's expected return (D), and alternative uses of the travel budget.

F. Trip's Expected Cost

A good-faith estimate of the trip's cost for airfare, lodging, ground transport, meals, and misc.

G. Trip's Expected Value-Add (EVA)

The difference between the trip's Red Line Cost limit and the trip's expected cost. (G = E minus F)

ABOUT THE "RED LINE" COST LIMIT

Definition
The highest amount at which the trip would be approved by a rational manager well-informed about the trip's potential value-add, travel's expected return, and alternative uses of the travel budget.

In Theory
The "Red Line" is the most the trip could cost and still be expected to make an acceptable return.

In Practice
Ask the traveler or their manager to set an amount in response to this question:
"What's the most this trip could cost and still be worth taking?"

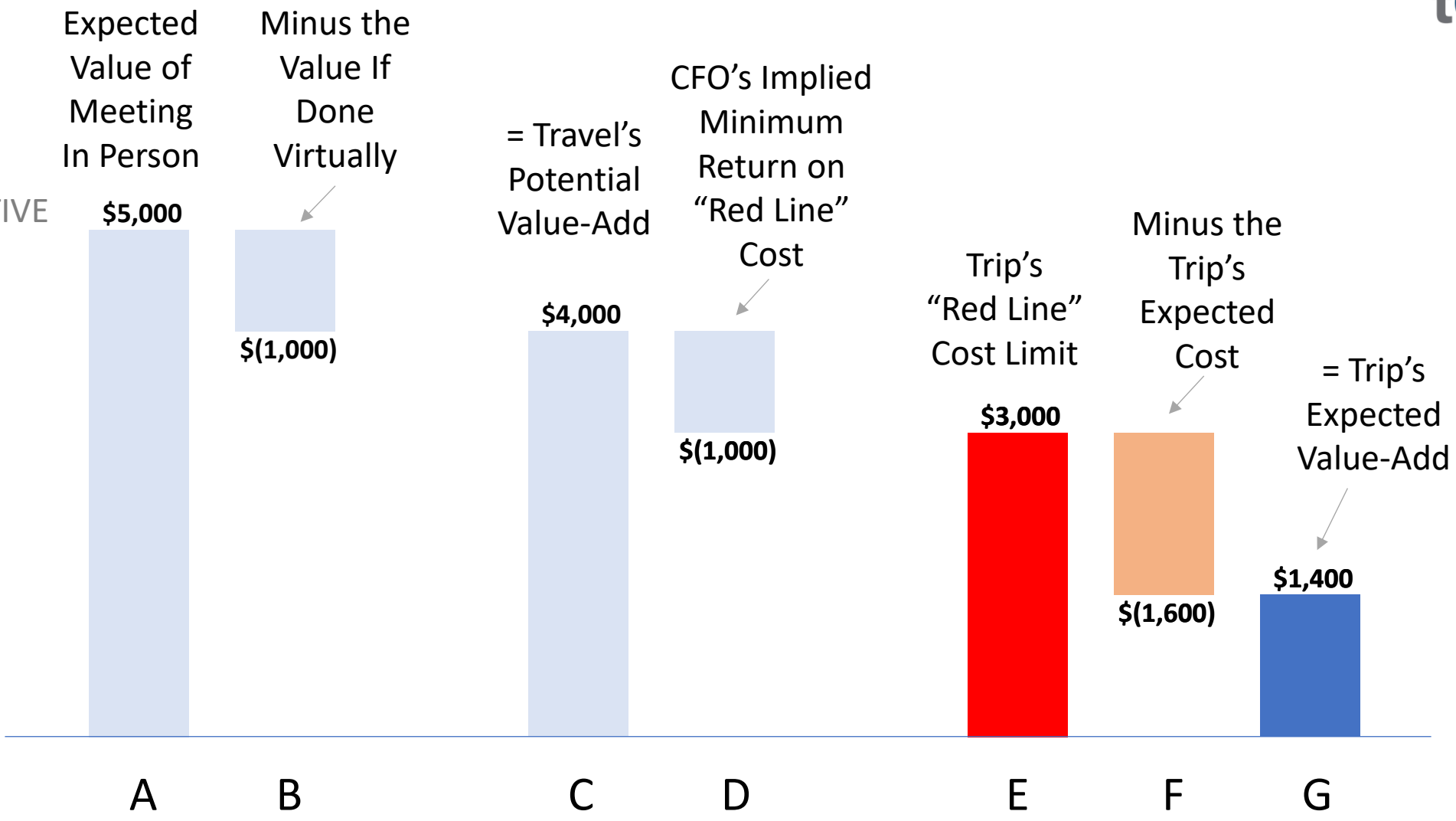
Illustrative Example

Traveler asks	Manager says
"Can I take this trip? It will cost about $10,000."	"No. It's not worth it."
"What if it costs $8,000?"	"No, it's not worth it."
"What if it costs $5,000?"	"No, still not worth it."
"What if it costs $4,000?"	**"Then yes, it's worth it."**

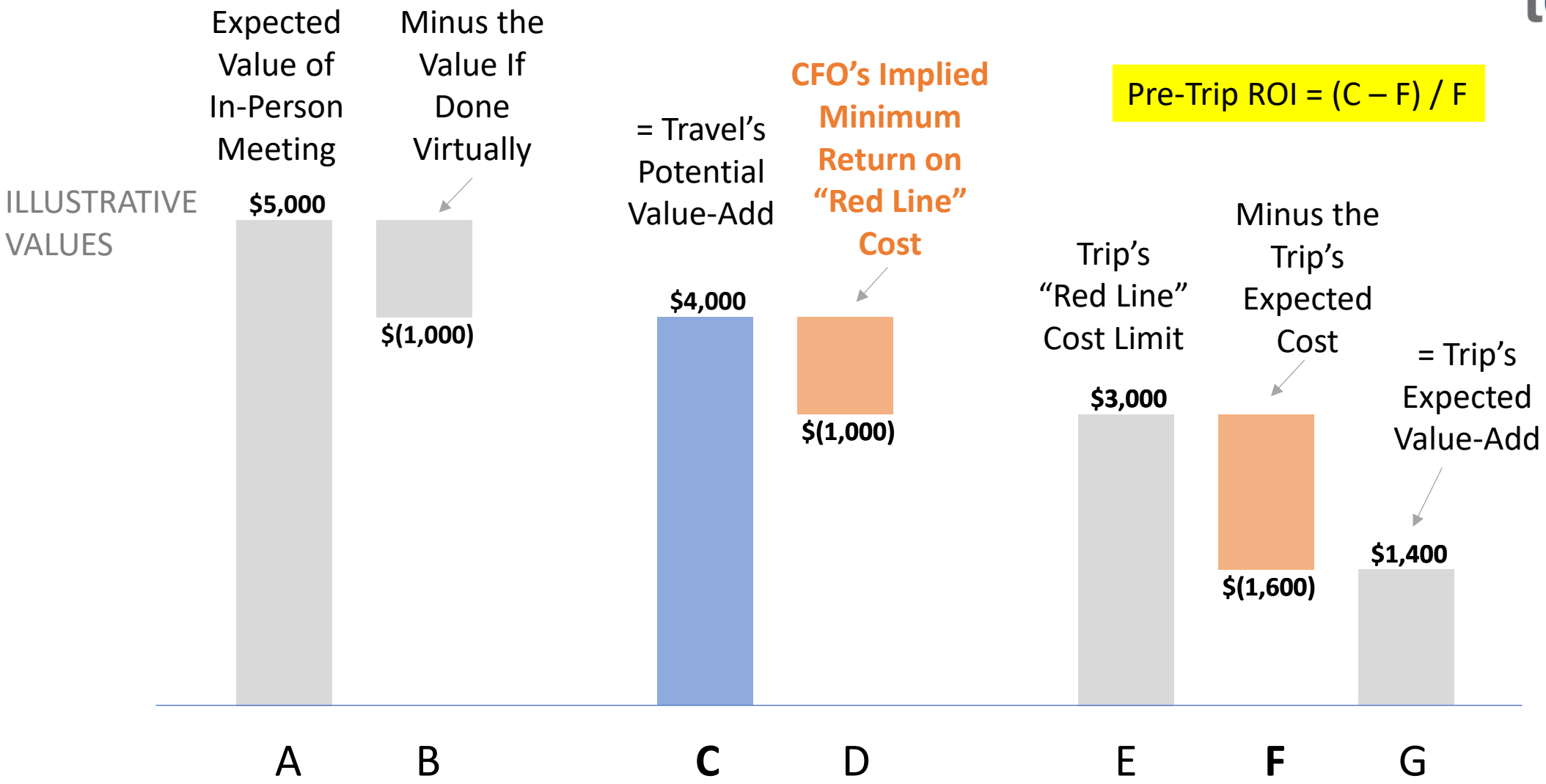
There is a Red Line cost limit for every trip.
It sets the price at which the trip should not be taken. It is the BATNA* walk-away point for travel budget owners.
*Best Alternative To a Negotiated Agreement

LABELLED ANATOMY OF A BUSINESS TRIP'S VALUE

ILLUSTRATIVE VALUES

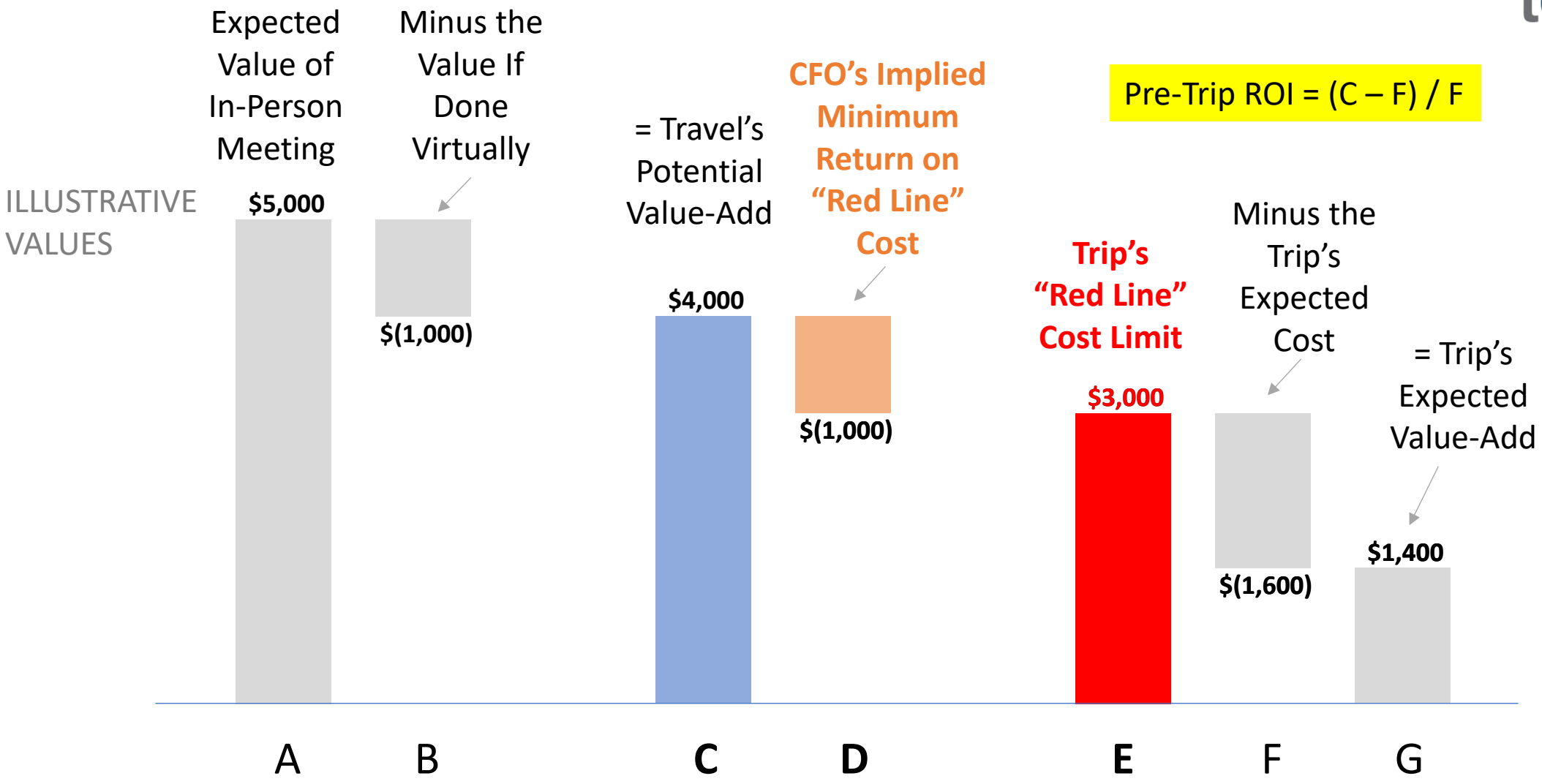


If we want the **pre-trip ROI**, we need the **CFO's input**.



The pre-trip ROI in this example is $2,400 / $1,600, or 150%.

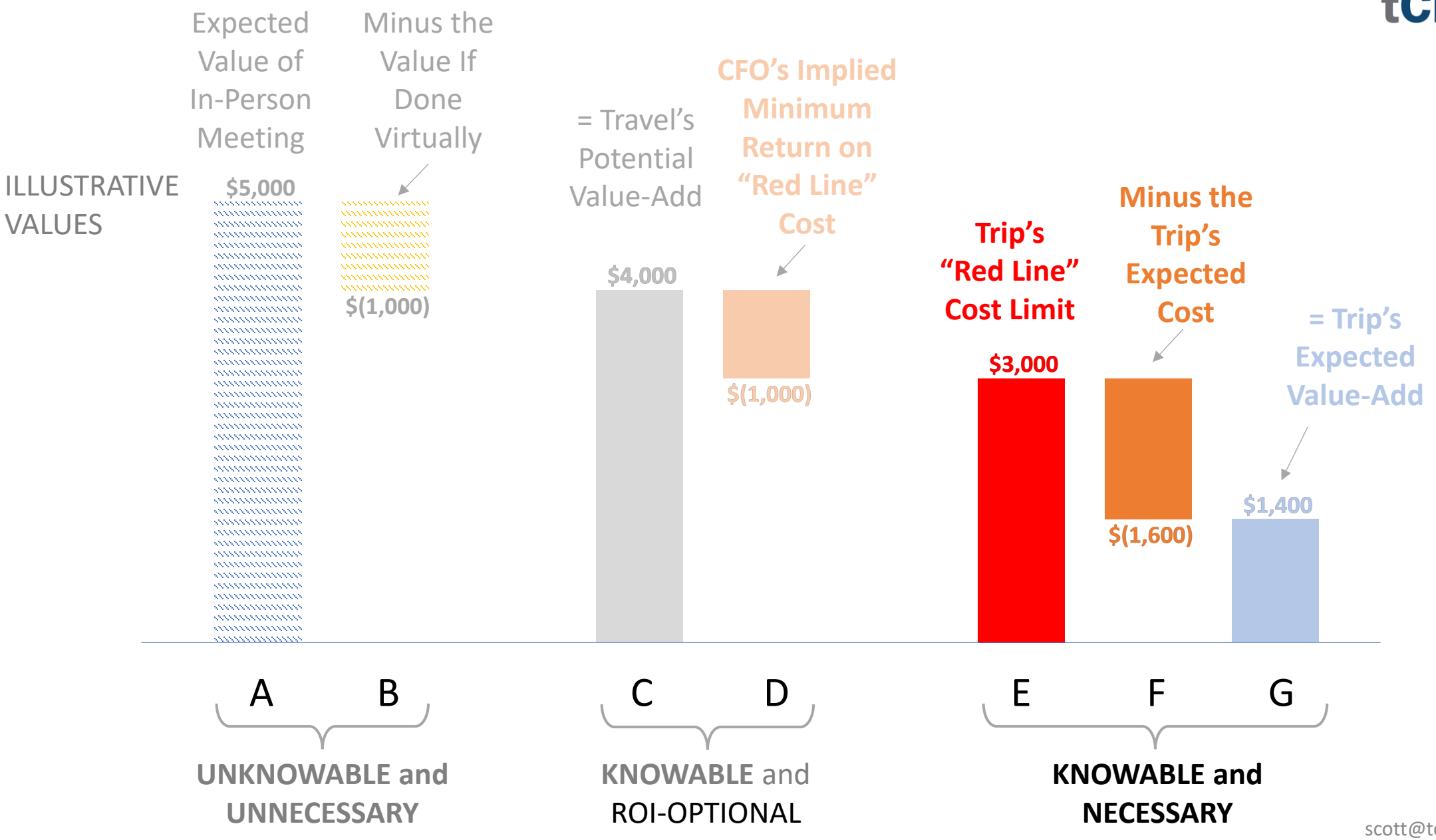
But how do we get a highly credible value for C? We need to know D.



We use the **"Red Line"** cost and the **CFO's expected rate of return on it** to get D's value.

Note that C = D + E, where D is the CFO's Required Return, e.g., 33%, on E.

A trip's **"Red Line"** and **Expected** costs are its most important values.



The expected value-add (EVA) metric is better than ROI for making trip approval decisions.

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This assumes that “Red Line” costs are set after considering the need for an acceptable expected return on the trip’s Red Line cost.

Trips with good-faith Red Lines will, by definition, have an acceptable expected ROI. Therefore, a non-negative EVA means that the trip meets or exceeds the CFO’s expected ROI.

Using the EVA amount lets trip approvers weed out low-value trips, e.g., those with an EVA of less than $1,000, even if those trips have high ROI percentages.

CONCLUSIONS

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Scott Gillespie

Nudging the travel industry forward

Industry Advisor

tClara

scott@tclara.com

Influential thinking about:

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