



# Time Inc. successfully downsizes air program after corporate spin off

## The challenge

Time Inc.'s spin off from Time Warner created a much smaller company with fewer employees, and reduced business travel volume and negotiating power with airlines.

Time Inc. needed to reshape its air travel program in a way that wouldn't be a shock to travelers or executives overseeing financials. The company called on Advito, a long-standing consulting partner of Time Warner. "Advito brought to the table knowledge of our travel program and travelers, industry expertise and strong negotiating skills," explained Time Inc. Director of Travel Services Mary Beth Lysaght.

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Mary Beth Lysaght  
Director of Travel Services, Time Inc.

## Results in brief

- **25x return on investment**
- **Resized** air travel program after divestiture from Time Warner
- **Maintained discounts** on key routes despite 90% drop in air spend
- **Negotiated** frequent flier status and other waivers and favors
- **Educated and engaged** travelers

## Our approach



### Resizing the air program

Time Inc.'s post-divestiture air volume and spend would be dramatically different. Advito's experts analyzed Time Inc.'s past air travel, considering both routine travel and spontaneous meetings. After analyzing the data, Advito provided Lysaght with a projection of Time Inc.'s future air volume and spend.



### Adjusting the carrier mix

Time Inc. asked Advito to review all air carrier mix possibilities. "Ultimately, we chose not to go with LCCs (low-cost carriers) because that would eat away at our business with major carriers, and we needed that volume to get the best discounts on our essential routes," Lysaght explained. "When selecting preferred airlines, you have to make sure you don't overextend yourself, and Advito is brilliant at that."

In the end, Time Inc. chose Delta Air Lines and United Airlines as its primary carriers, the same combination it had relied on when under the Time Warner umbrella. Delta and United offered extensive service on the routes Time Inc. travelers flew most often—without much overlap. Plus, sticking with the same airlines meant fewer surprises for travelers. "We let people keep frequent flier miles, and they really cared about that," Lysaght said.



### Identifying savings

Advito's analysis showed the standalone Time Inc. would spend 90% less on air travel than Time Warner had as a whole. Reduced spend meant far less leverage in getting savings from air suppliers. So, Advito worked to contain costs and capture every possible discount.

A key part of the strategy involved market-by-market negotiation. "We focused on classes of service and key markets and got the most bang for our buck on those routes," Lysaght explained. Air travel to London remained a top destination for Time Inc. travelers, so Advito helped negotiate savings on New York/London fares similar to the discount Time Warner had received. The team also pushed airlines to provide status upgrades and other "waivers and favors" including vouchers, clubrooms, and premium economy seating on the most frequently traveled routes. "Advito helped us squeeze out whatever discounts we could get," Lysaght said.



### Educating and engaging travelers

To ensure Time Inc. could hold up its end of the bargain for those hard-won discounts, it needed travelers' help. Advito helped devise a plan for educating travelers about the new air program and gaining their cooperation. "We needed our travelers to understand the importance of using our preferred suppliers," Lysaght said. "We have to comply with our carrier contracts because compliance drives discounts."

The change management plan began with training for agents on how to handle air bookings and traveler complaints. "We wanted agents to be able to explain why the air program was different, and we wanted to circumvent any negative talk," Lysaght said.

Next, the team cascaded information about the new air program through Time Inc.'s corporate structure starting with managers, cascading down to supervisors and their travelers. "It was all about managing expectations," Lysaght said.

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Mary Beth Lysaght  
*Director of Travel Services,  
Time Inc.*

## The results

It took about eight months to create an air travel program customized for the smaller Time Inc. With Advito's expertise and assistance, Lysaght and her team launched the new air program in tandem with Time Inc.'s rollout as a standalone company in June 2014. Overall, the engagement resulted in a **25x** return on investment for Time Inc. "It was a new world without Time Warner," Lysaght said. "But we entered it smoothly."

**"Advito gave me a realistic number based on their knowledge of the air market, and we ended up right on target.**

**I was able to let management know in advance what the spend was going to look like and why."**

Mary Beth Lysaght  
Director of Travel Services,  
Time Inc.



**25X**  
ROI

### About Advito

*Advito is a corporate travel advisory that helps companies modernize travel category management—pushing beyond traditional sourcing and measurement tactics—for better spend outcomes in a data-rich world. We offer a full spectrum of services to help you better manage your program, reduce travel spend and influence traveler behavior.*