



# **MasterCard Commercial Card Program Simplifies Business Travel**

**See how the MasterCard Commercial Card Program's local and worldwide acceptance, and simple administration have helped mid-size retailers streamline financial transactions for traveling employees.**

## **Business Travel Continues to Grow**

Business travel is at an all-time high. Companies are opening new branches in every part of the world. Training and troubleshooting need to be done on-site. Even companies that rely on conference calling or fiber-optic networks for meetings still require face-to-face interaction on occasion. America's companies are planning to increase business travel in 2008, despite uncertainties about an unstable economy, high oil prices and an expected rise in inflation, according to the National Business Travel Association (NBTA). In fact, the NBTA found that as of September 2007, business travel was up 3.8 percent from the previous year.

## **The Costs of Business Travel**

As business travelers continue to hit the road, the costs associated with business will continue to rise. NBTA estimates that costs

associated with airfare, hotels, car rentals, and food will rise between 6 and 8 percent in 2008 as compared to 2007.

Further research by NBTA shows that 10 percent of those companies that purchase travel options expect their budgets to stay the same for 2008, and 73 percent expect their costs to rise between 5 and 10 percent. Even companies that believe the number of trips their employees take will stay the same will be affected by rising airfare rates. In short, business travel is prevalent, and costs associated with it will continue to rise. Thus, getting the most for a company's business dollar — and the savings in time, paperwork, and tracking that go along with it — become critically important.

### **Business Travelers Today are Younger**

Generation X is in the business travel market. According to NBTA, 43 percent of all business travelers were born between 1965 and 1986. This population is more technologically inclined and expects the latest technology when traveling. Few want to deal with the paperwork, tracking and recordkeeping associated with using cash, travelers checks, ATM cards, or personal credit cards that require turning in expense reports in order to receive reimbursement.

### **Problems Business Travelers Face**

Most business travelers want to get in and get it done. Paperwork, company purchase vouchers and invoicing are some of the obstacles travelers want to avoid.

Car rentals are virtually impossible to obtain without a credit card, and entertaining while on the road is a given but can be stressful and

problematic when figuring out billing. With airport congestion, flight delays and less room for flight re-accommodation, it becomes clear that employees traveling for business-related purposes need the best and simplest way to get from one place to another to get business accomplished. Companies can help eliminate the additional headaches and hassles by finding a credit card program that meets their needs.

### **Putting Controls on Employee Usage**

Many companies fear that giving employees a company card will result in unbridled spending. But putting controls in place in regards to employee spending has brought many company CFOs peace of mind. Companies can track employee expenses by limiting those who have access to the card, setting a spending limit for employees using the card (with some having a higher credit limit than others), and having bills come directly to the company instead of waiting for employees to turn in individual reimbursement reports.

### **How the MasterCard Commercial Card Program Can Help**

The MasterCard Commercial Card Program provides cards for a company's individual needs. It doesn't expect a company to conform to a single card it is offering. With its variety of cards and varying benefits, a company can choose the program that fits its needs.

### **Eliminating Personal Credit Card Use**

One huge bonus of using a corporate credit card is that it eliminates the need for employees' personal credit card use for business expenses. Separating personal receipts can be an administrative challenge for both the employee and the receiver of expense reports. Almost 25 percent of the total time spent managing a travel

accounting program is spent auditing employees' expenditures, according to a study done by Gunn Partners Inc. ("Travel Expense Comparative Practice Analysis"). Eliminating personal use of credit cards increases efficiency in the auditing process. In addition to saving time tracking, reporting and reconciling employee expenses, having all employees use one corporate card helps reduce the risk of potential fraudulent use and ensures efficient expense reporting.

### **Eliminating Company Disbursement of Cash Advances**

Employees will always have need of some cash available to pay expenses at merchants where credit cards are not accepted. This might be accomplished through company disbursements, ATMs, traveler's checks and personal funds.

Although the least expensive means of providing cash advances is using personal funds, some employees are not satisfied with this option. An alternative to ATMs is cash disbursements, which often require a fee. Fortunately, with the wide acceptance of the MasterCard Commercial Card Program, companies will save money on auxiliary fees associated with cash advances.

### **Consolidate to Save Time and Money**

Filing expense reports after each business trip is expensive, as is cutting checks to dozens of individual users. By consolidating employees into one card program, a company can receive one bill online for all of its employees' expenses and can send one payment either online or by mail to pay that bill. This greatly reduces post-trip processing procedures for the employees using the program.

### **Putting All Employees on One Card**

Companies can save program administration time by mandating a single card program for all employees to use in travel and entertainment transactions versus the use of an employee's personal credit card. Collecting all travel and entertainment data through a single card program also gives a company greater control when negotiating rate reductions with travel and entertainment vendors.

### **Making Happy Employees**

Giving employees a corporate card can help them be satisfied with their jobs. An employee who can travel easily for his or her company, without having to sort through the hassles of paperwork on returning home, will be content.