

# BUSINESS TRIPS HELPING COMPANIES TO GROW



A recent study showed that the expenses spent on business travel can have a positive impact on the growth of companies, if carefully calculated. If companies consider all the necessary factors, the right amount of money 'invested' into business trips can ensure a steady growth of revenue.

A new study done by American Express Business Travel and the Global Business Travel Foundation and the results of which were published on Business-travel.de, revealed the relationship between the expenditure used for business trips and the growth of companies that provide such travels. Business trips have not been seen as a way to gain competitive advantage. Companies have so far considered travel expenses as indirect costs that can be reduced whenever necessary; unconscious reduction being one of the key drivers for business growth. Some 900 U.S. public companies took part in the study that dealt with the costs of business trips.

According to the General Manager for Central and Northern Europe at American Express **the companies should consider their travel budgets as an essential investment in the growth of the company.** The study has identified the key business characteristics that are relevant to the determination of the optimal travel budget: the size of the company, the international representation, the structure of the company, the use of new technologies as well as the productivity of the management in the company. The expenses should also be adapted to the economic environment and the type of business the company is working in. Business trips have to be planned very carefully in order to ensure the revenue growth.

Assuming that all the factors remain as stated above, **it will be enough for the U.S. industry to raise the travel costs on average by just 4 % to achieve the optimal sales potential.** These 4% equal just \$70 per employee. However, if we look at individual sectors we will find out some differences in the figures. For example companies that work in the field of services, entertainment and sports are closer to the optimal output than companies doing their business in financial, pharmaceutical and retail sector.

The new kind of benchmark data can serve the companies as a guide. By taking into consideration the property and competitiveness of companies, it becomes easier for a company to decide what the optimal level of travel expenses is to achieve the intended business goal.

Date: 2011-04-04

Article link:

<https://www.tourism-review.com/business-trips-important-for-companys-growth-news2699>