

# BUSINESS TRIPS ARE ESSENTIAL FOR MEDIATING KNOW-HOW



Like many crises, the corona pandemic offers some opportunities. This is particularly evident in the business world, writes the German Travel Management Association (VDR) and explains: Virtually overnight, many corporate processes have been successfully digitized. Not least, this also applies to communication with colleagues and business partners. After all, in the exceptional situation of the pandemic, the home office has quickly established itself as a real workplace alternative. However, business trips still have their place in the industry.

The daily use of digital communication platforms such as GoToMeeting, Teams, Skype or Zoom have quickly become second nature to employees and managers, and in many places, environmentalists and company managers are cheering that **business trips could be greatly reduced - some are even speculating on up to 50 % less!**

But caution is called for here, warns VDR President Christoph Carnier. "Short-term savings can cause great economic damage in the medium and long term, which would make the consequences of the pandemic even worse! Carnier refers to a recent analysis by Harvard University, which shows that up to 17 % of global economic output would be lost if business trips were to be permanently suspended. Harvard economist and head of the study, Ricardo Hausmann, does not consider the productivity that is created locally, for example when branch offices are established in other countries. In his study "Knowledge diffusion in the network of international business travel", he found confirmation of the thesis that business travelers act as important transmitters of know-how. Through them, personal know-how is exchanged, which increases the productivity of companies and the economy and leads to new output and jobs.

Hausmann speaks in this context of the exchange of indirect knowledge. By this he means practical know-how, i.e. knowing how to carry out certain tasks professionally yourself or where to find someone who has the appropriate expertise. This know-how is neither found in textbooks nor in operating instructions and is mainly applied or passed on depending on the situation. In personal encounters, people create numerous situations in which they pass on their knowledge without it having been expressly requested beforehand. The situations develop in the course of a conversation via marginal notes, personal anecdotes or even questions that may not have seemed relevant before. In other words, it is a matter of content that is not to be found on any agenda of a web meeting or telephone conference and that only emerges in the course of a personal conversation.

These results are backed up by a survey of 17,038 business travelers from 24 countries (booking.com), according to which **business trips not only have a positive effect on the company's success but also enable employees to broaden their own horizons and exploit their personal potential.** Two-thirds of international (66%) and more than half of German business travelers (53%) consider personal contact with colleagues and customers indispensable. When asked what they want to achieve on their business trips, almost half of those surveyed (46%) said that their goal is to increase the success of their company. For 40 % of Germans, company success also takes precedence over everything else. But more than one in three Germans (38%) also wants to learn something that will help them advance professionally. This is in line with the fact that German companies worldwide send the most employees and thus the most know-how mediators to other

countries.

Carnier believes it is right and necessary to critically review business trips and, if it makes sense, replace them with virtual meetings. "Managing travel intelligently also always means keeping an eye on costs. But the new technologies are still insufficient when it comes to imparting implicit know-how or building trusting relationships combined with know-how which is fundamental to economic growth around the world."

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