



# Paradigm Evolution/Revolution

**Richard Eastman, President**  
**The Eastman Group, Inc.**

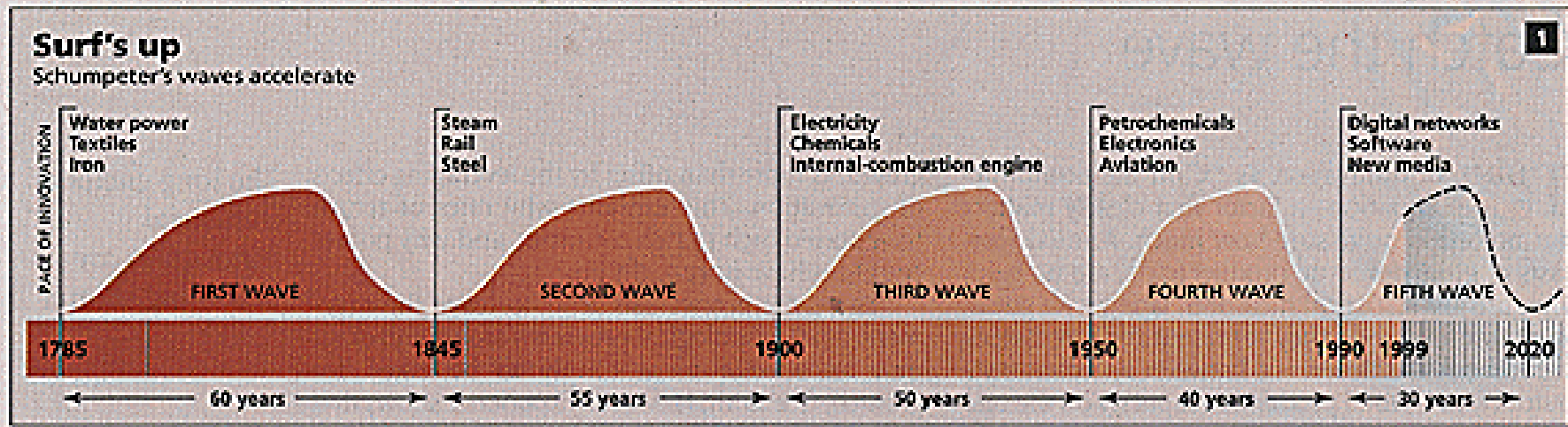
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## Society and Travel Industry in Transition ...

## INFORMATION AGE

### SURVEY INNOVATION IN INDUSTRY



THE ECONOMIST FEBRUARY 20TH 1999

## INDUSTRIAL AGE

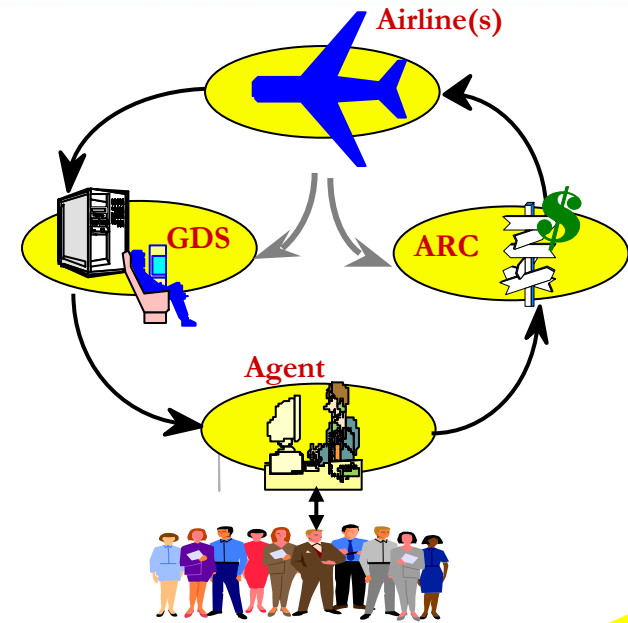
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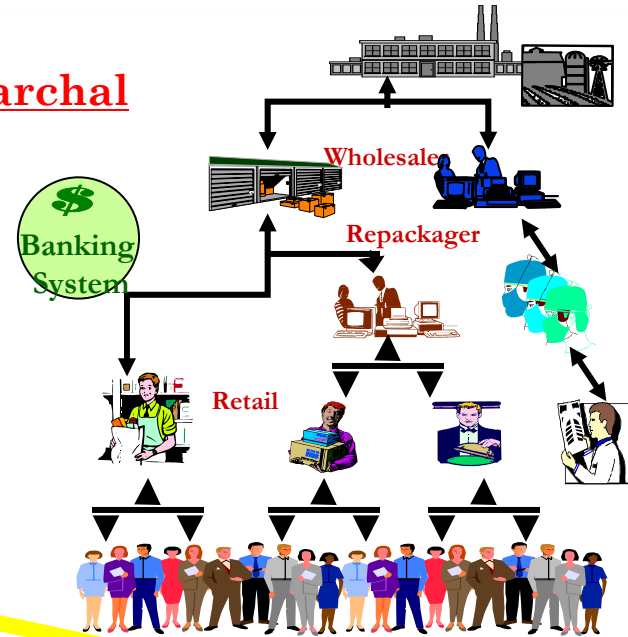
ACTE  
**Global**  
Costa Del Sol, Spain  
November 14-16 **1999**



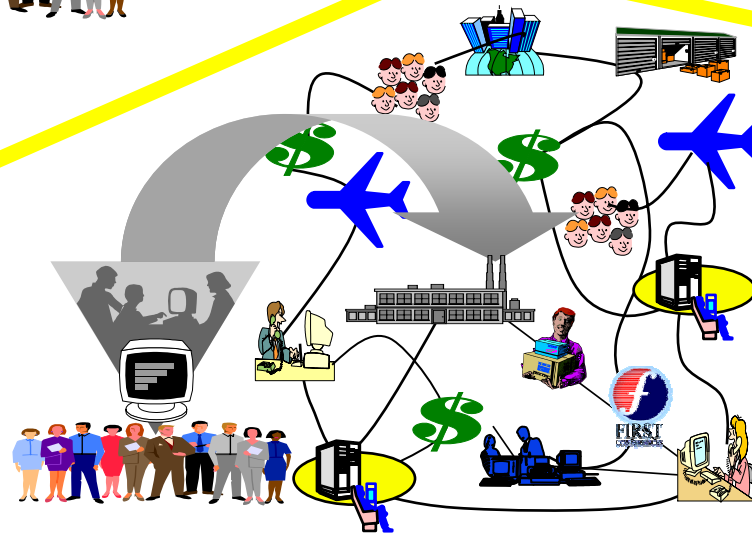


Holistic

Hierarchal



Hyperarchy



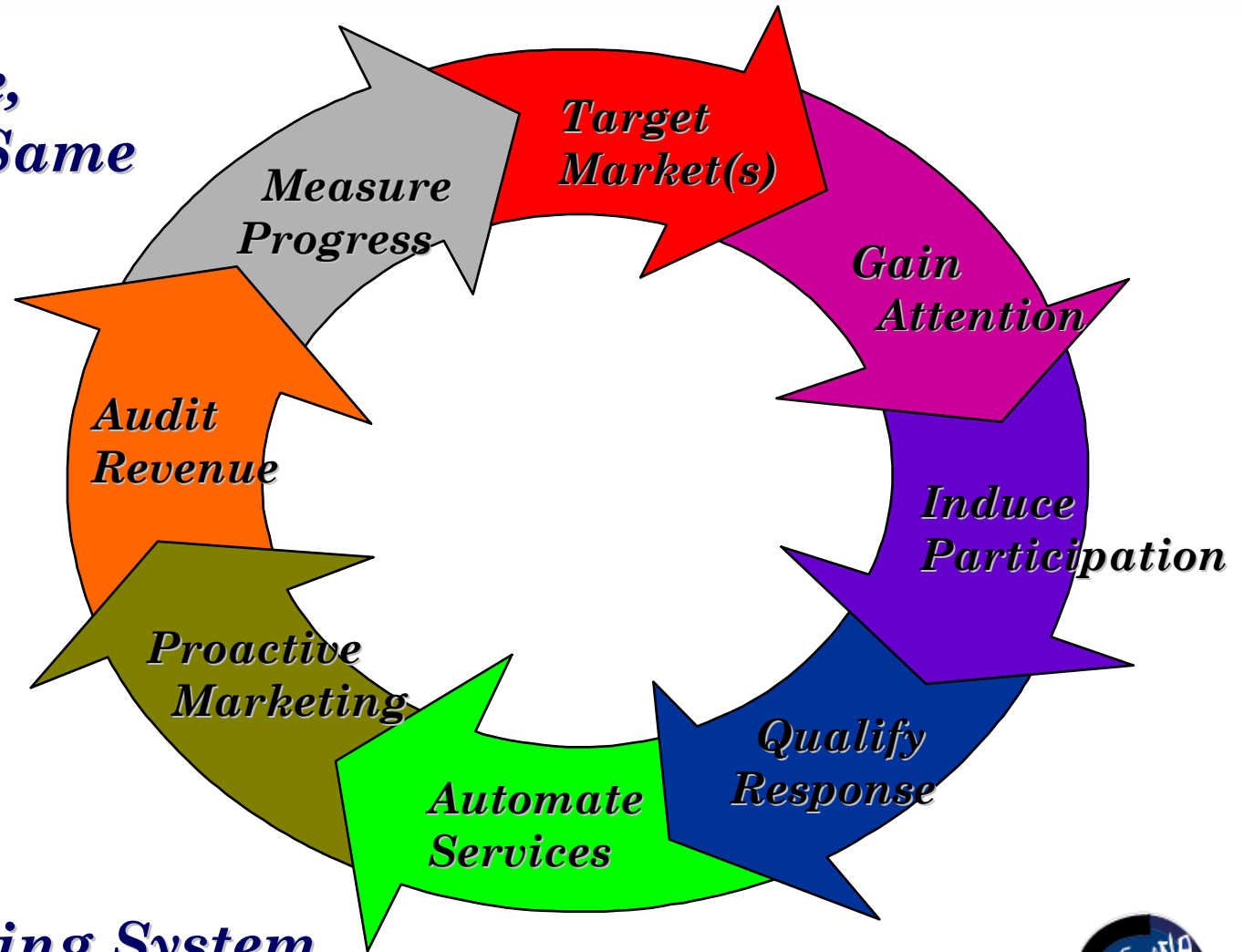
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*Marketing Same,  
But NOT the Same*

*Feedback  
Loops  
create  
Targeted  
Marketing  
and  
Services*



*A Self Organizing System*

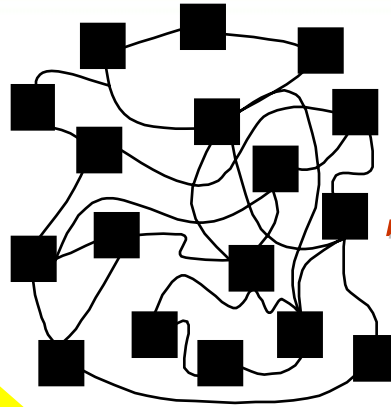
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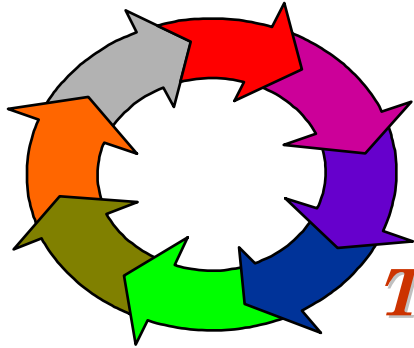




*New Dynamics...*

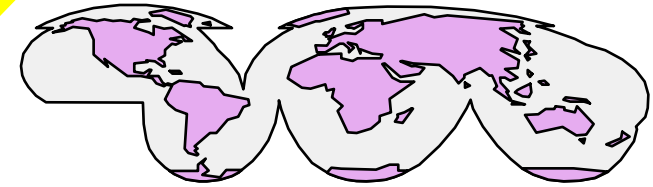


*Speed*

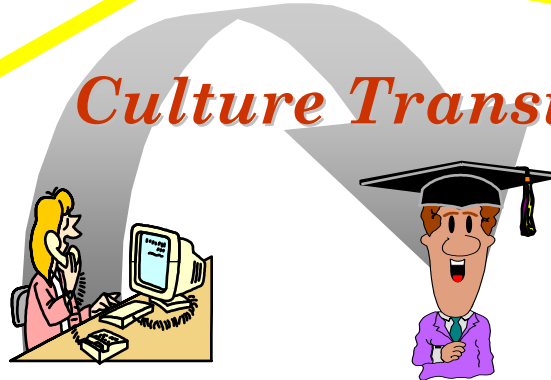


*Targeted*

*Boundaries*

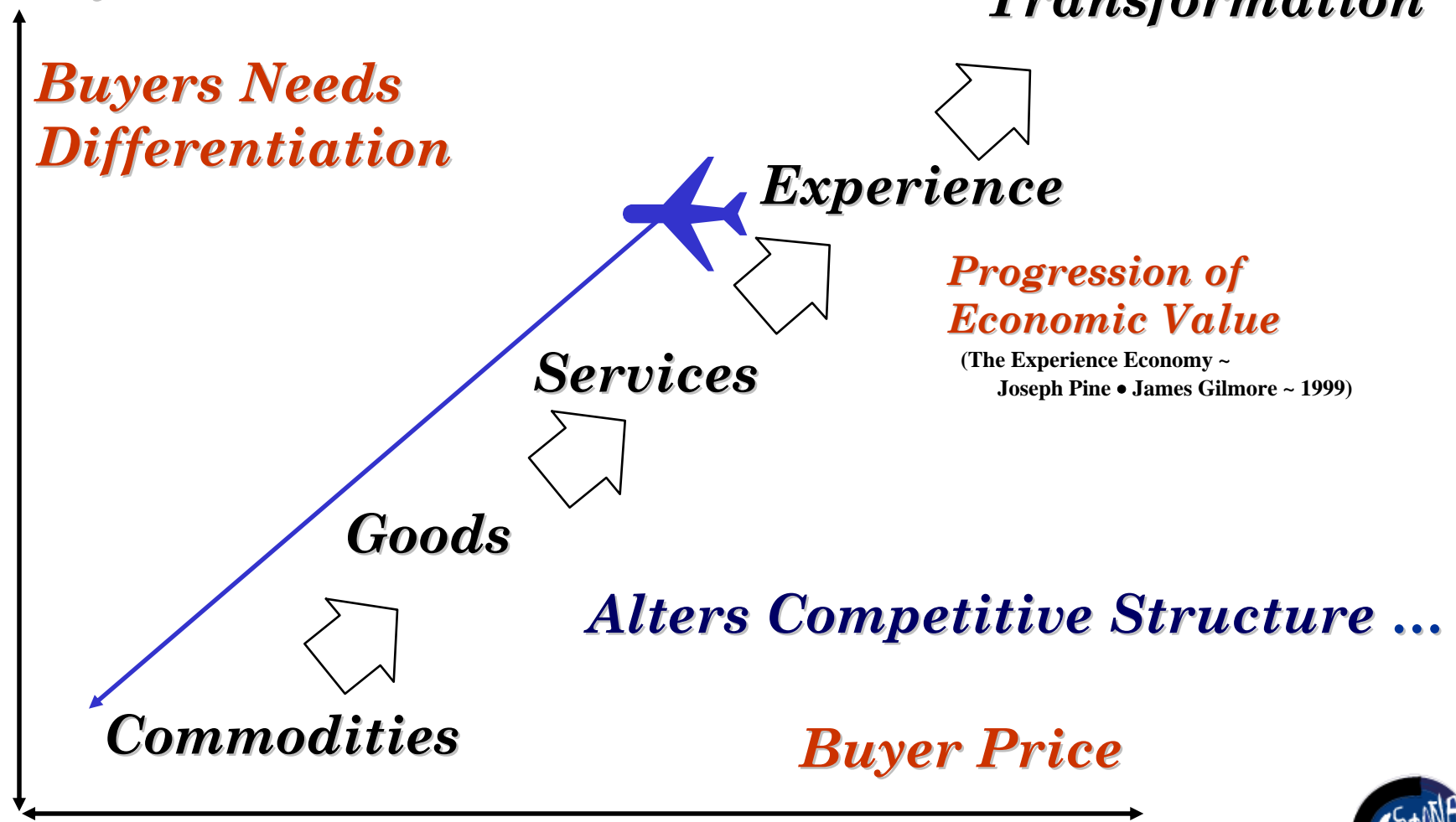


*Culture Transition*





## *New Dynamics...*



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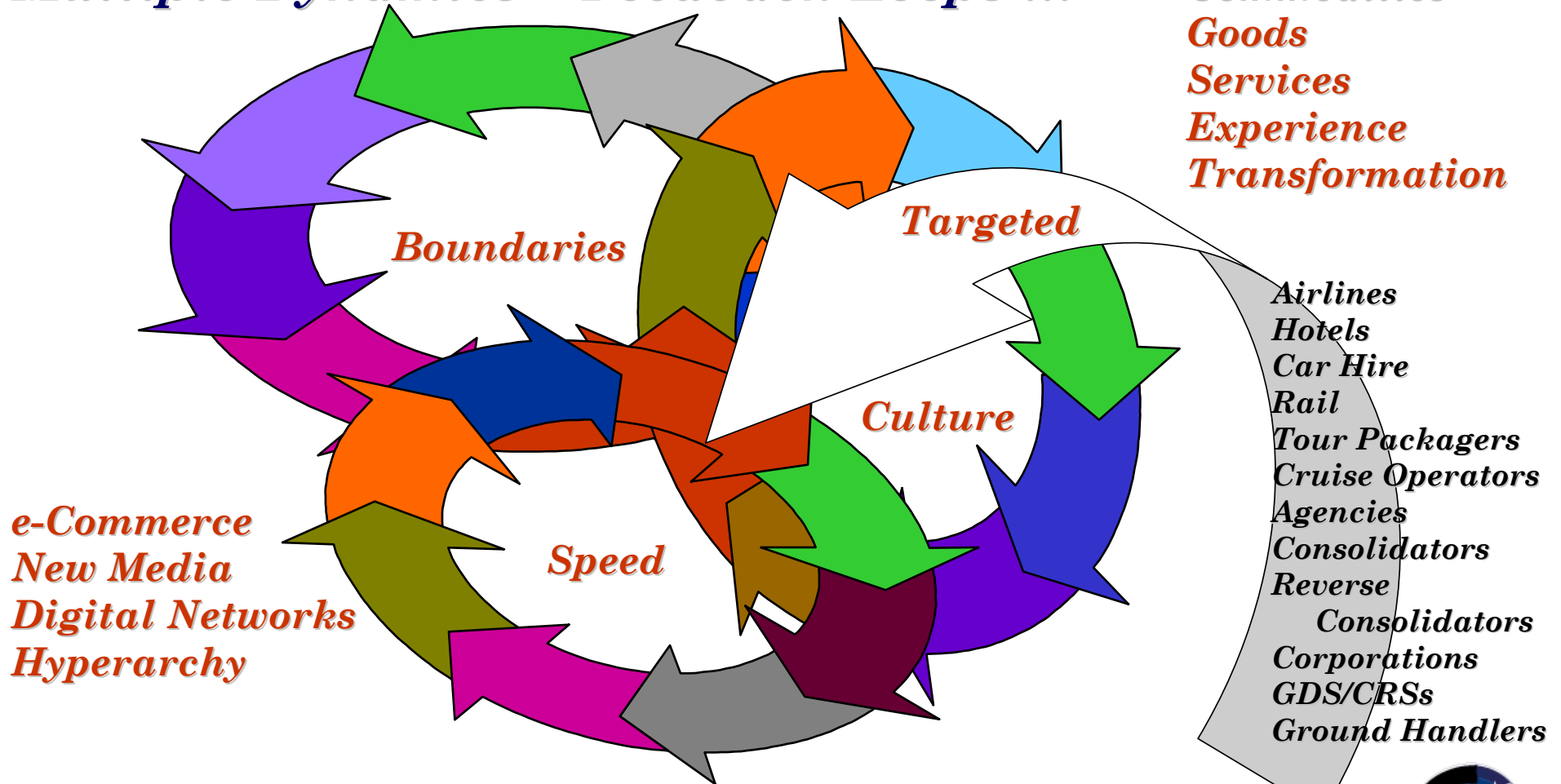
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## Multiple Dynamics ~ Feedback Loops ...

*Commodities  
Goods  
Services  
Experience  
Transformation*



*e-Commerce  
New Media  
Digital Networks  
Hyperarchy*

## Managing the Unknowable ~ Self-Organizing Systems...

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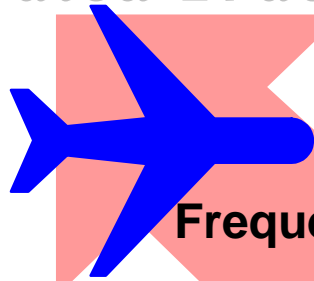


# ACTE

ASSOCIATION OF  
CORPORATE TRAVEL  
EXECUTIVES



## *Integrated Travel Distribution ...*

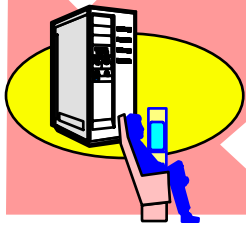


**Frequent Fliers**



**Reverse Consolidators**

## *Risk Distribution • Commodity Re-packaging*

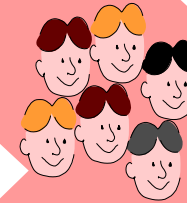


**Online Live  
Packaging**

**Repackagers**



**Interactive Packagers**



*... targeted to specific needs and buyers!*

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Costa Del Sol, Spain  
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**1. How current are your market pair corporate travel reports?**

- 0 – No Reports ... *to* ...
- 5 – Daily a week prior to travel

**2. How is travel buying reconciled with actual traveler expense reports?**

- 0 – No reconciliation ... *to* ...
- 5 – Interactively against pre-travel approved expense plan that becomes expense form after travel

**3. How is your travel agency compensated for its services?**

- 0 – Commission only ... *to* ...
- 5 – Fee based on transformation of travel function to meet corporate strategies

**4. What level of strategic travel knowledge do you access or monitor?**

- 0 – Not your responsibility ... *to* ...
- 5 – Traveler's reason for travel is captured interactively, measured against plan, and information is used to plan/respond to anticipated needs in both the short term and next planning cycle

**5. Your company currently ...**

- 0 – Pays for travel by reimbursement of travel via traveler expense report ... *to* ...
- 5 – Has implemented automated EFT (electronic funds transfer) direct settlement at time of service delivery with some travel or non-travel vendors

**6. You, personally ...**

- 0 – Have no computer literacy skills (that's what "staff" are for) ... *to* ...
- 5 – Use a computer to access Internet, GDSs, and understand how to structure an SQL query to convert information stored in a data warehouse system to knowledge useful to meet your company's strategic objectives.

**7. You identify, today, in your travel agency management reports (i.e., not from credit card companies), air travel credit card charges ...**

- 0 – Have not thought about it ... *to* ...
- 5 – Capture expected credit card billings via pre-travel reporting and interactively audit GDS/CRS or Internet booking data against expense reports filed by traveler.

**8. Your personal view for the future of travel product distribution is ...**

- 0 – The existing distribution model will remain the same for the next five years ... *to* ...
- 5 – New risk taking "players" will evolve in the distribution channel to effect better buying, settlement, and travel solutions for corporate buyers, few of whom will be available via the traditional travel distribution channel.

**Total Possible Score – 40 Points**

If you score 0, you are among those that believe that little, if any, change confronts the industry. If you score 40, you may be anticipating the future a little too much.

