Maximizing Visibility into DoD Travel Spend

GovTravels 2017
Session Description

Maximizing Visibility into DoD Travel Spend

One of the guiding principles of the Defense Travel Management Office is evidence based decision-making. Analysis of Defense Travel Enterprise data empowers DoD travel managers to better understand travel spend, inform policy formulation, increase policy compliance, develop program recommendations, strategically source travel services, and ultimately identify cost savings and efficiencies. Analytical rigor enhances the confidence in decisions and recommendations.

This session will provide an overview of DTMO’s initiatives to create the business intelligence to generate return on investment for the DoD and the taxpayers.
Introductions

• Bob Gerenser, Strategy & Performance Branch
  Chief, Defense Travel Management Office
  – Strategic Planning
  – Enterprise Performance Management
  – Data Analytics
  – Strategic Communications
  – Legislative Affairs
Defense Travel Management Office

Scope of the Enterprise

• DoD Travel Spend: $8.1B (FY15)
• Housing and Cost of Living Allowances: $24.3B (FY16)
• Travel Management Company Services: $236M/5 years
• U.S. Car/Truck Rental Program: $389M (FY15)
• Military Bus Program (Safety Inspection Contract): $1M annually
• Government Travel Charge Card: ~$40B/10 Years

Commercial Travel Program Management
• GSA City Pair – DoD Customer Interface
• U.S. Government Rental Car/Truck
• Military Bus Program
• Recruit Travel & Assistance
• Travel Management Company Services
• Premium Class Travel Oversight

DoD Travel Card Program Management
• Individually Billed Accounts
• Centrally Billed Accounts

Travel Policy and Implementation
• Joint Travel Regulations (JTR)
• Policy Simplification

Customer Support and Training
• Travel Assistance Center (TAC)
• Travel Training Resources
• Service and Agency Liaison

Allowance Program Management
• Basic Allowance for Housing
• CONUS Cost of Living Allowance (COLA)
• Overseas COLA
• Overseas Housing Allowance
• OCONUS Non-Foreign Per Diem Rates
• Currency Adjustments

Defense Travel System
• Functional Requirements and Oversight
• DoD Travel System Pilot

Area of Focus
• Travel and Allowance Reform – Simplify travel policy, explore the best strategy for providing travel services in the future, and implement allowance efficiencies

Mission
Serve as the single focal point for commercial travel within the Department of Defense. Establish strategic direction, set policy, and centrally manage commercial travel programs and station/housing allowances.

Vision
A Defense Travel Enterprise incorporating government and industry best practices to meet the needs and exceed the expectations of our customers

Goals
Maximize
Travel Policy Understanding

Improve Delivery of Travel Services

Optimize Cost Effective Travel

Guiding Principles
First the Traveler, Customer Focused
Fair Compensation
Do No Harm
Duty of Care
Evidence-Based Decision Making
Simple Travel Solutions

The Past: Establishment and consolidation

The Present: Sustainment, improvement, run operations, and conduct Travel Transformation efforts

The Future: Reformed Travel Enterprise
Defense Travel Management Office: Travel and Allowance Reform

Return on Investment:
- Over $1.3B in efficiencies identified
- Over $956M realized through FY16

GUIDING PRINCIPLES
- Do No Harm
- Fair Compensation
- Evidence-Based Decisions

DRIVERS
- Complex travel environment (policies/processes)
- SecDef Priorities
- Congressional/Executive Mandates (NDAA 2012, OMB M-12-12, OMB M-13-02, Campaign to Cut Waste)
- Budget constraints/sequestration
- Emerging technology

SUCCESS FACTORS:
- Integrated Management Model
- Stakeholder Engagement
- Coalitions with Federal Agencies and Industry

RESULTS
- DoD Integrated Lodging Program
- Modernized Travel System Acquisition
- SmartPay® 3 Implementation

ADMINISTRATION
- Meets Congressional/Executive mandates
- Aligns with industry best practices

SENIOR LEADERS
- Reinvestment into programs
  - Increased rebates
  - More $ to meet mission
  - Spend visibility
- Simplification
  - Increased auditability
  - Improved compliance

TRAVELERS
- Simplified rules/processes
- Modernized travel solution
- Enriched travel experience (better, safe/secure properties with amenities; enhanced technologies; more convenience; improved usability)
- Targeted and centralized training and 24/7 customer assistance
- Strategic communications (Dispatch, DTMO website, focused outreach)
- Enhanced approach to measuring customer satisfaction
Travel Spend Visibility

- **Percent of total DoD direct travel costs supported by validated data identifying travel spend category and Service/Agency**
  - FY10 = 45%
  - FY15 = 68%
  - Industry goal is 85%

- **Hard Benefits**
  - Increased accountability and transparency of expenditure of DoD travel funds
  - Audit compliance with established policies
  - Enhanced consistency in the quality of supplier products and services

- **Soft Benefits**
  - Ability to drive strategic sourcing decisions and mandate usage of preferred vendors, approved booking, expensing, and payment methods
  - Increased visibility into customer behaviors and preferences to drive future requirements

- **Alignment with Business Strategies and Goals**
  - Strategic Goal: Optimize Cost Effective Travel
  - Strategic Objective: Maximize visibility into DoD travel spend to better understand supplier and traveler behavior
The Denominator - Object Class 21.0

Object Class 21.0 Travel and Transportation of Persons

Source: DoD Financial Management Regulation Volume 1, Appendix A

Obligations for transportation of Government employees or others, their per diem allowances while in an authorized travel status, and other expenses incident to travel that are to be paid by the Government either directly or by reimbursing the traveler.
DoD Object Class 21 – FY 2015 Actuals

FY 2017 Budget - Object Class 21 Obligations
Travel and Transportation of Persons

FY 2015 Object Class 21 Actual Obligations
(Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Reimbursable</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army</td>
<td>$2,260,373</td>
<td>$221,614</td>
<td>$2,481,987</td>
<td>30.6%</td>
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<tr>
<td>Navy</td>
<td>$1,865,094</td>
<td>$449,059</td>
<td>$2,314,153</td>
<td>28.5%</td>
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<tr>
<td>Air Force</td>
<td>$1,758,693</td>
<td>$148,112</td>
<td>$1,906,805</td>
<td>23.5%</td>
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<tr>
<td>Defense-Wide</td>
<td>$1,278,366</td>
<td>$128,902</td>
<td>$1,407,268</td>
<td>17.4%</td>
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<tr>
<td>Total DoD</td>
<td>$7,162,526</td>
<td>$947,687</td>
<td>$8,110,213</td>
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</tbody>
</table>
## Total US Government Travel Spend

### OBJECT CLASS 21 - TRAVEL AND TRANSPORTATION OF PERSONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DoD Direct Obligations</td>
<td>$7.163B</td>
</tr>
<tr>
<td>DoD Reimbursable Obligations</td>
<td>$0.948B</td>
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<tr>
<td>DoD Total Object Class 21 Obligations</td>
<td>$8.110B</td>
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<tr>
<td>US Government Direct Obligations</td>
<td>$12.158B</td>
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<tr>
<td>US Government Reimbursable Obligations</td>
<td>$1.852B</td>
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<tr>
<td>US Government Total Object Class 21 Obligations</td>
<td>$14.351B</td>
</tr>
<tr>
<td>Federal Agencies (includes DoD) Direct Obligations</td>
<td>$11.994B</td>
</tr>
<tr>
<td>DoD Percentage of US Government Total Obligations</td>
<td>56.5%</td>
</tr>
<tr>
<td>DoD Percentage of Federal Agency Direct Obligations</td>
<td>59.7%</td>
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</table>
### DoD Object Class 21 - Historical

#### DoD Travel Spend FY02 thru FY15

<table>
<thead>
<tr>
<th>$Billions</th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
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</thead>
<tbody>
<tr>
<td>Total DoD</td>
<td>$6.60</td>
<td>$8.30</td>
<td>$8.80</td>
<td>$10.30</td>
<td>$8.46</td>
<td>$9.37</td>
<td>$10.37</td>
<td>$11.78</td>
<td>$11.49</td>
<td>$10.58</td>
<td>$8.19</td>
<td>$8.69</td>
<td>$8.11</td>
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</tr>
<tr>
<td>Army</td>
<td>$2.23</td>
<td>$2.70</td>
<td>$3.65</td>
<td>$5.25</td>
<td>$3.01</td>
<td>$4.10</td>
<td>$4.46</td>
<td>$4.67</td>
<td>$5.14</td>
<td>$4.92</td>
<td>$4.36</td>
<td>$2.92</td>
<td>$3.19</td>
<td>$2.48</td>
</tr>
<tr>
<td>Navy</td>
<td>$1.64</td>
<td>$2.17</td>
<td>$1.79</td>
<td>$1.83</td>
<td>$2.06</td>
<td>$2.00</td>
<td>$2.57</td>
<td>$2.45</td>
<td>$2.55</td>
<td>$2.61</td>
<td>$2.55</td>
<td>$2.12</td>
<td>$2.33</td>
<td>$2.31</td>
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<tr>
<td>Air Force</td>
<td>$1.88</td>
<td>$2.49</td>
<td>$2.42</td>
<td>$2.19</td>
<td>$2.26</td>
<td>$2.15</td>
<td>$2.10</td>
<td>$2.31</td>
<td>$2.41</td>
<td>$2.35</td>
<td>$2.09</td>
<td>$1.88</td>
<td>$1.84</td>
<td>$1.91</td>
</tr>
<tr>
<td>Def Agencies</td>
<td>$0.79</td>
<td>$0.90</td>
<td>$0.96</td>
<td>$1.01</td>
<td>$1.12</td>
<td>$1.24</td>
<td>$1.68</td>
<td>$1.68</td>
<td>$1.61</td>
<td>$1.59</td>
<td>$1.28</td>
<td>$1.33</td>
<td>$1.41</td>
<td></td>
</tr>
</tbody>
</table>
# Travel Category Spend Analysis

## Estimate of FY 2015 Actual Obligations By Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Obligations ($ in Thousands)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Air</td>
<td>$1,798,244</td>
<td>22.17%</td>
</tr>
<tr>
<td>Military Air</td>
<td>$203,117</td>
<td>2.50%</td>
</tr>
<tr>
<td>POV</td>
<td>$300,889</td>
<td>3.71%</td>
</tr>
<tr>
<td>Other</td>
<td>$196,791</td>
<td>2.43%</td>
</tr>
<tr>
<td>Rental Cars</td>
<td>$519,248</td>
<td>6.40%</td>
</tr>
<tr>
<td>Lodging</td>
<td>$1,655,995</td>
<td>20.42%</td>
</tr>
<tr>
<td>M&amp;IE</td>
<td>$2,603,140</td>
<td>32.10%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$832,790</td>
<td>10.27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,110,213</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Object Class Data provided by DoD Comptroller; estimates of obligations by travel spend category based on the baseline study, Travel Costs of the Department of Defense, Institute for Defense Analyses, February 2008.*
Data Sources

✓ Defense Travel System (DTS)
  • Reserve Travel System (RTS)
  • Integrated Automated Travel System (RTS)
  • Corps of Engineers Financial Management System (CEFMS)
  • Multiple Service Agency Financial Accounting Systems
✓ Government Travel Charge Card (GTCC)
✓ TMC Data
• Federal Procurement Data Base
The Challenge

$8.1B
Our Data House

CTIM Master

TMC Travel Daily

TMC Monthly

Reference Data

DTS

Data Quality

Travel Card

BI Tool
Strategy and Performance Management

- Set of integrated management processes which help improve strategic decision making in organizations
- Provides credible, decision ready BI to leadership driving accountability, management decisions, reporting, compliance, resource allocation, risk management and continuous improvement

Strategy Development
- SWOT Analysis
- Environmental Scan (external drivers/marketplace changes)
- Review of Products/Programs/Services/Customers

Metrics Development
- Determine & define performance metrics using metrics templates
- Establish KPIs and targets
- Identify metrics owners and data sources

Commercial Travel Information Management (CTIM) Tool
- Integral to Performance Management System
- Enhances analytic capabilities, enabling a more comprehensive understanding of DoD travel processes and the development of business intelligence
- Data is gathered, integrated, cleansed and validated

Integrated Business Intelligence Capability
- Evidence based decision making supported by CTIM
- Leverages dashboards, scorecards and reports
- Track, analyze and report performance
  - Visual analytics
  - Standardized analytical approach for detailed studies

"Establishes and maintains a DoD Travel Enterprise performance management framework that is supported by an enterprise-wide repository of DoD commercial travel data for the purpose of administering commercial travel programs, procedures, reporting, and guidance." – DoDI 5154.31
Dashboards – GTCC Spend

TRANSACTION_DATE

FY 2013
FY 2014
FY 2015

NET SPEND

$400M
$200M
$0M

NUM TRANSACTIONS

2M
1M
0M

ACCT_TYPE

FY 2013
FY 2014
FY 2015

CBA
$966,911,121
$815,676,820
$740,560,357

2,621,159
2,402,285
2,159,472

IBA
$3,103,377,908
$3,596,381,999
$3,822,786,955

22,320,526
23,156,219
23,618,996

Grand Total
$4,300,289,029
$4,412,058,819
$4,572,356,312

24,841,685
25,558,504
25,778,468

% Change from Prev FY

Account Type

CBA
IBA
Account Type
All

Spend Amount Select
Total
Dashboard – City Pair Program Usage

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER</td>
<td>53,837</td>
<td>395,93</td>
<td>78,910</td>
</tr>
<tr>
<td>NO CITY PAIR IN MARKET</td>
<td>61,349</td>
<td>619,15</td>
<td>176,976</td>
</tr>
<tr>
<td>DG</td>
<td>96,551</td>
<td>318,33</td>
<td>294,046</td>
</tr>
<tr>
<td>YCA</td>
<td>218,363</td>
<td>388,73</td>
<td>579,939</td>
</tr>
<tr>
<td>-CA</td>
<td>144,844</td>
<td>204,27</td>
<td>644,610</td>
</tr>
<tr>
<td>Grand Total</td>
<td>574,944</td>
<td>370,81</td>
<td>1,146,713</td>
</tr>
</tbody>
</table>

Office of the Under Secretary of Defense (Personnel and Readiness)
Dashboard – Online Booking for Air

Reservation Module Usage for Air

Usage by FY
- FY 2013: 81.07%
- FY 2014: 82.38%
- FY 2015: 84.68%
- FY 2016: 88.99%

Year of Departure
- FY 2013
- FY 2014
- FY 2015
- FY 2016

Service
- AIR FORCE
- ARMY
- DOD AGENCIES
- JOINT COMMANDS
- MARINES
- NAVY

Vouchers with Air and Res. Mod. Used

- Vouchers with Air and Res. Mod. Used
  - FY 2013
  - FY 2014
  - FY 2015
  - FY 2016

Month
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
Dashboard – Online Booking for Lodging

Res Mod Usage by Stay

FY 2015

<table>
<thead>
<tr>
<th>Month</th>
<th>% of Stays</th>
<th>Number of Stays</th>
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</thead>
<tbody>
<tr>
<td>Oct</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>Nov</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>Dec</td>
<td>93%</td>
<td>7%</td>
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<tr>
<td>Jan</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>Feb</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>Mar</td>
<td>94%</td>
<td>5%</td>
</tr>
<tr>
<td>Apr</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>May</td>
<td>95%</td>
<td>9%</td>
</tr>
<tr>
<td>Jun</td>
<td>91%</td>
<td>15%</td>
</tr>
<tr>
<td>Jul</td>
<td>85%</td>
<td>16%</td>
</tr>
<tr>
<td>Aug</td>
<td>84%</td>
<td></td>
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</tbody>
</table>

Res Mod Usage by Room Nights

FY 2015

<table>
<thead>
<tr>
<th>Month</th>
<th>% of Room Nights</th>
<th>Number of Room Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>96%</td>
<td>4%</td>
</tr>
<tr>
<td>Nov</td>
<td>96%</td>
<td>4%</td>
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<tr>
<td>Dec</td>
<td>96%</td>
<td>4%</td>
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<tr>
<td>Jan</td>
<td>95%</td>
<td>5%</td>
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<tr>
<td>Feb</td>
<td>96%</td>
<td>4%</td>
</tr>
<tr>
<td>Mar</td>
<td>96%</td>
<td>4%</td>
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<tr>
<td>Apr</td>
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<tr>
<td>May</td>
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<td>4%</td>
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<tr>
<td>Jun</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>Jul</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>Aug</td>
<td>89%</td>
<td>11%</td>
</tr>
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Res Mod Used?

Check Out Date 10/1/2013 to 8/31/2014

<table>
<thead>
<tr>
<th>Service</th>
<th>TDY Metro Area</th>
<th>% of Room Nights</th>
<th>Number of Room Nights</th>
</tr>
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<tbody>
<tr>
<td>All</td>
<td>All</td>
<td>95%</td>
<td>14,003,985</td>
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<tr>
<td></td>
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<td>5%</td>
<td>514,959</td>
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<td></td>
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<td>100%</td>
<td>14,819,044</td>
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</table>

Res Mod Used?

FY 2015

<table>
<thead>
<tr>
<th>Service</th>
<th>% of Stays</th>
<th>Number of Stays</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>92%</td>
<td>2,450,562</td>
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<tr>
<td></td>
<td>8%</td>
<td>211,643</td>
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<tr>
<td></td>
<td>100%</td>
<td>2,662,205</td>
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Analytics

• Strategic Sourcing
  – Lodging Market Analysis
  – Preferred Dining Program Pilot

• Policy
  – Flat Rate Per Diem for Long Term TDY
  – Policy Simplification: Travel Reengineering Information Processing System (TRIPS)
  – Compliance Trend Analysis

• Program Support
  – TMC fees
  – Restricted fare usage

• Customer Satisfaction

• Coming soon – Predictive Analytics
  – Correlating customer satisfaction with lodging property characteristics
  – Correlating traveler demographics with compliance errors
Questions?