

CTM: Thinking ahead

Planning ahead is part of the everyday for the people at Corporate Travel Management (CTM), and it is no wonder, as it's a business that has a lot to look forward to.

CTM was established with a Brisbane headquarters in 1994 by Jamie Pherous, and thanks to its unique service offering, proven return on investment and constant innovation, it has grown from a company of just two to more than 370 employees spread over six offices in Australia and New Zealand.

CTM managing director Jamie Pherous has an eloquent philosophy for his business success: to plan ahead, you have to think ahead – at least two years ahead, in the case of CTM.

He said it has always been part of the company's philosophy to focus two years ahead, to figure out where the company needs to be and what services it needs to be offering to ensure CTM is positioned in the ideal way to win and retain clients.

That commitment to service and constant innovation saw CTM grow to be Australia and New Zealand's largest privately owned travel management company before its initial public offering (IPO) in 2010 – the first Queensland Leaders member to achieve that goal.

This planning approach is what has enabled CTM to tailor its services to so closely suit its clients, and why right now, Mr Pherous is extremely excited by what's ahead in 2013.

"If you look at the Australian landscape and how the projects, the people involved and the numbers are shaping up – 2013 is going to see many big projects underway and it is going to be a real shot in the arm for the economy," Mr Pherous said.

How CTM's business is traveling could be a litmus test for economic activity to come in a way, with Mr Pherous saying business starts to travel in the lead-up to economic growth.

"We are a very good precursor," Mr Pherous said, "we are seeing the start of it now. For instance, we are

seeing real growth in our charter work for the mining companies."

Certainly, business travel activity is on the increase in the CTM client ranks, although it was difficult to detect the most active sectors – apart from mining-related industries. Exporters, he said, certainly were hurting because of the high Australian dollar, yet CTM's business is growing, both domestically and internationally.

FINANCIAL MILESTONE

A continued growth trend has seen CTM achieve a milestone \$500million total transaction value (TTV) for the financial year, growing approximately \$150million in FY11.

This exceeded CTM's forecast and has been delivered via strong organic growth through new client wins and the retention of existing clients.

Mr Pherous said the result came about through constant innovation in market-leading corporate travel technology such as CTM's *assist-u* and *u-track* mobile smartphone services and CTM's well-proven returns on investment for clients.

Mr Pherous sees CTM's communications capability through smartphones as a cornerstone for better client service, and said this combined with CTM's highly personalised service model and the productivity gains through travel technology make CTM's people and its clients more efficient.

"These elements allow us to make a compelling case to clients both new and existing, and so we have been able to continually enjoy strong organic growth through not only new client wins but by retaining existing clients."

Mr Pherous said the achievement sees CTM well on track for its long-term plans. "Achieving this milestone cements us as a key player in Australia and New Zealand," Mr Pherous said.

"It is significant not only as a milestone achievement in itself, but also due to the fact that the growth was achieved during average economic times. The momentum sets us up well over the long term, which is great news for our shareholders, staff and clients."

AFTA 'BEST' AGAIN

CTM continues to reach milestones, recently recognised as the Best National Travel Management Company in Australia, claiming the prestigious 2011 Australian Federation of Travel Agents

(AFTA) award for the seventh time in the past eight years. CTM was inducted into the AFTA Hall of Fame in 2010 in recognition of its long-running success.

Mr Pherous said the award was further confirmation of the success of the company's highly personalised approach and dedication to innovation for its clients.

"This is an amazing achievement, with CTM now laying claim to this award a total of seven times in the last eight years – all CTM staff should be very proud of this milestone," Mr Pherous said.

Significantly, CTM won the award in a year in which it made its first ASX-enabled acquisitions, successfully integrating staff and systems of TravelCorp, hot on the heels of its acquisition of New Zealand-based Cavalier Travel Services in August. CTM had previously acquired Sydney's Travelogic in 2008, Perth's Debretts in 2006 and Melbourne's Rhodes Corporate Travel in 2001.

LISTED GAINS

Mr Pherous said the successful listing of CTM on the Australian Securities Exchange had long been a focus – although it had been postponed for two years by the global financial crisis.

"The GFC gave us what we needed – lots of years to plan," Mr Pherous said. "People said it would mean a higher profile – and they were right. They were also right about it giving us the financial security to accelerate."

"I've enjoyed the process. I have been working 'on the business' rather than 'in the business' for two-to-three years now, so I've been able to concentrate on what we need to do to be successful down-the-line as a company."

"In fact, many of my clients gave me tips on listing and what it would do for us, too. Out of that I found there were 3-4 things that you don't do and 2-3 things that you must do."

"A lot of people list and then sell out – but that was never our goal. For us, listing was about gaining flexibility and having access to capital. It allows us to make strategic and accretive acquisitions to support our organic growth – I'm having fun."

Apart from having the financial backing for key acquisitions and the disciplines of being a listed company, Mr Pherous said CTM was in a position to continually focus on building its core strengths, which revolve around constant improvement in client service. For CTM that means



Jamie Pherous.

developing and using new technologies to “strip away the mundane” and drive new efficiencies for clients and CTM staff alike. For example, booking a fly-in fly-out charter used to take a staff member half a day, but new systems CTM has developed in association with its suppliers has changed that to a two-minute task today, Mr Pherous said.

“For us, client retention is critical,” he said. “We sell on Return on Investment. The proof is in the disciplines and reporting that are introduced and the client specific statistics.

“We are using technology to get rid of the mundane stuff staff have to deal with, so we can free them up to relate personally with clients – where our expertise lies,” Mr Pherous said. “It’s often undervalued how important that is. We build great relationships. We are a client-focused business and that is at all costs.”

QUEENSLAND LEADERS

Corporate Travel Management is an advocate and great example of the Queensland Leaders program, which aims to nurture the next generation of international businesses based in Queensland. CTM has returned to the program in 2011 as a sponsor.

CTM was the first member to go through an IPO process and when it did so it had the assistance and grooming of Queensland Leaders sponsor RBS Morgans, while also receiving advice, assistance and guidance from other board members, partners and sponsors.

“I found it invaluable,” Mr Pherous said of the initial 12-month process from which alumni links developed.

Mr Pherous said he learned a lot about leadership from Queensland Leaders and has developed a checklist of his own: “Always take time with your people. Lead by example. Keep your messages clear and concise ... and then repeat and repeat and repeat.” His preferred method of internal communication today is video messages – or the phone.

“People want to work for good leaders,” he said. “Invest in your leaders. They are your future.”

www.travelctm.com ■

* The company’s FY2012 profit forecast will be released to market at its inaugural annual general meeting, to be held in Brisbane on August 25. ■

Ray’s backs Cancer Council

Ray’s Outdoors – part of the Super Retail Group – has joined the fight against cancer through a national fundraising partnership with Cancer Council Australia.

With one in two Australians likely to be diagnosed with cancer by the age of 85, Ray’s Outdoors has joined the battle and is inviting customers to contribute much needed funds for cancer research, prevention and support services by simply rounding up the value of their purchase, or by making a standalone donation at the register.

All proceeds will be donated to Cancer Council Australia every quarter and will assist their efforts to eliminate cancer through research into improved treatments, prevention campaigns like Sunsmart and QUIT; and support services such as Cancer Council Helpline (13 11 20) which takes about 100,000 a year. The council grants about \$50million a year towards new and improved treatments.

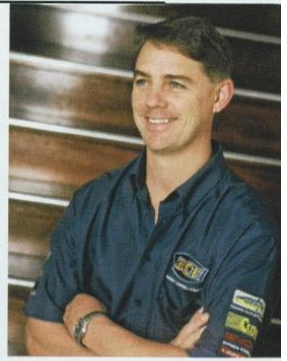
Ray’s Outdoors chief operating officer

Steve Doyle said, “Cancer affects the lives of thousands of Australian families, so any contribution we can make towards beating cancer is an important investment.”

Cancer Council Australia marketing and corporate partnerships director, Warwick Rounce said, “Cancer Council Australia does not receive ongoing government funding, so the support of the Ray’s Outdoors team and customers is invaluable. The survival rate for many common cancers has increased by 30 percent in the past two decades, however the fight continues.”

Money raised through the Ray’s Outdoors ‘round-up’ initiative can contribute to funding new and improved treatments, programs and campaigns to promote early detection and reduce cancer risk as well as supportive care services.

www.raysoutdoors.com.au ■



Steve Doyle.

New way to secure executive talent

In these challenging and uncertain financial times, company boards and executive decision makers are looking for ways to grow without adding big salaries to the mix, according to GreyHair Alchemy CEO Mal Walker.

“As the CEO of GreyHair Alchemy Pty Ltd, (GreyHair), I tend to see early trends in executive placement,” Mr Walker said. “And it’s clear that in these uncertain financial times, companies and their boards are looking for alternatives to adding the burden of big salaries or full-time major hires.”

He said this was true “most especially in a business landscape where up to 60 percent of new C-level executive placements fail within 16 months, after a search process that can stretch for months”.

In response to this situation, a new pool of qualified talent – popular in Europe for a number of years – has emerged, he said, “That of the interim executive.” Interim appointments, even at the most senior levels, allow companies to fill short-term projects, turn-around assignments and cope with

unexpected resignations.

Mr Walker said the key to making this process work is to have a “talent pool of hundreds of former CEOs, COOs, CFOs etc”

with CVs submitted and validated.

“And as we have developed just such a talent pool, we can speed up the process and deliver quality candidates without the weeks or months of searching,” Mr Walker said. “It’s not uncommon for me to talk with a company owner on Friday to finalize the profile of the executive required, conduct a search and selection within our membership and deliver a shortlist of candidates on Monday. We are very nimble and flexible in how quickly we can respond.

“And here’s the interesting thing. I have noticed recently that two in five of the interim executives are then permanently retained by the client company.”

www.greyhairalchemy.com ■



Mal Walker.