TravelCLICK: going international

Daniela Freund de Klumbis
Consultant and Professor / ESADE Escuela Universitaria de Turismo Sant Ignasi

Mariona Bragulat
Director of Sales Spain and Portugal / TravelCLICK

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Abstract

The paper is a first approach to the evolution of an american company founded in 1988 as The Graycon Group, into the actual TravelCLICK, a worldwide tourism technology company.

Entering the international arena in 1996 and the worldwide sales expansion in 1999 meant, for this company, an inflection in their organization. At this point of the process TravelCLICK is facing two big challenges: the managing of multiple cultures in a globalized business world and their strive to be a learning organization.

TravelCLICK's interest in the concepts and realities of the learning organization stems from it's own belief that the capacity and willingness to learn will be in competitive terms, the most critical success factor in the twenty-first century.

Information was gleaned by undertaking a series of in-depth, issue-focused exploratory interviews from a range of staff of the company. This document is a first approach to a comprehensive case study which is under development.

Introduction

Management of Multiple Cultures

The term "cross cultural management" implies to many scholars of management: (a) procedures and policies relating to the management of workforces with different cultural backgrounds, and (b) moderating the impact of cultural differences on the execution of management tasks (Søderberg and Holden, 2002).

The challenge a company has, as identified by Schneider and Barsoux (1997), lies in 'treating diversity as a resource rather than a threat that is essential for responding to the demands of a global market economy, for reaping the full benefits of cross-border alliances, and for enhancing organisational learning'.

Søderberg (2002) stresses the cultural complexity in the business environment that is becoming globalized: globalized not only through the emergence of a consumer culture with converging tastes and demands, but through worldwide collaboration and competition supported by borderless communication technologies. In a globalizing business world, cultural differences are not coalescing into a uniform business culture. Rather, cultural differences are manifesting themselves in new ways: for example, in the working environment of a multicultural project team collaborating across geographical, organizational and occupational boundaries and involving e-mail interactions and video-conferences, maybe even with a foreign language as their 'lingua franca'.

Management as an activity has evolved into a form of work which is becoming increasingly premised on capacity for interactive global networking, team-working and organizational learning. In this new order of things, managers are becoming knowledge workers: 'From being functional specialists, managers are becoming sophisticated generalists, able to manage a potpourri of projects, people, resources, and issues' (Crainer, 1996).

We must take into consideration the multiplicity of various cultural communities existing and co-existing within organizational settings of an internationally operating company. We are witnessing the emergence of the knowledge company, in which firms face the challenge of developing a work environment that fosters organizational learning, while facilitating the sharing of knowledge within the company and among arrays of networks which link it up with its stakeholders (Burton-Jones, 2000). Accordingly it is the knowledge company that should be increasingly seen as the terrain of a management of multiple cultures. In this sense, the management of multiple cultures involves knowledge transfer, organizational learning and networking.

This concept of cross cultural management which is consistent with the Adler and Bartholomew (1992) notion of 'collaborative cross cultural learning' assumes that locales of cultural distinctiveness – such as a national subsidiary or a multicultural project team – have the task of bringing into a global business network some uncertainty and unpredictability, on the one hand, and offering a potential for synergistic interaction, on the other as Søderberg (2002) explains.

We will analize the evolution of the company taking in consideration Søderberg's, (2002) working definition of cross cultural management, as follows:

> The core task of cross cultural management in a globalizing business world is to facilitate and direct synergistic interaction and learning at interfaces, where knowledge, values and experience are transferred into multicultural domains of implementation.

Company Overview

Raymond D. Cohen and Richard W. Gray co-founded The Graycon Group in 1987. Graycon, a 15 people management consulting group based in the US, was quickly recognized as a leader in hotel reservation consulting services. One of its products, ChannelTRAK, the industry's preeminent benchmarking service, compiled and normalized information provided by member hotels, including Hyatt International Corporation; Marriott Hotels, Resorts and Suites; and Radisson, in order to analyze a property's productivity and consumer demand.

With the growth in Global Distribution Systems (GDS) — systems that allow travel agents to shop for and purchase travel online — the need for data reporting and promotional marketing grew as well. Figure 1. shows the evolution of hotel bookings in the GDS for the period 1981-2001.

Figure 1.
Hotel bookings via GDS
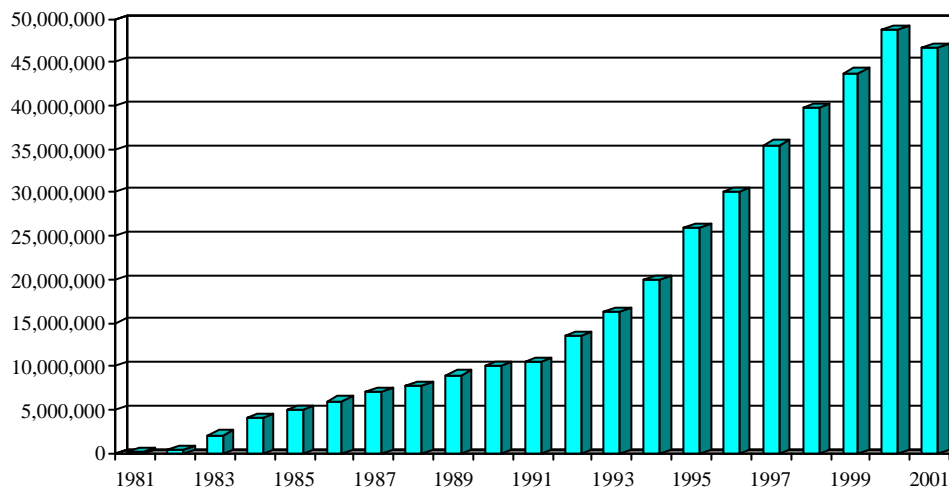
Source: HEDNA

To cope with the market changes and technological advances, in 1996, The Graycon Group became Global Marketing Services (GMS) and assigned their first representative outside the US.

In 1999, the company entered into a partnership with Bain Capital, Inc. to fuel its expansion. It secured $32 Million US Dollars, primarily to accelerate the worldwide growth in sales team and the product development. Global Marketing Services expanded product line included GDS-based data-reporting products and media products that allowed travel suppliers to market special rates and packages via the GDS.
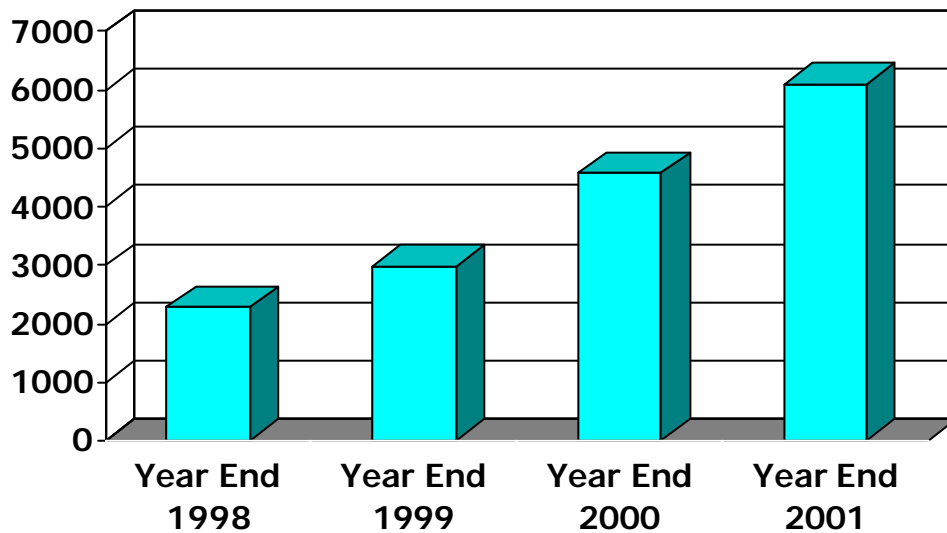
With its pending expansion to the Internet, the company was renamed TravelCLICK, Inc. (www.travelclick.net) in April 2000.

Evolution

Clients

TravelCLICK caters, in 2002, to over 6,000 clients, including national and international companies. The client base has doubled its size since 1999 (see Figure 2.)

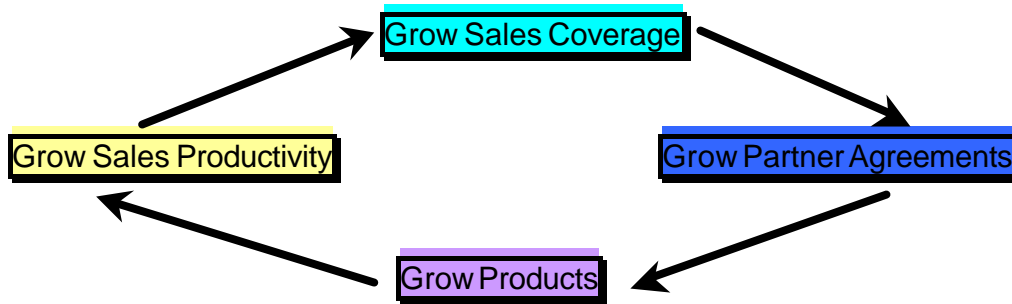**Figure 2.**
Client History

Source: TravelCLICK

Products

From an operational point of view, three key elements had to be accomplished through the years to achieve the actual product and services value proposition to clients:

- Aggregate fragmented distribution channels to deliver effective marketing reach
- Aggregate electronic booking activity to accumulate high-utility data
- Work consultatively to help suppliers improve their results through the use of TravelCLICK products
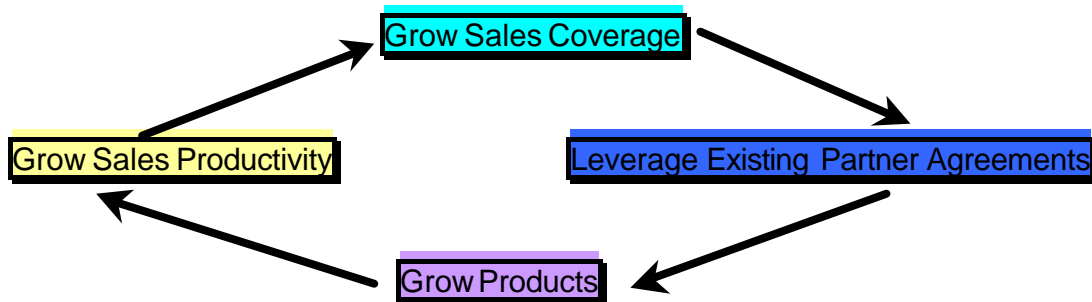
The on-going strategy adopted by the company for leveraging business partners can be seen in the figures shown below (Figure 3. and 4.)

Figure 3.
Leveraging Business Partners (I)

Source: TravelCLICK

Figure 4.
Leveraging Business Partners (II)

Source: TravelCLICK

TravelCLICK developed, through the years, two product lines that work together in a "closed loop manner" as shown in Figure 5.

Figure 5.
Products & Services

PRODUCTS			DESCRIPTION	GOAL
MEDIA	Travel Agent Media Network	• PromoSpots • Headlines • Featured Property • Amadeus • Worldspan	"Context-relevant" promotional advertising products that reach over 75% of travel agents and consumers worldwide that make electronic bookings	Increase business in electronic channels
	Consumer Media Network	• Virtually There • Orbitz • Travelocity		
	Group Meeting Network	• Starcite		
	Traditional Media	• AAdvantage Miles		
DATA	Reports	• Hotelligence • PHASER	Only source of GDS competitive benchmarking data Actionable reports that profile hotel's performance and that of its competitive set Empower hoteliers to manage GDS positioning and execute optimum revenue management strategies	Manage performance and competitive benchmarking in electronic channels

Source: TravelCLICK

Sales Workforce Expansion

The client base was dramatically increased, not only due to the product growth but also by the sales coverage expansion. The development of an international sales force was considerable in the years 1999-2002.

A big step was taken in 1999. In August 1999, TravelCLICK accounted for 45 people involved in the worldwide sales effort, broken down as shown in Figure 6.

Figure 6.
Sales Organization Headcount August 1999

Position	Sales Responsibility	Number
Executives	Door Opening; High Level Closing	3
Sr. Vice President, Sales	All Accounts; High Level Closing	1
Vice President of Sales	All Accounts Within Region	2
Field Sales	All Accounts Within District	25
Account Executives	Inside Sales and Support	14
	Total	45

Source: TravelCLICK

By the end of 1999, TravelCLICK's expansion resulted in the sales headcount summary as of Year-End 1999 (see Figure 7.)

Figure 7.
Sales Organization Headcount December 1999

Position	Sales Responsibility	Number
Executives	Door Opening; High Level Closing	3
Sr. Vice President, Sales	All Accounts; High Level Closing	1
Vice President of Sales	All Accounts Within Region	5
Regional Directors	All Accounts Within Region	5
Field Sales	All Accounts Within District	50
Account Executives	Inside Sales and Support	33
	Total	97

Source: TravelCLICK

To achieve competitive success, by the end of 1999, the company had more than doubled their sales positions worldwide.

Going into the international arena implies important organizational and culture changes.

The international and national sales team are still expanding as shown in Figure. 8 and Figure 9.

Figure 8.
Comparative Sales Organization Headcount

Position	1999	2002
Executives	3	3
Sr. VP Sales	1	1
VP Sales	5	7
Regional Directors	5	20
Field Sales	50	73
Account Executives	33	37
Total	**97**	**141**

Source: TravelCLICK

Figure 9.
Geographic Coverage Chart (Sales)

Geographic Coverage	1999	2002
Asia/Australia	5	10
Canada	2	5
Europe	9	18
Central/Latin America	5	6
US	76	102
Total	**97**	**141**

Source: TravelCLICK

Organizational structure

The sales team expansion in 1999 deeply affected the organizational structure since a complete new dimension opened up.

Procedures being conducted in the US had to be adapted to the different markets, the purpose of the organization also being affected.

The evolution of the company's purpose was constantly transformed by the technological advances and changes that have been influencing the tourism Industry, mostly in the US (see Figure 10.) However, technological awareness was not homogeneous worldwide, thus their organizational purpose had to be adapted to each market's needs.

Figure 10.
Evolution of the company's purpose

Year	Company's purpose
1988	Educate and consult with hotels and GDS
1995	Provide competitive benchmarking data and counsel to manage performance in the GDS
1996	Provide marketing and merchandising vehicles to impact business from the GDS
1999	Help develop marketing plans and promotional campaigns for achieving objectives

Source: Extracts from The Graycon Group/Global Marketing Services/TravelCLICK documentation

TravelCLICK realized that there had to be a shift in focus, from a dependency in strategic planning to a development of organizational purposes. The focus for the future had to be on the definition and articulation of an organization's purpose, covering all the peculiarities of the markets to be entered into. Purpose, not strategy, is the reason an organization exists (Watson and D'Annunzio-Green, 1996).

The people working outside the US needed a different purpose depending on the market and technological level of the clientele. Mariona Bragulat - Director of Sales Spain and Portugal - explains: "In 2002, our goal in the Spanish market is to create awareness for the future. The adoption of electronic distribution channels is very slow and we concentrate primarily in educational and consulting issues".

Organizational purposes are supported by the culture of the organization. Culture can be defined as "..the commonly held and relatively stable beliefs, attitudes and values that exist within the organization" (Williams et al. 1993).

The organizational culture had to reflect the internationalization of the company, the new working tools needed, the empowerment strategies being placed.

As a consequence of this process, TravelCLICK revised the published list of Core Values in year 2000 (see Appendix 1.).

Human Resources - Sales

It is only after the purposes had been clarified that the process for ensuring the organization's continuation could be defined through the selection, development and retention of the suitable people to fit that purpose.

An important challenge was, from the Human Resources side, the organization of a successful sales workforce with worldwide coverage. They had to find the way, on one hand, of introducing products to a world-wide clientele without neglecting each country's peculiarities. On the other hand, to attract highly qualified international people used to managing projects and latest technology.

The recruitment pattern consisted of searching for experienced individuals, top educated, working in an international tourism technology area, fluent in languages and very eager to continue learning and developing their career. These characteristics would enable them to transfer their own background to the company and create a win-win situation for both the company and the individuals.

The best approach, at that point in time, seemed to be to engage self-motivated, empowered, high energy-level local people, home working with all technologies. Ninety percent (90 %) of this highly qualified individuals came directly from the hotel industry. More specifically from the technology side.

The employee's profile created a cross-cultural environment of its own, since the majority of the sales workforce, independently of their place of origin, are multicultural. TravelCLICK transformed itself in a cross-cultural company.

The international structure adopted in 1996 was a highly empowered approach based on contracting a Director of Sales with no office structure, reporting to Regional Director of Sales. In the last 2 years, an office in Asia/Pacific and an European Office are being opened, in an attempt to de-centralize the operational side. Figure 11. shows the European Office structure.

As Richard Gray – Chairman and Co-CEO – stated in 1999: "I'd rather spend money on people than on office expenses".

**Figure 11.
Sales Workforce Europe - 2002**
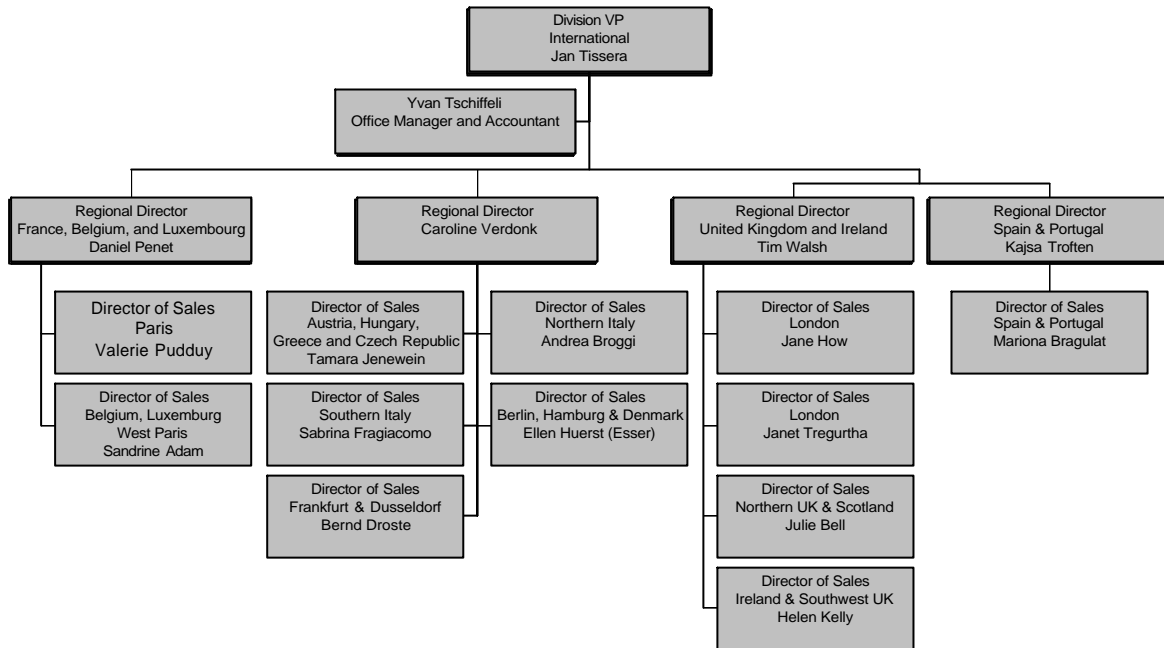
Source: TravelCLICK

The international sales expansion was the beginning of an empowerment strategy that it is still being conducted and that intends to go on line with Menon's integrative approach.

> The traditional approach to empowerment has been to treat it as the granting of power and decision-making authority to less influential or lower level members of organizations (Menon and Hartmann, 2002). This approach has been labeled as the structural approach (Tymon, 1998).

> In contrast, psychological approaches to empowerment focus on the psychological experience of being empowered. From this perspective, in the organizational context, to be empowered is to experience a sense of control over one's work and work environment. To empower, then is to remove or reduce powerlessness and increase feelings of control (Menon and Hartmann, 2002).

> According to Tymon (1988), a third, distinct approach to empowerment is the leadership approach, where the emphasis is on leadership practices that energize followers, thereby empowering them.

> Menon (2002) proposes an integrative approach of the psychological empowerment state and defined it as 'a cognitive state characterized by a sense of perceived control, competence, and goal internalization'.

As extracted from an internal memo dated August 1999: "..our emphasis will be on quality, not speed. The issue is not one of expense. It is one of making sure we've got the right people for the job, in the right location and we can provide them with the right learning tools".

Work environment - InSite

The fact that the company sells information technology, know-how, and the sales force is distributed globally, made a strong internal learning and operating tool of vital importance.

In 1999, TravelCLICK realised that it became a knowledge-creating organization, a new kind of communicating entity – both at inter-organizational as well as at interpersonal levels of interaction – that required new forms of intercultural communication know-how.

That year, TravelCLICK reviewed and endorsed a strategy for training and development which would help the company to address its key challenges. This was not intended to be a once-only effort but the start of a continuous assessment process focusing on efficiency and effectiveness in learning. The process is still in progress.

In the knowledge economy, the firm faced the challenge of developing a work environment that fostered organizational learning, while facilitating the sharing of knowledge, within the company and among arrays of networks which link it up with its stakeholders (Burton-Jones).

To communicate internationally, a powerful intranet was developed: InSite, launched in May 2002, which serves as a valuable tool for all employees. Not only on an operational level, but also as a communication nexus. InSite, upgraded constantly, is the central meeting point of the company. The functionalities, as of September 2002, can be extracted from Figure 12.

The advantage TravelCLICK faces is that, being a young company and through its Human Resource policies, the individuals are very acquainted with technologies and technological advancements is part of their corporate identity.

All the business activities depend on communication practices at whose core lie relationship management among employees and external stakeholders, organizational learning, and networking based both on interpersonal interactions and on global connectivity mediated via IT. InSite aims to be the working environment that encourages people to take independent action yet feel part of and responsible for a bigger whole from which they derive important competitive benefits and to which, in return, they must add value.

For training purposes, a wide array of actions take place. The training offer is constant and includes personal and virtual projects. An agreement has been signed with Raindance, a company that provides web and phone conferencing services that allow users to share rich visuals and increase participant interactivity through an intuitive web interface.

Figure 12.
InSite Functionalities

INSITE		
	Sales Resources	• My sales Center • Administrative Change Requests • Business Activity Reports • Clients and Prospects • Data Reports Archive • Electronic Marketing Agreements • Employee Directory • Endorsement Library • Information Center • Invoices • Media Campaigns • Media Insertions • Message Board • My Auto Notifications • Order/Quote/Change Forms • Product Information • Property and Marketing Analysis • Rate Cards • Subscription Orders
	Communication Tools	• Announcements • Clients & Prospects • Company Calendar • Departamental Contacts • Employee Directory • Message Board • My Auto Notifications • My Colleagues • My Home Page • Online Survey Results • Phone Lists • Product Information • Suggestion Box
	Resource Centers	• Accounting Center • Human Resources • Management Center • Sales Center • Support Center • Technical Support • Training Center
	Community Resources	• Job Opportunities • Photo Album

Source: TravelCLICK - InSite

1 4

The company in 2002

In 2002, TravelCLICK has exclusive promotional access to more than 98 percent of travel agents who book over 44 million hotel reservations through GDS. The GDS is the largest e-commerce marketplace, far surpassing total business transacted on the Internet and originate 700 million inbound travelers a year worldwide. It is of importance to point out that in 2002, 60% of travel is distributed electronically and electronic channels are continuing to experience "double digit" growth (HEDNA, 2002).

Nowadays, TravelCLICK, Inc. is the leading provider of electronic marketing and data solutions to the global travel industry and the international business accounts generates more revenue than the north-american division.

The global organization totaling over 140 individuals meets with 90 local travel suppliers onsite in over 140 countries to develop custom-tailored product solutions.

Two interesting characteristics that make TravelCLICK unique in the tourism sector are:

- Only player in the industry focused on providing solutions for suppliers serving local markets. It includes the hotel industry as well as cross-section of other industry segments.

- Only industry player with long-term, unilaterally exclusive agreements with majority of travel distribution companies (Sabre, Galileo, Worldspan and Amadeus, Travelocity, Passkey, Orbitz, Starcite and others)

TravelCLICK is changing constantly, trying to cope with the many challenges on its way to international expansion.

In recent months, they have developed new product areas and at this point of time, they are revising their product pricing and sales responsibilities to fine tune it with their new offer.

Important challenges emerge daily but, on the way to constant renewal, they keep in mind the statement attributed to Revans: "...an organization's capacity to learn must exceed the rate of change imposed on it".

Acknowledgment

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Appendix 1.

COMPANY VALUES

TravelCLICK has carefully developed a list of Core Values. Our Values serve to create the attitudes and beliefs that will drive our behaviors, both as individuals and as an organization. Along with each Value, we have identified several behaviors that express the Value in action.

Accountability:

- We hold ourselves accountable to perform in an efficient and productive manner.
- Each individual is accountable for driving the entire team's performance.
- We clearly define roles and responsibilities.
- When we say we are going to do something, we do it.
- We only make realistic commitments.

Communication:

- Our communications are accurate, useful and well intentioned.
- We actively communicate (listen and talk) and provide feedback on a timely basis.
- We communicate bad news rapidly and we don't shoot the messenger.
- We strive for an informal communication style which prizes balancing "need to know" against "respect for other's time".

Customer Satisfaction:

- We take personal interest in delivering exceptional service.
- We treat our customers as friends and not transactions.
- We take the initiative to understand our customers' needs.
- We actively seek feedback on customer satisfaction and use the results to improve our performance.
- We understand that it is not just our colleagues and not just our products, but the successful combination of both that delivers value to our customers.
- We invest in and use technology and work processes to ensure each customer touch is coordinated and effective.

Empowerment:

- We support empowerment by providing guidelines, tools and objectives.
- We use our empowerment responsibly.
- We give colleagues the opportunity to learn and grow through experiences, training and other development programs.

Freund, D.; Bragulat, M. *TravelCLICK: going international. EuroCHRIE*
Congress 2002: Cross-cultural challenges in the tourism industry: the
educational answers, Barcelona (Spain), 30th October - 2nd November.

- We encourage decision-making at every level and press decisions to the level where knowledge and skill resides.
- We believe that mistakes that provide learning are o.k.
- We let colleagues know how they are doing.

Initiative:

- We believe it is better to act and to be wrong than to not act at all.
- We use common sense and strive to do the right thing.
- When we see things have gone astray, we take steps to fix the problem, even if it's not our job.
- We strive to be part of the solution, not part of the problem.
- We continually challenge the status quo.

Innovation:

- We work creatively with our partners to develop new products and services.
- We strive to anticipate customer needs and deliver unique customer focused solutions.
- We are committed to continuous improvement through innovation.
- We embrace change as an opportunity for further success.

Integrity:

- We live up to our commitments, standards and policies.
- We treat others as we want to be treated.
- We exhibit openness and represent things to colleagues and customers truthfully.
- We trust and are trustworthy.

Revenue Focus:

- We communicate our revenue plan and expect everyone to understand and be able to articulate how they personally contribute to its achievement.
- We seek to ensure that as our company prospers, so will the people who contribute to its success.
- We optimize profitability by driving revenue and controlling expenses while avoiding penny-wise and pound-foolish behavior.
- We seek to balance long-term success with short-term needs of the business.
- We have a bias toward working on things that help us to achieve our revenue targets versus things that don't.

Speed:

- We communicate and execute against a clear set of priorities.
- We define clear objective and goals.
- We create and follow action plans.
- We keep decision continually moving to conclusion by using a defined process.
- We execute quickly while maintaining high quality.

Teamwork:

- We work together to achieve our shared *Vision, Values* and *Goals*.
- We celebrate our successes together, recognizing that this motivates us to greater things in the future.
- We recognize the value of learning by mistakes.
- We balance compassion and caring for one another, with expecting every person will perform at the highest level of which they are capable.
- We foster a fun environment that promotes camaraderie.
- As a global company, we welcome, respect and leverage diversity in our colleagues.