How to spot the signposts of change in business travel

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Emma Woodhouse: Good morning. Good afternoon. Good evening and wherever you are in the world Welcome to Business Travel on the fly. I'm Emma Woodhouse and I'm on the comms team here at CWT. Predictions for the future of travel are popular. But there tends not to be much in between the short term and tangible, like our own global business travel and meetings forecast, and visions of the Jetsons, think robot staff and driverless everything. But how do we work out what's pie in the sky and what's really going to happen? One thing is for sure, a lot is going to happen. Over the next 10 years, we're likely to see change on a scale not witnessed since the Industrial Revolution. AI power automation is surging ahead and machines are expected to make some jobs obsolete. We're on the cusp of massive economic and social disruption that has wide reaching implications for a soul. The changes ahead will be like going for a candle to light bulb or from a horse to a car. The scale of imagination required is vast from NFT loyalty programs to self driving Ubers. From adaptive travel policies to flying taxi hubs. The era ahead will be both exhilarating and challenging to navigate. Is it all Doom or will take innovation lead to a surge in economic productivity and environmental improvement, even our generation.

I'm here with Joel Hanson, CWTs Director of Global Innovation business development. CWT, for those that don't know, is a global business travel and meeting specialists present in 140 countries. Companies and governments rely on us to keep their people connected across six continents. We provide their employees with innovative technology and an efficient, safe and secure travel experience. Joel leads innovation and business development globally, and is integral to the conceptualization, a lot of tools, products and services to optimize the end to end travel experience. Welcome, Joel.

Joel Hanson: Thanks Emma, great to be here.

Emma: So Joel, our clients are witnessing transformational change on so many fronts. With those changes have come a new set of perspectives. But I would like to start maybe, maybe with a big question, the big issue on everyone's mind, which is sustainability.

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Emma; Huge strides are being made in greener travel, there's the use of sustainable aviation fuel is gaining traction, we're seeing investments in electric planes. And now a lot of issues are coming up around carbon budgets. But meanwhile, we're seeing a rise in flight shaming and activist groups campaigning for people to pledge to be entirely fly free. In a race against time for the climate, is it even going to be ethical to fly for business and 10 or 15 years? Just to hit you with a big question to start with?

Joel: I was gonna say it's nice to start with a light one.

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Joel: Will it be ethical, you know, I think that's a decision everyone will have to make for themselves. But I'll offer my perspective, I think it will be ethical. And not only that, I think as each day goes by, it'll be increasingly ethical. And I know that's maybe a bit counter to the prevailing winds that maybe think that this problem could get worse and worse, I don't minimize the challenge. And I think there will be a race against time as you say. But I really think a lot of times these seemingly intractable problems that society faces, have solutions in the works that come in, and really dramatically change the dynamic. So from my perspective, which is an optimistic one, I would admit, I think it'll become more ethical by the day to travel. There's so as you alluded to, there are so many positive developments that are making that the case ranging from you know, SAF sustainable aviation fuel. Last year alone, there was a 3x increase in the production of staff. And I think, you know, that's really just the very beginning battle scale. So exponentially, people will be almost shocked by the pace of the scaling of that. And then, you know, as you alluded to the proliferation of EV tools, you know, a new form of transit that we haven't really seen for decades, we've kind of been in a certain paradigm for travel for a long time. And I think we're about to see certain things kind of break out of that paradigm in a way that that'll really create the platform for a new way of traveling. But I have to say, no matter how, how far technology advances on this stuff, and I think we will be amazed by what comes. I do think there'll be a new kind of onus on companies and on individual travelers, that won't go away, no matter how far technology advances. And the way I think about that is, I think the days of traveling thoughtlessly are sort of over I think there'll be a need to travel consciously, mindfully, you might say, and responsibly. And so I have a CWT colleague who recently just put it very simply, he said, "Think before you go". And I thought that kind of captured it nicely. For any business trip. I think a person kind of owes it to themselves and to their company and even to the planet to ask a few simple questions. And I would suggest three questions are important for any business trip. One is a very basic one, is it necessary? If it's not necessary, I think it's a non starter and just you know, better avoid it and using an alternative will make more sense, but necessary is kind of just the lowest threshold.

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Joel: I also think it's good to ask, is it justified? And in terms of justified, what I'm getting at is, are there? Are there benefits that outweigh the costs of any kind, whether it's costs to time with your family or financial cost? Or even environmental costs? So is it justified? Is there a return there? That's obvious. And then the third question that I think will become increasingly important is, is it really the most reasonable green option possible? So our industry as you know, Emma has talked for a long time about lowest logical fare. And I think we'll see the emergence of new measurements, like lowest logical emission, that combine all the traditional parameters of time and convenience and cost, but then layer in CO_2. And so I think lowest logical emission will be a really important one going forward.

Emma: Thank you, you make some really, really interesting points there and important to look at it beyond just straight CO_2 emissions, right?

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The last 10 years, we've seen a sea change in accessible and affordable travel, which has afforded prosperity and opportunity. According to IATA data, there were 2.6 billion air passengers in 2010, just 10 years ago, and just before the pandemic, that number had nearly doubled. Is the trajectory of affordable travel going to continue. And is it important that it does?

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Joel: I think it will, but not in a straight line and not without adventure, I think the word you use there was affordable, I might, I might suggest that we look at it in terms of making travel accessible.

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Affordability is a function of so many factors. And so many conditions that are many of which are outside of our control, you know, whether it's, you know, money supply, and the resulting inflation, that kind of thing. So, affordability is tough to predict on a long time arc. But if we're looking out over 10 years, I'd say accessibility Absolutely. And I sort of see the travel industry as being in what I call the mainframe era of travel, I don't know, if you have studied at all the history of the computing industry, my dad happened to work for one of the first computer companies in the world. And so I've had a chance to get kind of a front row view of that. And back in the day, of course, and this, this predates me. But, you know, it used to be that there's like this giant computer in a room and it filled every corner of the room. And now of course, there's more computing power in our pocket. Well, if you look at the aviation industry, to some extent, as far as we've come, since the Wright brothers were still to a large extent in kind of what I would call that mainframe era. And in some ways, I don't think we've really seen the breakthrough of the personal computer of air travel, if you will, we're beginning to see glimmers of it with some of these new Evie toll entrance where the promise of of you Emma, being whisked to Chicago, in a personal craft that's gliding through the air in a very, you know, environmentally safe way, as well as safe for you, is kind of upon us. And it's so funny, it's such a such a jetsonian concept to be traveling like that. And so for so long, it's been the realm of science fiction, that it's almost hard to believe that it's almost here. And so there, I've been watching that space pretty carefully. There are a lot of emerging startups that are aiming very heavily at that space and are seeking the FAA clearances, and there's even some infrastructure work being developed in terms of verta ports. So all of that's to say, I think Travel is about to become democratized almost in a way that we've never seen, I think there'll be a proliferation of travel options, and the likes of which we probably haven't seen. And one of the reasons I'm so confident that'll happen is a thing called Wright's law. No relation to the Wright Brothers, by the way, although he did come from aircraft manufacturing, but Wrights law predicts that there'll be declining costs on a very constant basis for every cumulative doubling of units produced. So when I think about Wright''s law, and and air travel, I think we can assume that that law will continue to hold. And so it'll make it more possible for more people to travel affordably and accessibly in the future.

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Emma: That is very exciting. I think, especially because mobility is basically the linchpin of the global economy, right. Without it we, without accessible travel, we don't have these connections and new routes open up new possibilities.

Joel: Well, I agree. And I agree with that. And I'm sorry if I jumped in there. But I agree. And I think I think it matters even more than just to global economies, but I 1,000% and with you that, that it's really crucial to global economies, but even to human

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progress and evolution, if you will, I think if you look at some of the challenges facing the world today, they seem to require maybe a bit of a new kind of mindset, a new type of perspective. And I would say, it's a mindset that has a deep appreciation of interconnectedness. I think, for a long time in the business world, we thought that there were externalities and I think this is maybe a little bit provocative, but hey, that's why I was invited, right?

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Joel: And so I think I think we're gonna get to a world where increasingly business realizes that ultimately, there are no real externalities, these. So for example, if you're the tobacco industry, and people are dying from your product, that's not really ultimately an externality. It's part of your business. And it's sort of inside the house, if you will. So I really think that kind of perspective of, of how do we really make the industry better for all involved, including the people who are so called outside of the industry is really important. So yeah, bringing people together, when I look at the challenges of the 21st century, bringing people together of diverse perspectives, viewpoints, geographies, I think will be, if anything more important than it's ever been.

Emma: Yes, definitely. Absolutely. I think, you know, there are so many intangibles here that we talked about with democratizing travel, especially with innovation. And as it links to sustainability, too, right? All of these connections will open up and create solutions, you know, that's written in the renewable energy sector or in the in the arts. And I mean, there's other things too, which I think around encouraging immigration and opening borders more generally, maybe that's on the government side. But I totally agree with you about diversity in all of those areas.

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Emma: So and given that, in what areas do you think this industry, the travel industry should be devoting its energy and resources? And how do you foster innovation? What's the role of it?

Joel: Yeah, for sure, I think to take that first part, in terms of where the industry should focus. You know, I'll offer my perspective. And it's a little bit informed by recent events that I've observed kind of across the industry, but based on kind of what I'm seeing, I would suggest that maybe there are three key areas that we, as an industry, collectively, should should stay pretty focused

on. The first one I would suggest is resilience. And resilience can mean a lot of different things. But I'm thinking in terms of making sure that whether from an operational perspective or a technology perspective, or from a people perspective, that we continue to foster, really an amazing level of resilience, I think to be very fair, the industry has shown almost an Off The Charts level of resilience when you think about recent events in terms of what happened to travel demand, and then the resurgence. So first of all, I've given the industry, not that it's mine to give, but I've given them like, you know, highest possible marks on the resilience demonstrated, I don't know, if an industry has been through, you know, much of a tougher challenge than that. But that said, I do think going forward, we probably need to keep our eye on resilience and make sure that we, for example, are continuing to build the base of the pyramid in terms of people. So do we have the proper flow of folks into this industry, and so any kind of outreach that we can be doing, you know, even to people who are not yet of age to choose to go into a particular industry and other we need to be planting those seeds and kind of thinking long term. And then just looking at some recent challenges, whether at the FAA or with certain carriers, I think, I think there's just a need to always keep your eye on, on what I'll call the unsexy.

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Joel: So it may, you know, when the Titanic let's take a non Titanic example, when a ship reaches harbor and does not hit an iceberg because it's trying to go too fast, that does not generate worldwide press releases. But there's a hero somewhere who decided no, let's take a prudent speed. And so I'd say to the industry, you know, it may not garner headlines, to be investing in sort of things that are a little bit behind the scenes, and that are maybe perceived as, you know, gentle redundancies in terms of thumbs in that kind of thing. It might be unglamorous work, but I just wanted to shine that spotlight on how important that is, and how many people are relying on that kind of proper thinking. And then next item I'd mentioned is customer experience. I think, with the pace of change happening technologically, the amount of opportunities to reimagine customer experience have never arguably been greater. So I'd say the industry should stay laser focused on, from the point of view of a customer, you know, what does that feel like? What does that sound like? What does that? What's that experience like for them on every dimension, whether the basics of how it works, but even even really subtleties that are maybe more emotional. Just making sure people are having a great experience, I think is a really important continued focus area. And then lastly, it kind of goes without saying but Emma, as you and I were chatting, sustainability I think is going to be absolutely a given an essential. So I'd say that as a continued focus area for the industry. Now, yes, the second part of the question, which was how do we foster innovation? And that's, that's probably a long topic, but I'll give you maybe a quick sense of it. From my perspective. I would say that the first thing that's absolutely essential if you're involved in innovation, is to try to have a beginner's mind, which can be easier said than done.

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But, you know, somehow you have to find a way to, to sort of erase the slate each day and come back with a fresh perspective and realize that you don't know which you don't know. And so I often talk about having a mindset of, of a learner. And I think it's just incredibly important to be

open minded, no matter how long you've been with an industry to sort of treat it as day one each and every day. And then there's sort of a magic question, when it comes to innovation, you're asking how do we foster it? I think the magic question in innovation is how might we? And what I love about how might we use that it doesn't insist that we will, but it gives permission to explore how could we How might we, and it really creates a wide open space to explore what might be possible. And then the last thing I just say there is that innovation is very much a team sport. And what that means to me is it cannot be done by one individual. And it's truly collaborative across company boundaries within a company, but even with external partners. And so, for me, I have a vision of you know, the industry moving forward together. And I think that's the best way we'll innovate.

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Emma: That's great. And you were recently involved in a hackathon with our partner Amadeus.

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Joel: Yeah, I was, I had the opportunity to be a jury member along with a colleague of mine, Charlie Sullivan, and we had a chance to, to review some concepts. And I have to say, first of all, kudos to Amadeus, for pulling together that sustainability hackathon with students worldwide. That was amazing. And I felt fortunate to be a part of it. And I have to say, Emma, the the types of concepts we saw, were really encouraging when you think about sort of the future direction of of the world. Just to give you maybe a flavor of some of the concepts we saw, we saw students, we yeah, we saw students coming up with ideas like how to use software to optimize airplane routes in a way that minimizes CO_2. So it's like, wow, the potential of that to change CO_2 emissions is amazing. We had another group that came up with an idea that said, let's try to balance itineraries based on not just time and cost, but also with CO_2. And I thought about all the people worldwide who are making those kinds of decisions using for example, you know, Google Maps, how should they get from here to there? And right now, the whole world is using the assumption that generally the most efficient route is the best. And I'm not here to argue that that's not the best. But is there anything wrong with what if there were a toggle that said, What's the most efficient times greenest option so that you're balancing the two? So I thought that was interesting, at least to think about? And yeah, I think it's a good example of how if the industry, to some extent joins arms on a topic, we can really move mountains?

Emma: Oh, that's great. I'd love hearing that. And I think I feel like we don't need the more dystopia. So we know, we know things are bad, but I don't think people are coming together. So with all of this, I think we what we do know is that the only certainty is uncertainty. So they kind of lens on our our clients and customers and how can we advise them to spot the signs of change? And I guess, you know, how do companies or organizations prepare accordingly, maybe with a with a longer lens than we have traditionally?

Joel: Yeah, that's an interesting question. I would suggest that if if somebody wants to be able to spot those signposts or change themselves, I would encourage them to be sort of watchful as a

habit. So make the habit of paying close attention to developments, whether they're close at hand or even seem far away, I'd say watchfulness would be probably my best advice.

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I think that's sort of the foundation. On top of that, I'd say if a person can learn to think on the margin, that's, that's really helpful. So I'd say kind of look for change on the margin, it's not always something that's coming down main street that is sort of announcing, you know, this is a major change that you have to pay attention to, sometimes it can be a small change, you might go to a local restaurant, this is a random example. But you might go to a local restaurant, and notice that they have stopped using the traditional type of straw that you've been used to. And now it's some other kind of straw. And you might say, Oh, that implies a sustainability consciousness at this local restaurant.

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And you can start to read into the state of the world just through little changes that you notice. And then I would say, it's really important to recognize that nothing is a closed system. And that kind of everything affects everything. So I'd say, you know, staying aware of sort of second and third order effects can help you predict better the way things might unfold. So you could say, you know, if we were to do this policy, maybe it's good in this one narrow sense, but we'd have these spillover effects that would not be so great. And so I would just say that kind of interdependent thinking where you see that things are connected can really be an advantage in terms of predicting. And then you asked a question about, you know,

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How can people prepare with that longer lens, I was in China briefly and was so struck by how traditional Chinese culture sometimes thinks in terms of almost like 500 year increments. And when I, when I sort of compare that to Wall Street and the obsession with next quarter, it almost makes me chuckle. So I think maybe, maybe there's a balancing act there, maybe maybe there's a happy medium between next quarter and 500 years. But here, but to your point about a longer lens, one of my favorite ways to think about the future is called the three horizons framework. And really, it's a model that's based on Horizon one is kind of close in and near at hand, maybe the next six months. Horizon two might be more like six to 18 months in horizon three tries to push, you know, maybe three to five years ahead. And I think if if you're living your life, or leading something, whatever, whatever it is, you're doing, it's not a bad idea. And maybe, to some extent, yes, you want to stay in the present moment, of course. But it's good to maybe have a little bit of a sense of those three horizons, because it might help you make a better decision. Now, if you have a sense of what that three to five year horizon might hold. And then finally, maybe the simplest way I could put it in terms of how organizations can maybe evolve their thinking a little bit, I think, it's helpful to have a gardeners mindset. And if you think about a skillful gardener, they don't go out to the field, and then yank the flower up trying to make it grow. So instead, they're patient,

they plant seeds, and they give things time to grow. So I'd say if you want something to come to fruition in the future, you know, maybe the best time to plant that seed is kind of yesterday, if you will. And so I would say plant all the right kinds of seeds, get me to water them and give them time. And, and that sounds like I'm stating the beyond obvious, but how many business think like that, you know, how many travel managers are thinking like that. So I'd say planting seeds, and being patient as they come to fruition would be some good advice.

Emma: No, that is, that's brilliant thinking. And often I know, it's, as you say, with, you know, quarterly results. Sois the idea then to pull up seeds, and you find out what happens 500 years down the line?

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Joel: sounds right, you and I should do a second podcast and see how things turned out.

Emma: Exactly.

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Emma: Thank you. Yeah. So I have a question for you, which is around some of the technology that's on the horizon that makes people a little bit afraid, some people and there's often these polarized views of this dystopian idea about the potential for some technology to totally erase human interaction, even something like biometrics, right, like on a very simple level, makes travel more efficient, but reduces all of those human you know, human moments and serendipitous encounters or those chats or chickens. So I have a little question for you. So it's a bit of a would you rather.

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We'll play would you rather, would you rather have a high for seamless travel experience everything like totally, you know, contactless in a driverless car, for example? Or would you rather have an experience where you're having entertaining chats with a cab driver or a hotel receptionist? It has to be one or the other.

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Joel: well, I love the question. And I'm with you. I think the question teases out the possibility of sort of those dystopian futures, and I think we all collectively can be very determined that we don't want a future that's so contactless that it's increasing loneliness or anything like that. So I really think it's a wise question. If I can say such a thing. If I accept the question 100% on its own terms, you're giving me an either or, and saying, There's no way out, you've got to pick one, I would go with the latter, I would happily interact with the chatty receptionist, or chatty cab driver, in fact, and this is more than you need to know. But I recall a Lyft ride ahead where the driver was a world class tennis coach, and he taught based on Tai Chi principles. So I sat there in that Lyft, you

know, having no idea that this Lyift was going to be this interesting. And he's giving me like, just amazing advice that I've, you know, kept to this day. And so that's what I'll say about that. Is that sort of serendipitous interaction that I cherished, but you have to admit it was enabled by an underlying technology.

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And so I think what I would what I would say is, ultimately, I think there's some merit to help people and technology can work together and how, you know, my dream would be that the technology is supporting those those human interactions in a way that is almost invisible and sort of gets out of the way and lets people shine Emma: That's such a brilliant answer, Joel, that I'm going to forgive you for not picking one or the other.

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Joel: That's kind of you and I appreciate it.

Emma: Joel Hanson, thank you so much for being with us. If you are keen to find out more about the future of travel and work from experts around the world, subscribe to business travel on the fly, hop on Spotify Apple Google Play or wherever you get your podcasts.