

Lionel India launches offshore business travel unit

Seeks to cut global clients T&E expense by 40 per cent

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Lionel India launched its offshore business travel unit recently which it claims will cut its international clients' travel and entertainment (T&E) expense by up to 40 per cent. The concept of offshoring much like BPO seeks to leverage regional economic disparities to cut costs of services by hiving them off to territories where costs are considerably lower. Travel costs, Gaurav Sundaram, chief executive officer, Lionel India, informed ETW, were considerably lower in India and international corporations were beginning to cite this as they entered into contracts with indigenous business travel agents in India for their subsidiary's travel requirements only to recognise the massive cost saving they could achieve by consolidating their global T&E expense management with their Indian service provider.



This move is part of Lionel India's thrust towards backward integration consolidation - to get their customers to transfer their overall expenses to them as a single window to create mutual value and integrate to gain on vendor economics. Sundaram expects the offshore business unit to eventually account for over 20 per cent of its overall business. The challenges, Sundaram said, include the fact that offshoring is still not a top priority for clients and that they need to be apprised of its importance and guided carefully through the transition. "On our end, the challenge is to get our staff to communicate in a global manner so we are following a structured, modular approach wherein a general template will then be modified for a particular customer. However, the business unit is still in the pilot stage," Sundaram said.

While there are certain travel agents who do ticket for American companies, serious offshoring of business travel or even leisure is still to take off in the Indian market. Lionel India haven't decided yet to establish international offices or even implants in their clientele's offices abroad. A call centre facility to supplement this has already been established.