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INTELLIGENT RISK SYSTEMS

Travel Risk Management

"A Comprehensive Program to Protect and Support Your Travelers"

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Travel Risk Management

"A Comprehensive Program to Protect and Support Your Travelers"

Like most aspects of business, travel risk does not come in neatly bundled packages. The risks and travails of working on the road – on short-term trips or longer-term assignments – extend from the airport to the hotel to the surrounding community, and all points in between. The dramatic examples are plentiful: train bombing in Mumbai; Hurricane Katrina; attacks in London; avian flu and a catastrophic tsunami. That list goes on. But so does another list, one that gets less attention but costs the average company far more than the headline events do: a taxi drivers' strike in Paris; protest march in Mexico City; laptop theft in Brazil; blackout in Sydney; new entry requirements at the Beijing airport.

Such events occur in one country or another every day. They cause business travelers to miss meetings, lose precious work hours, put the company at risk and, in many cases, spend significant time and money to resolve the issue. For example a frequent business traveler recounts how, during a business trip to a trade show, he spent nearly $2,000 to get a piece of medical equipment through customs in Brazil simply because he was unaware he had to register the unit in the U.S. before flying south.

Such cases are common, but they don't have to be: With a comprehensive travel risk management strategy, your firm can mitigate most of the risk that business travelers and expatriates face abroad, and that can add significant padding to your employees' safety and security - and to your bottom line.

Travel risk management (TRM) means a lot more than reacting quickly and efficiently to events as they happen. In fact, only one component of a sound travel risk management program is reactive. That component is incident response. The proactive components are the ones that must be planned, in place and – importantly - practiced before travel begins. These components include your policy and procedures, training, 24x7 monitoring and traveler tracking, and getting feedback from your staff in the field. By establishing this continuous process loop – and training your employees to follow it – you can significantly mitigate your risk to all manner of global risk, not just travel.

There are also legal imperatives to implementing a comprehensive travel risk management program. The legal requirement for a travel risk management program fall into three areas: duty of care; duty to disclose; and standard of care.

Duty of Care: This is the legal responsibility of an organization to do everything "reasonably practical" to protect the health and safety of employees. The precise definition of that language likely varies with the degree of risk, but ignoring the risks sets the company up for trouble if a traveler is hurt or killed. Some of the specific duties required include:

- A safe working environment – this extends to hotels, airlines, rental car companies, etc.;
- Providing information and instruction on potential hazards, and supervision in safe work (or in this case travel);
- Monitoring the health and safety of employees, and keeping good records;
- Employment of qualified persons to provide health and safety advice;
- Monitoring conditions at any workplace (including remote locations) under your control and management.

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A preferred hotel program is an example of creating potential liability for the organization. A preferred hotel program is where a company negotiates favorable rates with specific hotels and then asks or demands that employees stay at these properties – a standard practice in the business travel market. Let's say that a female employee was staying at one of these properties and went out jogging and was murdered. What is the potential liability? Let's say that the hotel bordered on a high crime area that was well known and crime statistics, published freely on the Internet by most police departments, highlighted this fact.

The company, when developing its hotel program, did not take into account any safety or security factors when selecting hotels - factors that could have been easily captured as part of the hotel RFP process. In fact, the National Business Travel Association standard hotel RFP has a safety and security module that could have been used with virtually no effort on the part of the company. What do you think a jury would say about the company's responsibility in this case?

Duty to Disclose: This reinforces the need for an organization to monitor and disclose potential risks. For example, if there is ongoing civil unrest in a city, a company has an obligation to disclose this to its travelers so that they can make an informed decision about whether to take the trip. The company could claim that it did not have knowledge of this risk, but the courts will ask, "Should the company have known?"

Given the number of available sources of information – including free sources such as the State Department and cable news, and low-cost services such as those offered by iJET and others – a claim of ignorance would probably not sway a court.

Duty to disclose is also a bottom line issue. For example, let's say that there is a major demonstration scheduled for the city center of Rome. Your employee books a trip not knowing that the protest is planned for the day that she is meeting with clients and prospects. She arrives, finds traffic at a standstill and misses key meetings. While she may not face a personal threat, the company just spent thousands of dollars for little or no return. In fact, several weeks later she spends thousands of more dollars returning to complete the unfinished work. Keeping travelers productive and helping them accomplish their mission should be the key goal of any travel department and its travel risk management program.

Standard of Care: Simply put, if others in your industry or a like-sized company are doing something to protect *their* staff then you can be held liable for not doing it. Many companies are using services, like iJET, to capture itineraries for traveler tracking, providing pre-trip information (risk disclosure), keeping travelers informed of any new risks, and providing emergency assistance support.

What if your company is not? A company must show that it was not reasonably practical to do more or that the company did in fact take "reasonable precautions and exercised due diligence." It is likely that a jury would look at the standard of care that your peers are providing and consider the company negligent in not providing this level of health and safety support.

As convincing as these legal points are in supporting the need for a comprehensive travel risk management program, the strategic business reasons are even more compelling. Companies spend money on travel to facilitate the ability of their employees to conduct business. Keeping these assets safe, healthy and productive should be a high priority for any organization. Doing so will significantly reduce any liability in the event that there is an incident.

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APPLYING RISK MANAGEMENT TO TRAVEL

First, we need to define "business travel" as any time an employee is representing the organization away from home – domestically or internationally. Travel can range from a drive to a facility in another city to a long-term assignment in another country. Any time an employee is on travel, there are inherent threats and resulting risks. We employ a classical risk management model in our Travel Risk Management Program.

Risk Management Model

- Identify the Threats or Hazards
- Evaluate the Threats
- Set Acceptable Level of Risk
- Mitigate the Threats
- Monitor Situation
- Respond if Necessary

At the top-level, the equation is "**Threat minus Mitigation = Risk**". That is, you need to identify the threats, evaluate these in relation to the traveler's profile, set an acceptable level of risk for the organization and employee, implement mitigation strategies to reduce the threats to the acceptable level of risk and then monitor for any changes in threats or a breakdown in the mitigation strategy. If something does happen, be prepared to respond. This is the overall process in a nutshell. Of course, the "devil is in the details". Developing a comprehensive, proactive TRM program is not a project. It is a continuous 24X7 responsibility.

TRAVEL RISK MANAGEMENT IS AN INTEGRATED PROGRAM

If we use this risk management model, then we can begin to depict a top-level view of an overall, proactive Travel Risk Management Program.

Most organizations have some level of emergency assistance (typically travel and medical) for their travelers. However, organizations can no longer afford to merely react to travel problems. Travel risk needs to be actively managed, particularly in response to increases in volatility like we have seen since 9/11. This means being proactive in helping your employees avoid travel problems.

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Basic Program Building Blocks

Here are the four key components needed to create a proactive Travel Risk Management program.

Planning – In this phase, an organization needs to develop the overall TRM policies and plan and link them to key organizational plans, including the overall Crisis Management Plan (CMP). This includes any local CMPs and Business Emergency Plans. The key here is to plan now so you don't have to react later. For example, what if an employee is kidnapped or killed? How would you evacuate an employee or a group of employees from a location? What if an employee is seriously ill in her hotel room in Tokyo? These are all incident types that should be addressed in your planning.

Training – Training encompasses three levels.

> **Level I – Employee Training,** covering basic pre-travel knowledge areas. For example, iJET provides a comprehensive TravelSafe training program kit as an integral part of our GlobalGuardian service offering (at no additional cost). This training covers all the essential issues from pre-trip planning to skills on the road to decompressing when you get home. In addition, an organization can offer a wide variety of enhanced courses on traveling to high-risk destinations, executive protection, surveillance detection, defensive driving and more.
>
> The professionals in your organization – especially travel, security and human resources staff – need to know what is expected of them and how to handle an emergency.
>
> **Level II – Professional/Advisor Training,** covering the systems and processes used to implement the Travel Risk Management Program.
>
> **Level III – Crisis Management Team Training,** covering simulations and drills to ensure that the CMP and procedures are exercised and that people know what is expected of them in an emergency.

24x7 Monitoring – Systems and staff providing real-time monitoring of world events looking for potential threats to your travelers. Through automated itinerary monitoring, the iJET TRM program will notify you of any high-risk trips or assignments. When a threat is assessed, getting this relevant information and possible mitigation strategies in the hands of the traveler or advisor is key. Knowledge is power. With advanced notification many problems can be avoided.

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Incident Response – Employees need to have someone to contact day or night for help. In an emergency, employees should have an easy-to-use process for seeking assistance. There is already enough stress when you are on the road. As such, organizations should consider an integrated program for use as their employees' "911" service. The organization would provide one number for any emergency – travel, medical or security. If the 24x7 assistance cannot solve the problem, an organization needs to be prepared to respond to a wide range of incidents. No single vendor can do it all – medical evacuations, kidnap situations, civil unrest, workplace violence, etc. However, an integrator like iJET can provide the "Command Center" infrastructure and incident management system to coordinate a multidisciplinary response from multiple vendors. This coordination is customized to each company and performed under the direction of the organization's crisis management team (CMT).

Feedback – After any incident, it is important to have an "After Action Review". Simply stated: Could you have prevented the problem in the first place or more efficiently handled the incident? If so, then modify the policies, plans, procedures or mitigation strategies as required. This feedback process could be extended to a short survey after each trip. This would provide valuable information about your travel program and capture any issues or concerns an employee might have. Risk management should be an on-going process under continuous improvement.

TRAVEL RISK MANAGEMENT IS MULTIDISCIPLINARY

The three pillars of a total Travel Risk Management Program are intelligence, assistance and insurance. However, these pillars or tools need to be integrated to be effective. This integration needs to address how they all work together into a seamless system supporting multiple users. Within any large organization, there are a number of functional and subject matter experts (SMEs) that are directly involved in the travel risk management process. The graphic below shows the four major functional areas and their basic responsibilities.

Multidisciplinary Process

It is important that each of these experts has access to an integrated system containing the relevant and up-to-date information needed to manage a crisis. This information can be categorized into three major databases.

Employee Profiles – Emergency contact, passport, health concerns, and other relevant personal information.

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Travel Itineraries & Expatriate Assignments – Detailed information on the travel plans or long-term assignment for an employee. This information should allow the organization to quickly identify what employees may be impacted by an event or threat.

Threat and Destination Intelligence – Real-time information upon which to base the organization's risk assessment, decision making and activate crisis management plans.

The key to success here is the ability to collect and maintain as much of this information as possible through automated procedures. Manual entry is error prone and you are unlikely to have the critical information you need when you need it. iJET has developed a patented system called the Worldcue® Global Control Center that automates many of these processes, from itinerary capture to real-time threat notification.

TRAVEL RISK MANAGEMENT IS A PROCESS

Travel Risk Management, like any good program, relies on a systematic process. Outlined below is a high-level process flow to systematically assess and manage travel risk.

Travel Risk Management Process

Most organizations handle the first three steps in some way or another. The trip monitoring process typically begins to break down in the third step, "Itinerary and Profile Database Maintained". Here, most organizations rely on their Travel Management Company (TMC) to handle this responsibility. For companies that have a single, global TMC, this approach may work. However, for companies with multiple TMCs and travel agents around the world it is extremely difficult and time consuming to integrate and report on this information on a globally integrated basis. This is where the iJET Worldcue® system can enhance your program – one integrated view of your people and potential exposure.

The remaining five steps represent a more comprehensive and proactive program that can be largely automated through the use of the iJET Worldcue® system.

Evaluate Itinerary and Travel Risk Information

In this step, the organization needs to systematically perform a threat assessment on each itinerary. These threats can be classified into a number of areas. The two major categories are

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health and safety/security. But, there are other threats that can disrupt or ruin a trip. The traveler should be aware of the local laws, culture, entry/exit and customs requirements, and much more. For example, a core capability of our intelligence operation is to provide City and Country Security Assessment Ratings (CSARs) to quickly identify higher risk locations and to provide all-threat analysis for travelers and expatriates. This enables an organization to quickly identify higher risk trips and focus resources such as pre-trip briefings, training and other mitigation strategies on these trips. Lower-risk trips can be covered through automated support that is tailored to the traveler and his/her itinerary. This frees up valuable resources to focus on higher risk, higher return activities.

Risk Mitigation and Response Plans Prepared

Once the threat analysis has been conducted, the organization may want to implement appropriate risk mitigation strategies. These strategies could range from e-mailing some relevant advice to a full executive protection detail.

Conduct Pre-Trip Briefings for Travelers

At a minimum, each traveler should be required to have a basic level of travel health and safety training. This helps the traveler and provides liability protection for the organization. In addition, depending on the locations to be visited, the traveler may require additional training around high-risk environments, information security, defensive driving, surveillance detection and avoidance or other relevant topics. In addition, travelers should be briefed on emergency plans and key contact information in the event of an emergency. These briefings can be automated for lower risk or high-volume destinations. iJET can provide a full-range of training programs – both on-line, Web-based and instructor led.

Real-Time Monitoring During Travel

This is the "24x7 eyes and ears on the world" – looking for potential problems and responding to travelers in need. Formal escalation and notification protocols should be in place with the organization to activate key managers and the crisis management team (CMT). This should be a fully integrated operation to handle any emergency the traveler may encounter– travel, medical, security, legal, etc.

Appropriate Measures as Events Dictate

Finally, systems and processes need to be put into place to respond to changes in threats or actual incidents.

Of course, your organization’s travel risk management process will be more detailed and explicit around what needs to be done and by whom. For example, the program should include compliance monitoring to ensure employees are following policy around travel to high-risk destinations, maximum number of employees on a given flight, etc. In addition to monitoring, the program should help make it easy for the employee to comply.

TRAVEL RISK MANANGEMENT IS A CORPORATE RESPONSIBILITY

Liability, duty of care and risk management are the key watchwords in business today. Human asset protection is critical to the long-term survival of an organization. Employees are at greatest risk when they are traveling. Developing a comprehensive and proactive travel risk management program can enhance productivity, bring peace of mind and save lives.

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About iJET Intelligent Risk Systems

iJET Intelligent Risk Systems is a leader in operational risk management, helping Global 1000 corporations and government organizations monitor, protect against and respond to global threats. Integrating world-class open source intelligence with patented technology, iJET's award-winning Worldcue® solutions help clients monitor and assess global threats relative to their key people, facilities and supply chain assets; automatically track and communicate with travelers and expatriates; and deploy emergency response services throughout the world at a moment's notice. Providing a unified view of threats to assets, iJET enables clients to mitigate risks, reduce corporate liability and prepare for and respond to crises. **For additional information, please contact us at sales@ijet.com.**

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