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TravelManagers research findings underscore dissatisfaction for many agents working in traditional 'bricks and mortar' agency environment

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Feedback from agency employees considering the Personal Travel Manager model emphasises a deep underlying general dissatisfaction for many working in the traditional 'bricks and mortar' agency environment according to results of a survey released this week by TravelManagers Australia.

TravelManagers Australia General Manager, Don Beattie said lack of recognition, a lack of discernable career path, long hours and commuting were all proving key contributory factors driving agents' overall dissatisfaction.

However the two biggest issues are poor remuneration and the work lifestyle balance and the fact that the Personal Travel Managers model is able to offer consultants increases in both is proving to be a major attraction," he said.

This, he said, was in strong contrast to feedback received from Personal Travel Managers surveyed, many of whom cited a stronger likelihood of being able to earn greater remuneration, the ability to balance work/lifestyle and being able to work when and where they want to as being among the stronger key satisfaction drivers.

"There is no doubt that people in travel are generally passionate about travel but it is also well recognised that consultants do not generally attract high salaries," he said.

"This situation has become exacerbated in recent times with the advent of shrinking commissions which has placed even greater pressures on margins for agency owners."

A key element of the TravelManagers survey includes a component evaluating the financial benefits Personal Travel Managers setting up their own businesses stand to accrue in comparison to their fully-employed agency-based counterparts (see attached Agency v Personal Travel Managers Model Comparison).

"The research indicates that overall Personal Travel Managers' potential earnings far outstrip the agency environment when you compare the findings of the top quartile 'Total Employee Remuneration' average which supports the findings of the 2007 TMS Asia-Pacific Salary Survey released last December," he said.

"Even when you take into account that fully-employed consultants receive employer contributions to superannuation, annual leave and in many cases an annual bonus, the research findings show the Personal Travel Manager model still provides for significantly better remuneration.

"As an example, fully-employed consultants earning their agency gross sales of \$1,000,000, based on a nine per cent yield, receive a gross salary of around \$50,000 plus superannuation and possibly a bonus bringing their earnings up to around the \$57,500 mark.

"In comparison, a personal travel consultant achieving the same level of sales (\$1,000,000), again working from a base commission of nine per cent, stands to accrue substantially more financial gain – in excess of \$78,000 even after annual membership* fees (\$3000 in the case of TravelManagers Australia) have been subtracted (see attached Agency Comparison Examples 1-2).

"And that, on paper, represents a difference in excess of \$20,000.

"Expert Personal Travel Managers who are focused on building their business and delivering high level personal service stand to enjoy a regular income which increases in line with increased sales volumes creating even more incentive to drive even more business."

***Please note the commission structures and membership fees used in both the attached examples have been based on TravelManagers Australia figures and do not represent commission structures offered by other similar business models.**

Agency v Personal Travel Managers Model Comparison

The Remuneration illustration shows potential earning in a commission only environment contrasted against the static salary in a

Commissions Earned	\$90,000		Commissions Earned	\$90,000
Typical Salary	\$50,000		Commission Rate	90%
Bonus	\$ 3,000		Commission Earned	\$81,000
Employer Super Contribution	\$ 4,500		Less fees	\$ 3,000
Total Employee Remuneration	\$57,500		Total Remuneration	\$118,500

Difference + \$61,000

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