

Michelle McKinney Frymire on how to future-proof for 2025 and beyond

Julian Walker 0:03

Good morning. Good afternoon. Good evening. And wherever you are in the world, you're most welcome to join us here on Business Travel On the Fly. CWT can trace its origins back to 1872. And so this, in its 150th year is a tremendous celebratory podcast for us to start with. I'm absolutely delighted that our guest today is Michelle McKinney Frymire, our chief executive who actually back in those days wouldn't legally have been able to vote. So I'm delighted to know that that's one of the changes that has happened in life. Michelle joined us in 2019, and has 18 years of travel industry experience at company's going through transformations. She's worked with Delta right after 9/11, and been with companies post the financial crisis. At times, they were highly acquisitive and developing their propositions, and has worked all through the times of the volcano that I can't pronounce from Iceland, which had a major impact on travel in 2010.

Julian Walker 0:56

And is here with us today doing great things as we look to the future. So I'm delighted to have you here. Michelle, thank you for joining us.

Michelle McKinney Frymire 1:02

Thanks, Julian. And it's great to be with you.

Julian Walker 1:06

Great stuff. So let's get straight on and do a sort of temperature check. As we said, you know, the industry has more recently seen things as diverse as 9/11, the 2008 financial crisis, the volcano, you know, the pandemic, obviously, and nothing has been quite like this pandemic. During that, you were at the helm of our business, and also helping to make us financially resolute and shape the future with the \$350 million dollars of new equity, and including the \$100 million dollar investment in new technology and innovative products, just as one of the propositions that we've made. And we'll be announcing more details of that next month, which is great. But it's an exciting time for CWT, and we're also at that sort of inflection point in society. So how do you see companies adapting to meet the needs of travelers, not just for tomorrow, but in 2025, and maybe even further beyond?

Michelle McKinney Frymire 1:56

You know, Julian, it's an exciting time in our business and for our company. And one of the things that makes it so exciting is right now how much transformation and innovation is going on in our business, and in the travel industry as a whole. And one of the things that we're very focused on is making transformation and more importantly, innovation, a critical part of our DNA, weaving that into everything we do day-to-day. And that includes thinking and making big investments in technology and product offerings, and constantly innovating and evolving what we're bringing to travelers. But beyond that, I would say that for us, the talent and the expertise that we have in our

organization, are just more important than ever. We talk a lot about how we're going to bring innovation to our clients and so much of that is driven by the amazing talent that we have in our company. And that's why one of my big focuses is on continuing to grow the organization, have the right talent, and really have the skills that we need to be successful in 2025 and beyond.

Julian Walker 3:14

So in a 150 year history, CWT has been central to the democratization of travel, Michelle, and this has led to untold advances in every area of life. Can business travel and travel management companies continue to be the drivers of opportunity, do you think?

Michelle McKinney Frymire 3:29

I absolutely believe we can. And that we will. The travel industry sits really at the crux of global commerce. And it's the glue to bringing people and ideas together. There is so much that we have done but there's so much more yet that we can do. I think about things like how we can be a driver of global vaccine equity. It's such an immediate imperative and such a need for global collaboration among governments and the private sector. And, you know, I think travel brings people together which will really help drive that globalization of the vaccine that we want for all of humankind around the world. You know, included in that I also think that companies have a responsibility to really drive improvements in representation, and more notably inclusivity. And that means not just for our own employees, but for travelers and within the industries that we serve. We feel like we're really well placed to help consult and design travel policies that address the needs of all kinds of people. We ourselves are an incredibly diverse organization. We're global, we're multi-generational, we have employees that range in ages from 18 to 90, we have 90 different nationalities in over 140 countries that we serve. And because of our own diversity we truly understand that it is about the uniqueness of the end traveler. And we're in a position where we can help companies consider how they move beyond words to actions, beyond policies to truly support, such as education, duty of care and real choice. And that could mean safe ground transportation, the ability to choose a diversity owned business, systems and inclusivity for people. For example, one of our travelers, our clients had a traveler who goes by John Chin, but this traveler's documents show their name is Yuan Chin. Other TMCs told their client, it wasn't possible to manage the identity differences that this individual had but we helped them marry their two data pipelines, one for expense and one for travel. And we received a lot of praise for pushing that change and respecting the personal identity of the unique traveler. For us, this is a really important priority, it means making travel accessible, whether you have a physical disability or you have other needs, it also means simplifying travel. So making it easier for all kinds of people, we were so pleased to help organize the travel for the USA team to the Invictus games. And that meant, you know, really helping them with a variety of wheelchairs and different modified sporting equipment. And this is something that I think we take great pride in, our support and our ability to help different kinds of people, I think it really speaks to the spirit of who CWT and our people are, and the way that we're making travel simpler and easier. And then I think it comes down to the people plus technology aspects that will drive opportunity and accessibility. You know, I've said before, Julian, that it's not all technology in capitals and people in lowercase. It's a capital T and a capital P because any great technology is developed and innovated and backed by great people. And I think that's why CWT's people plus technology strategy really serves

us well. Going forward, whether it's developing solutions for sustainability or developing solutions for accessibility and inclusivity. It's great people behind making those things happen.

Julian Walker 7:59

Amazing points that you're raising there, so thank you for that. But let's look at something else. So you know, from apocalyptic films like Don't Look Up, which is on at the moment to regular reports of the hottest months on record, we know that climate change is real, and so is climate anxiety. I mean, airline passengers were around 4.3 billion in total, just before the pandemic, and travelers reported to contribute around 2% of carbon emissions. So with the European Commission projecting an increase of 3 to 700% by 2050. You know, how do companies become more environmentally responsible when faced with that fundamental growth within their business proposition?

Michelle McKinney Frymire 8:38

I think about this in a couple ways. And the first is how do we help drive that. And for us, it's about building a platform that's scalable and can be at the forefront of technology change to drive sustainability. For example, ways to really drive intelligent and informed choice among travelers, at the point of booking travel. Customers want to compare and contrast the impact of the air or rail choices they can make, or even look at the different flights and know the different carbon emission based on the type of aircraft that they'll be on. And we're developing those tools to meet those needs. We have to continue to evolve and innovate because every day there's a new and different issue that we have to solve for. But sustainability is one of the most critical of those, and it's going to remain an incredibly important priority for us. I think the other piece of it, though, gets at making sure that what we're driving is actionable and impactful and not just talk or greenwashing as you might hear the term used. So for us the thing that we really want to focus on is making sure that it really is making it into people's policies at the companies that we serve, and that we're really making technology changes that are truly actionable by the traveler. And one of the things we launched last year is our ECO responsible consulting framework - eco standing for employee well being, climate impact and organizational performance. And what we're doing there is helping our clients build travel programs that not just manage costs, but align with their important beliefs and priorities, sustainability, diversity, inclusivity, social equity, and I'm really pleased by how we've been able to put this at the tip of the spear in how we interact and work for our clients. Many of our clients do have sustainability at the top of mind. But right now, very few are overhauling their policies. And that's one thing that we want to help both large and small organizations be able to do, whether it's thinking about traveling with biofuels and realizing the costs that that may mean, or choosing a direct flight over a connecting flight, which is a simpler choice that travelers can make. But overall, it does come down to constantly evolving, and looking ahead and seeing the changing needs for our clients and being there to help to meet those needs in the future.

Julian Walker 11:34

Absolutely. And taking on those sorts of changing needs, people are sort of even rethinking their relationship with work and life. And so what are you hearing from people about how this, you know, the pandemic crisis has actually changed their attitude? And what's the secret to future proofing companies and attracting talent?

Michelle McKinney Frymire 11:53

Well, you know, first of all, I view this as a great opportunity for companies and the workplace to emerge stronger, and really more flexible, and much more connected to the teams that we employ, and the clients and their travelers that we serve. So in that sense, I see this as a great opportunity. I do believe that the change in focus from solely profits to profits plus purpose is going to be truly meaningful and impactful. I also believe that companies that are focused solely on profits are going to lose ground, where they have competitors who are creating a really strong connection and identity for their employees. Smart leaders today are making a real emphasis on collaboration, and teamwork and connection for their employees. But that form of connection is going to look and feel different. People are working all over the world and we have shown that we can work in different ways that better meet the needs of our employees sometimes. And I think what today we call hybrid, in the future will just simply be the norm in how we work and how we live. I do think that's going to drive different needs for travel that need for remote workers to be able to connect with their teams, the need for people to come together to share what they're doing to collaborate to innovate, but also to remember why they're doing what they're doing. I think about our own purpose, and how much it resonates for me and for our 12,000 employees, that unlocking the power of human connection is what we really do. And we have so many employees who really connect with that. And I think helping drive that and having that strong identity coupled with great operations, meaning speedy decision making, empowered cultures, flattened structures, talent as a resource that scarce serving capital, and building for scale with data rich platforms and really great technology. If you can bring all those together, I think you really can build organizations that are going to be successful for the long term.

Julian Walker 14:25

Just before we go a couple of quick-fire questions, if I may. Would you rather travel to the past or the future and to when and why?

Michelle McKinney Frymire 14:34

So this one was pretty easy, absolutely to the future. Because I can read all about the past in a book. But the future is so unknown and so to me, amazing. I think if I could go to the future, I would love to go probably let's call it me 50 years right when my children are experiencing sort of the part of their lives that perhaps I'm experiencing now, right a period that felt in all likelihood a part of our future that I would not get to see, I'd love to see what's happening with technology, how electric cars and drivable self-driving cars are managed, I'd love to see the kind of scientific innovations that have come. You may recall that one of the things that I've said I think is so fantastic, out of the pandemic is this rapid evolution of medical technology, the way we took things that we had been working on for 10 or 15 years, and rapidly transformed them into the vaccine. And the way they're continuing to do that, I think that's just going to lead to more evolution. And I would love to go to the future and see that and to see how generations have taken the things that are kind of, in our world that we see them as emerging priorities, social equity, diversity, inclusivity sustainability and see how they've become a great sort of embedded part of the future. So I think that would be super exciting and I'd love to do that.

Julian Walker 16:17

Couldn't agree more, I think the future is where it's at. So thank you for that. And a final question, if I may. And this is perhaps less erudite I'm afraid: cannonball into the pool or dip a toe in first?

Michelle McKinney Frymire 16:27

You know, Julian, this is great question. And I think I would love to think of myself as the kind of person who is happy to cannonball into the pool without knowing that the water's 57 degrees. But I have to admit that in reality, I'm probably a dip a toe in first kind of person. So I want to gage what I'm getting into. And just prepare myself for how it feels. We, here in my own state of Texas, spend a lot of time in pools that I do find that I tend to be a temperature checker followed by a sort of prepared cannon ball. But admittedly, I think I'm probably a dip a toe in the water first.

Julian Walker 17:12

If it's going to be 57 degrees. I think that's an incredibly wise move, no matter how hot it is outside. So Michelle, as always, it's been an absolute pleasure. You've given us some great food for thought and fantastic insights. Thank you very much for joining us.

Michelle McKinney Frymire

Thank you, Julian.

Julian Walker

And ladies and gentlemen. That's all we have time for for this edition. But until we meet next On the Fly. Thanks for joining us.