

# The Expense of Frugality

Push the limits on travel expenses and your employer may implement a policy.

One of my favorite interview questions to pose to sales position candidates and others who will likely travel as part of their employment is, “What hotel chain do you prefer when you travel on business?” The answers speak volumes about the candidates. If a candidate tells me they travel in their current position and they don’t have an answer, I have reason to doubt how much they actually travel. If they reference a fleabag chain, I wonder if they are telling me what they think I want to hear. If they respond with a premium chain, I suspect they are accustomed to traveling on a generous expense account or are not a particularly good steward of their employer’s resources. In either event, they likely won’t fit our culture. Answer with a reliable, midrange option and you might be our type of person.

Thoughts go back to my time as chief operating officer of a health care RFID technology company when our accountant flagged a certain item on a salesperson’s expense report. At considerable expense, the salesperson had selected a posh Jaguar as his rental vehicle for a trade show. When the rejected expense report ended up on my desk, I placed a phone call in search of an explanation.

The offender’s response, “I did it to impress the nurses.” Of course you did.

However, in spite of the propensity on the part of some to abuse their expense accounts, I disdain expense policies. The moment we institute one, we embark on a Byzantine cat-and-mouse game between team members intent on getting the better of the policy and

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angry accountants obsessed with enforcing every rule and wringing their hands over every infringement. I’m always a bit amused at how the office people who get to go home every day after work and sleep in their own beds can be so nitpicky about the habits of those who have to spend nights on end away from their families to earn a living. We avoid all of this when we reject the temptation to adopt expense policies. Alternatively, if we employ honorable people, they will expend our resources in an honorable fashion. Here are some guidelines:

I have three criteria for the hotels I stay in—clean, safe and quiet. From there I choose the least expensive one I can find. Sometimes, this takes a little bit of work. The quoted rate is never the hotel’s best rate. Once I have their opening bid, I ask for the corporate rate, AAA rate and, if I’m in town visiting a customer or supplier, I ask if the hotel has a different rate for

that company. I do this every time, often calling several hotels, and discounts of 30 to 40 percent are commonplace. If I have to stay in a larger city, I almost always use Hotwire. I usually end up in a premium hotel room at a budget price that can be half the advertised rate.

I think companies that require their employees to cede their travel points to the company are petty. I think employees who pick their hotels with the sole objective of earning points they can use for personal travel, rather than choosing the option that makes the best use of the company’s resources, are lining their pockets with the employer’s money.

I rent midsize cars and I’m willing to take a shuttle to a rental agency a mile or two away from the airport if it means saving a little bit of money. I always fill the fuel tank myself before returning the vehicle.

There is no glamour left in air travel. If it takes me less than six hours to drive, I almost never fly unless there’s a compelling reason to do so. I like a little extra leg room on an airplane, but I pay the difference between the premium seat and the economy one out of my own pocket. Also, if I can save my employer a decent amount of money by connecting instead of flying direct, I’m willing to do that. If I park at the airport for more than a day, I don’t mind taking the shuttle to the remote lot. It’s about half the cost.

Mileage reimbursements should function to offset the cost incurred by the employee and not as a source of extra income. I’ll never forget the team member who tried to justify his request for a raise in compensation by reasoning that he was traveling less on business and his reimbursements had dropped.

I like to have a decent dinner when I’m on the road. Decent to me is a sandwich and a beer at Applebee’s. Have two beers if you dealt with a lot of problems that day. Have more than two and your job may not be the problem. Regardless, don’t embarrass yourself by passing the extras through your expense report.

Keep in mind that every dollar spent on excess travel cost is a dollar the employer can’t spend on pursuing its mission, advertising, marketing, research and development, and all the other important activities in which a company can invest. Push the limits on travel expenses and, for the good of the business, your employer may be left with no choice but to implement an expense policy. You won’t like it as much as not having one. ■■



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