According to AMON

THE 'F' WORD

Amon Cohen thinks that, as consenting adults, it's time everybody sat down and had a frank and fearless chat about... fees – what else?

I DARE SAY I ought to let sleeping rottweilers lie, but instead I'm going to give the touchy subject of travel management company (TMC) fees another quick squeeze where it hurts. However, before any TMCs bite my hand off in retaliation, please read the whole article: you may find it more sympathetic than you anticipate.

I wrote a year or two ago about a proliferation of fees and other revenue-raising wheezes by certain TMCs. As I noted at the time, this exposure went down as well with some of them as a hog roast to wrap up an Arab-Israeli peace summit, although others applauded a light being shone on these debatable practices. Talking recently to Carol Randall, head of UK consulting for Areka Consulting, it seems that, if anything, there are more of these fees around than ever. One example she gave me is that some TMCs have started charging a handling fee of, typically, 10 per cent for passing supplier commissions back to clients.

Randall also spoke about clients agreeing a contract with a TMC sales team and then, during the first implementation meeting, being hit with a slew of additional service fees that were never openly discussed or agreed during the request for proposal (RFP) process. "The role of account management at some TMCs seems to be becoming less about proactively improving a client's travel programme and more about driving up its own revenues," says Randall.

She attributes the continuing proliferation of fees to two causes. One is the rising adoption of online booking by corporate clients – TMCs can charge only minimal fulfilment fees for an online reservation, so they are casting around for alternative ways to boost their incomes.

The second reason may see TMCs nod their heads in agreement rather than shake them in disagreement. We can see the dilemma in another new fee type mentioned by Randall, known as an 'excess contact' fee. If a client calls a TMC more than, say, twice about an offline reservation, then this additional fee is invoked. Although she has her doubts about how 'excess calls' could be measured and managed, Randall agrees with me that there is a logic to this charge: if the client is effectively creating more work, the TMC arguably deserves compensation.

And here is the problem. Just as clients dislike unanticipated fees once a contract starts, TMCs are weary (and wary) of being clobbered with demands for all sorts of free extra services once a customer account is up and running.

Randall attributes much of the problem to the shift in recent years, at the instigation of clients, from management fees on an 'open book' basis (where the TMC disclosed its costs to the customer) to simpler, itemised transaction fees. "TMCs closed their books because their clients didn't want them open any more – but now they can't see what TMCs are doing," she says.

As a result, levels of mistrust appear to be growing. It's time to try to reverse the trend. Both sides need to be more open at the RFP stage. The customer should specify more precisely what services it requires of its TMC and not assume it can keep nibbling away with requests for free additional services once the deal is done.

In return, TMCs should state their full range of fees from the outset – and in a clear format. That means not, unless genuinely justified, hiding behind the usual get-outs of restructuring the deal if volume, scope of service and so on change by more than 10 per cent. Clients need the security of knowing what they will pay for TMC services, but the proliferation of what can only be called TMC ancillary fees – often communicated somewhat opaquely – provides no such comfort. Randall suggests the full extent of charges are signed off in a pre-contractual memorandum of understanding.

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I suspect some of the above might sound hopelessly naïve to a few hard-bitten buyers and sales people out there, and perhaps the imaginary celebratory hog-roast referred to earlier is a more likely possibility. But client/TMC relations are not good right now – we need to find ways to repair them.

UNLIKE IN THE CASE OF TMC FEES, there can be occasions when appearance and reality being not quite the same thing can work to the traveller's advantage. I was watching a (only partly intentionally) hilarious BBC documentary on Rod Stewart recently. Rod was joined on camera by Ronnie Wood, his partner in crime from The Faces, and the pair reminisced about how they constantly got into trouble with hotels, not so much for trashing rooms as persistently rearranging their contents in the corridor outside. Inviting 300 members of the audience back for post-gig parties didn't endear them to early-1970s general managers either, and in consequence Holiday Inn slapped a chain-wide ban on the group.

So how did The Faces get round this problem? Easy, said Rod: whenever they booked a Holiday Inn after that, they gave their name as Fleetwood Mac instead.

TRAVEL MANAGERS who work for record labels are usually good value for a few entertaining tales of rock star depravity. However, the most outrageous band-on-tour story I ever heard came from a woman whose company specialises in kitting out artists' lounges at large music venues. She once set up backstage facilities for a band of notorious hell raisers. Very much fearing the worst, she came in the next day to discover that not only had the boys cleared away their rubbish, they had also done the vacuuming and left her a charming thank-you note for making the room look so nice.

The band's name? I daren't tell you, for fear of ruining their reputation.

AND TALKING OF MISCHIEF on the road, I am intrigued to read that a survey of the top ten most common items left in hotel rooms operated by the Myhotels group has 'adult toys' listed at number nine. I just don't get that: how could anyone forget to take their Travel Scrabble home with them?