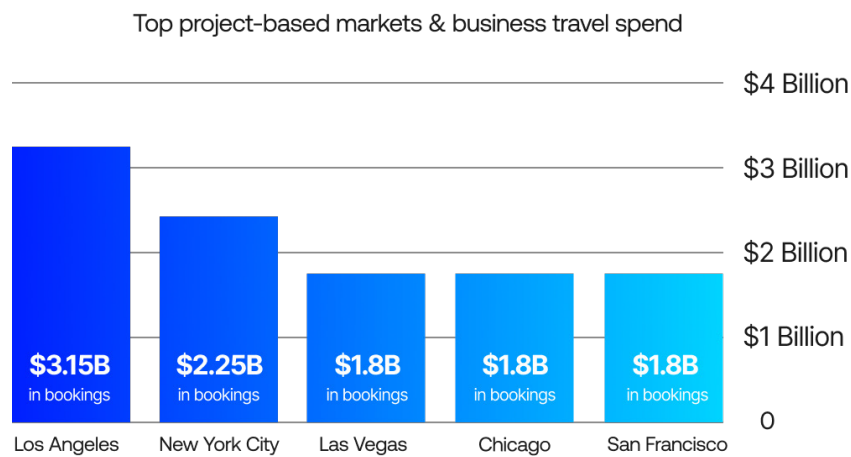




Building a Cost-Effective Construction Travel Plan with Hotel Engine

The mantra “do more with less” has long been a way of life for the construction industry. As a project-based industry with tight margins and perpetual labor shortage, the best general contractors look to optimize costs while attracting the best employees and building a reputation for quality, dependable work.

However, these companies struggle to save both time and money when it comes to travel programs. Data from the Global Business Travel Association (GBTA) shows that **project-based travelers spend 20% more per trip** than any other business traveler.



Construction’s average profit margins **have tightened over the past 2 years**, and every dollar matters more than ever. It’s crucial to build a cost-effective travel program as soon as possible to protect your organization and curb any losses in the upcoming years.

And **Hotel Engine** is here to help.

Here, we’ll answer questions like:

- What are the benefits of building a cost-effective travel program?
- How can I limit costs of hiring and training new staff on travel policy?
- How do I ensure my crews stay on budget when working on-site?
- How can I avoid losing money on hotels when project timelines change?
- How can I manage hotel reservation more efficiently for large projects?
- How can I build a travel program that’ll save time **and** money?

Let’s get started.

Benefits of Building a Cost-Effective Construction Travel Program

The best way to deal with the uncertain outlook for construction project costs is to make smart decisions around your budget and plan for what is possible — including project-based travel.

Developing a cost-effective construction travel program provides your contractors with crystal-clear policies for booking lodging, reporting their time on the jobsite and sharing details like receipts and expense category spend.

With a tightened-up travel program, you can set clear limits for business travel spend and recoup savings that will protect your bottom line as you weather uncertain conditions.

Building a Cost-Effective Construction Travel Program, Step by Step

So, how do you create a cost-effective travel program for your construction company? Here's a breakdown of the key things to focus on — and how using Hotel Engine can help.

Keep Your Workforce Happy

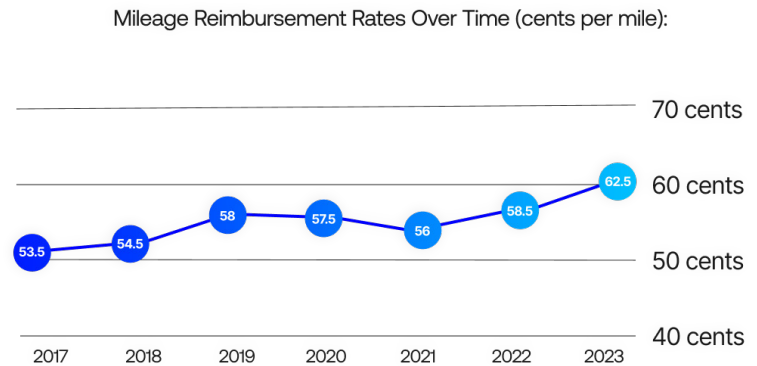
One thing that's true in any industry: retaining quality employees is always easier and more cost-effective than finding, hiring and training new ones — particularly as the labor market tightens. And it's [especially tough for construction companies to find and retain qualified workers](#).

To boost employee satisfaction and retention rates, make sure you're reimbursing your employees fairly and thinking about fair business travel pay, reimbursement for the use of their vehicle, and covering as many charges upfront as possible. But retention isn't always about money. Making things easier for your contractors can go a long way toward keeping them satisfied, too.

Here are a few ways to keep things simple and fair:

- **Take the burden off your contractors.** Construction contractors are often hourly employees. You don't want to put them in the position of leveraging their personal finances to cover their hotel stay for business travel. When you use a comprehensive lodging platform like [Hotel Engine](#), you can add incidental coverage to your reservations so **your employees** won't need to put down their own credit card to cover deposits or incidentals. And without pesky credit card authorization forms, your employees keep it moving and focus on the construction job at hand.

- **Make reimbursements clear.** Communicate to your contractors well in advance about whether you'll compensate for travel time at their same hourly rate or a new rate. (Some states may even require rate parity between their hourly and travel time rates.)
- **Make sure to follow FLSA regulations.** The Fair Labor Standards Act (FLSA) by the Department of Labor outlines such fair pay regulations for employees, including all activities that qualify as their "principal activity." For example, the time spent traveling to and from construction sites must be compensated as time on the job; the IRS notes that **standard mileage reimbursement is 62.5 cents per mile traveled** during a business trip. Be sure to factor these costs into your travel program budgeting.



Prioritize Flexibility

On average, project-based employees incur higher costs for their business travel expenses. A big part of this is due to the nature of booking travel when project dates are dependent on other factors, like worker availability, permitting, weather conditions and the supply chain.

Sure, you could wait to book until you know for sure what date the work will start — but then you'll likely end up paying a much higher rate for the last-minute reservation. And what if you wrap up the project early? Many construction companies are leaving money on the table with nonrefundable rooms that ultimately go unused.

Simply put, flexible bookings should be a non-negotiable to keep your travel costs in check.

Hotel Engine has a great solution with **Flex coverage**. Available as an add-on to any booking, Flex allows you to cancel last-minute or even shorten a trip mid-stay. You'll get money back for any nights that go unused — no phone calls needed, no questions asked.

Leverage Hotel Partnerships

Hotel pricing may seem standard, but in fact, hotels offer different rates depending on who you are and how you book.

Having a whole crew book at once and stay for an extended period is much more attractive to a hotel than tourists stopping by for just a night or two (which requires more effort to check in guests and turn over rooms). That means that great deals are available to you, if you know where to look. You could negotiate directly with each hotel you book to get a special rate for the desirable business you're bringing them. But there's an easier way.

Because platforms like Hotel Engine are only open to verified business travelers, those rates are pre-negotiated, and you can book at discounts of up to 60% off without any back-and-forth.

Get Support for Complex Bookings

If you need a large crew on site for an extended period of time, booking and managing those reservations can get very complicated, very quickly. While having flexible reservations is great, it's also time-consuming for your team to ensure that lodging is ready for your entire crew when they need it — especially if you have people coming and going due to the project's needs or their personal schedules.

Thankfully, the right hotel booking partner can take this work off your plate entirely. Hotel Engine offers [free support for group bookings](#) of over eight rooms (or extended stays of more than 28 nights). Our expert team will source hotels that have adequate availability and meet your needs, book rooms and manage any changes needed to the reservations. Any time a complication arises, simply reach out to your designated point of contact and let them handle it.

You won't pay any extra for this service, and the convenience will pay off in spades.

Automate Policies and Track Travel Spend

Counting every dollar matters, especially when margins are dropping.

One considerable challenge around budgeting visibility that's unique to the construction industry? Each trip must be four nights at minimum to be considered a project for business travel.

With longer lengths of stay, it's imperative to watch travel spend to stay within budget across all categories. A digital platform can help you do that while optimizing your savings potential.

Here's how to work with a digital platform to keep a close eye on travel spend:

- **Build travel policies in to your booking platform.** Hotel Engine allows you to establish nightly budget limitations to ensure compliance when your crews are booking for themselves. You can also add other requirements — like automatically applying Flex coverage to get flexible bookings.
- **Keep an eye on the details.** Beyond providing the basic expense details — like when, where and how much — have your contractors note contextual information that relays the value proposition for the expense. This will keep any non-business-related costs from getting added to the mix.
- **Use a time-clock app.** Clocking in and out becomes more difficult when you're on the road. Have employees use a time-clock app to log any travel time to and from travel sites and other work-related tasks.



- **Routinely review employee spend.** See where your employees consistently meet the policy budget and where they come in under budget. This can give you the insights you need to adjust policy limits as the year progresses so that you can recoup extra savings for your company. [The Trends tab on your Hotel Engine dashboard](#) will be your best friend here, allowing you to easily track what was spent, by which contractors, on which jobs. Download reports as CSV files to take a deeper dive into your data.

Simplify Admin Tasks

We've covered a few ways that you can make your travel program more cost-effective simply by saving money: booking flexible stays, getting pre-negotiated rates on lodging and building budgetary limits into your booking tool. But don't forget the value of time, either.

When tasks can be automated or streamlined, that allows your team to work more efficiently — and keeps them happier, too.

One of the most tedious and time-consuming tasks for construction companies tends to be invoicing and reconciliation. But Hotel Engine can cut that down significantly. By using the Direct Bill option, you can consolidate all of your lodging expenditure to a single invoice (even including incidental expenses). Take that a step further with the Autopay option, making it virtually effortless to process your hotel charges.

Construction company True Up notes this process has made recordkeeping so much easier, too. Before working with Hotel Engine, True Up's travel manager Kim spent her time filling out credit card authorization forms before booking and reconciling incidental charges afterward. Now, with Hotel Engine, [she's saved 40 hours each month](#).

**[“It’s priceless. It makes everything so much easier.
Before getting a hotel for someone, it was a 15-minute experience,
now it takes it down to about 1 minute. It saves so much time.”](#)**

- Kim Hamilton, Travel Manager, [True Up Companies](#)

With Hotel Engine, you won't need to pore over multiple bills at the end of the month, trying to determine which incidentals belong to which room. You'll receive one clean, centralized invoice at the end of the month, with all charges streamlined and clarified for your convenience.

Automating these tasks frees up your team to spend their time on more valuable activities, while also leaving less room for error.

Say Yes to More Projects, Without Breaking the Travel Budget

With infrastructure projects on the rise and federal funding for construction increasing, you'll want a cost-effective travel program for your crews as they work on more projects and conduct increased business travel.

For a platform that will help you create a cost-effective construction program from every angle, choose [Hotel Engine](#). With more than 700,000 vetted hotel partners, free memberships for bookings and easy-to-use features for billing, you can ensure your travel program is protected even during unclear economic conditions or industry fluctuations.

[Sign up for your free account](#) to start saving today.