

WANT TO SELL YOUR AGENCY?

TRAVELSCENE AGENTS GET HELP

Chain will assist members realise the value of their business when it's time to exit

By Ian McMahon

TRAVELSCENE American Express has moved to assist agents wanting to sell their businesses.

The issue is a critical one, particularly for large numbers of baby boomer agents who are looking to retire now or in the near future and hope to sell their agency for a sum that reflects the value of the lifetime of work they have put into building its value.

They are having trouble finding buyers and there are reports of many simply closing their shops and walking away from their businesses.

Reflecting this, Travelscene general manager Jacqui Timmins said: "We've had feedback from numerous members about their desire to maximise the value of their businesses so that when the time comes to retire or sell, they are in the best position they can be."

She was speaking at the chain's annual conference in Singapore last month where she announced a major initiative to help agents tackle the issue.

Acting on the recommendation of a member agent, Travelscene has linked with a consultancy called BDC.

BDC has "extensive experience" in this area, working with numerous member organisations and franchise groups, according to Timmins.

"They have a great understanding of the issues that you as owners of small to medium sized businesses face, and we're working with them on a program to help you be 'sale ready' when the time comes," she told the agents attending the conference.

She said BDC will provide Travelscene agents with "training and knowledge in the area of succession planning".

This can relate to development of staff or "how you'd like your involvement in the business to change over time", said Timmins.

"In reality, selling is just one example of an exit plan. There are many options on how you may choose to transition from, or leave, the business."

Timmins told agents they need to have their businesses "sale ready" at all times to maximise their exit value but warned them it can typically take from one to two years to prepare a business for sale.



Carole Smethurst (Bicton Travel), second from left, is congratulated on her 'Office of the Year' award by, from left, Steve Jacobs Mike Thompson and Jacqui Timmins.



The always quiet and reserved Carl Frier (Sabre Pacific), right, catches up with David Padman (Travelscene Corporate).



Enjoying themselves at the conference's 'Heavenly Cocktail Party' at Ku De Ta Sands Skypark were Travelscene's Robyn Willis-Inglis, left, and Jacqui Timmins with conference MC Steve Jacobs.



Man of action ... Resurg's Mark Jenkins strides on to the conference stage to tell delegates it's time to take control of their agencies.

"Added to the need to have your business performing at its full potential, there are lots of critical decisions that also need to be made about the sales process itself from the timing of the sale, to sourcing buyers and tax structures," she said.

She identified some of the issues that can arise as calculating realistic sale price expectations, protecting businesses' value during the sales process, personal/business tax structures, price apportionment and super-annuation drawdown.

"Regardless, BDC's message on succession planning is pretty clear

– they believe that you need to start now," said Timmins. "Whether you are planning to sell in two years time or in 10 years time, this program will assist you to have the best business you can have for when you want to sell."

Timmins told *travelBulletin* that the program will get under way in February next year and will involve one-on-one contact with members including those who have recently purchased Travelscene agencies or expanded existing businesses.

Individuals and small groups of agents will be able to access BDC coaching and management services.

Timmins agreed it is "no secret" that bricks and mortar agencies had an "ageing demographic" and that assisting agents sell their businesses is one way of maintaining and increasing membership numbers.

Travelscene has rewritten its Financial and Systems Best Practice Manual in conjunction with Resurg "so that it provides 'best practice' methods and procedures for travel agency businesses", according to Timmins.

Another focus of the Travelscene conference in Singapore was the fast growing cruise market.

Under the banner of "The Cruising



Named as the Travelscene American Express manager of the year was Leanne Mousley (National Seniors Travel) pictured, second from left, with, from left, Steve Jacobs, Jacquie Timmins and Mike Thompson



Jacquie Timmins, Carl Frier (Sabre Pacific), Richelle Kelly (Champagne Travel).



Jacquie Timmins welcomes keynote speaker Peter Fitzsimons to the conference.

Difference”, Travelscene agents heard the views of a panel including JTG’s head of cruise contracting Catherine Allison, International Cruise Council of Australasia board member Chris Hall (APT), leading cruise agent Carole Smethurst (Bicton Travel), Complete Cruise Solutions’ Don Clark and JTG Wholesale’s Alistair Fernie.

The session closely followed the announcement earlier in the month of the formation of “Cruise Holidays” within JTG’s wholesale operation (*travelBulletin*, November).

Timmins welcomed this development, which, she said, will see the establishment of a new group cruise centre at JTG’s Sydney headquarters and will open up new sales opportunities for Travelscene agents.

Asked about the potential for Travelscene to share the Odysseus-based cruise booking engine developed by JTN, Timmins would say only that her chain was “reviewing” the possibility.

■ Travelscene appears to have made giant strides in persuading agents to give priority to selling preferred products.

At its National Consultants Conference in July, Timmins said preferred product sales comprised about 55 per cent of total sales. At this month’s conference the figure was put at 60 per cent by managing director Mike Thompson. The five percentage points represent a nine per cent hike.

Next year the chain is reportedly aiming for a figure of 65 per cent.

Travelscene will DARE to win with improved sales closure skills

TRAVELSCENE American Express plans to implement an ongoing customer relations training program with an initial emphasis on improving agents’ ability to close sales with new clients.

This follows an extensive mystery shopping exercise as the basis of what the chain is calling its DARE (Delivering A Relationship Experience) program.

The mystery shoppers gave Travelscene agents high scores in many areas but revealed weaknesses in closing sales and follow-up.

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Unveiling the results to Travelscene members at the chain’s annual conference in Singapore last month, general manager Jacquie Timmins admitted mystery shopping is “something that is going to make some of you moan ... but I want you to hear me out”.

She told the agents: “This isn’t about us being big brother or trying to tell you how to do your jobs ... We want to be able to share with you real feedback on what customers expect from their travel agent so you can use this knowledge and turn it into revenue opportunities for your businesses.”

She said Travelscene executives worked with mystery shopping experts, “Personally Recommended” to develop the program – “and importantly we got some of our members involved to drill down on each of the elements”.

These agents were Phillip Boniface (Travelscene Carlingford), Allana Hancock (Go Travel Group) and Carly O’Byrne (Travelscene Belrose).

Mystery shoppers visited 100 Travelscene outlets located in metropolitan and regional areas throughout Australia and 50 outlets of a rival national chain, (Timmins declined to name the rival but it can only have been Flight Centre.)

They were briefed to provide a customer perspective on “the buzz”, (agency vibe, customer activity and comfort), the relationship (acknowledging customers, making them feel welcome and building rapport); “creating the dream” (presenting a tailor made holiday), closing the sale (“sealing the deal” and asking for a booking), the farewell (seeking to follow-up and maintaining a friendly and professional approach), the follow-up (re-engaging in the sale process).

Timmins told the conference: “We did pretty well in terms of the buzz, the relationship and creating the dream.

“We do provide a welcoming atmosphere, acknowledge customers and build rapport. We also ask the right questions so that we can present them with a tailor made holiday.

“But the real opportunities are closing the sale, the farewell and the follow-up. The overall results show that there is a real opportunity here to ask for the booking and for customers details so that you can follow up on them.

“We know that you have fantastic conversion rates with your existing clients. So the opportunity here is to look at how we can increase our conversion rate with new customers which can only increase your agency’s productivity and bottom line.”

Support for Gaines’ solution to name confusion

THE Jetset Travelworld Group has moved a step closer to resolving confusion over its name by adopting the solution proposed by its chief financial officer Elizabeth Gaines.

At the Travelscene American Express conference, JTG chief executive Peter Lacaze repeated comments he made at the Jetset Travelworld Network conference, acknowledging that the coincidence of the parent company’s name with one of its branded chains can cause angst for members of other JTG chains.

While it might not worry Jetset or Travelworld agents, many Travelscene (and Harvey World Travel) agents will, understandably, not be comfortable identifying themselves as members of the Jetset Travelworld Group.

Lacaze said changing the parent company’s name is a more difficult issue than it first appears, complicated, for example, by the fact that its ASX listing is JET.

Gaines’ proposed solution is that the parent

company be known only by its initials – JTG.

Lacaze clearly likes the idea. He pointed out that a number of leading Australian companies choose to be known by acronyms of their full name.

He instanced BHP, NAB and IAG (and he could have added that some leading travel industry company names, such as Qantas and Sabre, are also acronyms whose use has become so common that many can barely recall what the initials once stood for).

While a final decision has yet to be taken, the idea received a positive reception from agents at the Travelscene conference, increasing the likelihood of its adoption.

■ It’s been confusing for the press as well. Previously, *travelBulletin* has attempted to distinguish between the parent company as JTL (Jetset Travelworld Limited) and the branded chain as JTG (Jetset Travelworld Group). We have now adopted the Gaines’ solution.