

# B2B: Administrative Directors: A Watchful Eye on Corporate Taxi Spending

By [Ksenya Erokhina](#)

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Cost-saving trends have forced all companies to submit all expenses for approval that are susceptible of generating reductions of expenses. Taxi service is one of the first items to receive a revision. Managed at major corporations by negotiation and organization professionals, it's under the watchful eye of administrative directors, whose job as "cost killers" and keepers of the travel policy has been reinforced.



Ksenya Erokhina  
Commercial director  
"ASAP Transportation Company" LLC

Regarding our customers' research on the corporate taxi market, the first trend is to shrink expenses. This recent study done at the request of The Moscow Times gives volume to the phenomenon. Ninety-three percent of our customers questioned announced a reduction in taxi expenses in 2014. Fifty-nine percent of customers consulted declared that they would like to arrive at these budget reductions by combining at once a decrease in the number of trips and negotiation of prices for services from suppliers, while 39 percent will be satisfied with limiting the number of trips.

"In just a few months these percentages have increased, particularly at European companies," said Mike Barinov, CEO at ASAP Transportation Company.

Whatever cuts have been made to budgets, the role of business taxi services for managers is not called into question in Europe. Companies rely on their know-how to find sources for savings and implement policies limiting corporate taxi. Sixty-eight percent of administrative directors questioned indicated that their company had stressed respecting travel policies. Our study shows that the items under very high surveillance are city trips in 85 percent of cases and transfers in 15 percent of cases.

Beyond the greatest respect for the regulations prescribed in corporate travel policies, for many of our customers these rules have been further reinforced in terms of expenditure ceilings, choosing a taxi provider in favor of those likely to make additional pricing efforts.

The quest for savings also involves reinforcing the automation of procedures that have become necessary for more than half the customers. Control also happens through increased use of Expense Management Systems and the preciseness of reporting to plan and control spending.

And yet, the quest for the lowest price at all costs has its limits. Thus, to answer the question of whether your company is ready to accept a deposit payment of taxi if rates were more

advantageous — the answer is no for most customers. This is confirmation that flexibility remains an essential characteristic of corporate taxi services. Administrative directors feel the need to keep options open when it comes to special services or personal top-managers' comfort.

In this mission, administrative directors are relying on new allies, particularly in terms of external purchase services and technological tools. Requests from our customers are twofold: first of all they want to consolidate their information in deep reports; on the other hand, they must minimize taxi expenses as much as possible. Here we have a double role as advisor and controller to elaborate on the rules of the game and implement them.

Since the beginning of the year 2014, we have seen a drop in our volume of business to 20 percent due to low season and restrictions on the number of corporate taxi trips. This period is propitious for putting pressure on our sales managers and negotiations bear on the level of our prices. Not only do we want to make all our key account clients benefit from better price, but we try to guarantee they will last. If we develop a new price grid in function of volumes, it should remain valid for at least two, or even three, years," adds Mike Barinov. "It would be difficult to explain to our customers that prices can go up brusquely at the slightest sign of petroleum price rising."

Technology has long since made its appearance as a working tool for administrative directors. These tools have become increasingly sophisticated over time. Our clients want tools that broaden their scope of work and allow them to verify spending through all kinds of reporting. The new tools cover the more than the supply of taxi providers available via Get Taxi services or Yandex Taxi. The highest demand is for immediate connectivity with the different taxi services via mobile apps or private cabinets on-line.

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