



Are Corporate Travel Programs Learning to Love the Sharing Economy?

Insights

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Not so long ago, corporate travel managers (no doubt encouraged by anxious lawyers) discouraged employees from using ride- and accommodation-sharing services such as Uber, Lyft, or Airbnb for business travel. Times have changed. According to a recent report in the Skift Corporate Travel Innovation Report, about one-half of all companies surveyed now allow the use of ride-sharing services in corporate travel, and 30 percent of companies allowed the use of Airbnb for corporate travel, up significantly from last year.

Why the change? Cost is a big factor. Corporate travel can be a big cost item, and ride-sharing and accommodation services can cost 30-40% less than traditional transportation and accommodation costs. In fact, the State of California passed a law in 2015 permitting its employees to be reimbursed for such services, seeing it as a key way to cut travel costs.

More importantly, perhaps, is the fact that employees want to use these services. They use them in their personal lives, and have become accustomed to the convenience. While many employers have attempted to limit employee use of these services, employees have pushed back. Not too long after IBM officially prohibited employees from using such services in corporate travel, it had to reverse itself because the policy caused such an outcry among employees.

Whether you are an employer looking to permit sharing services like Uber, Lyft and Airbnb, or an employer who already permits the use of such services, it's a good idea to have a policy in place setting out some common-sense precautions for employees. The policy should address circumstances under which it is acceptable or not acceptable to use sharing services (for example, traveling in Seattle on a business trip could be a much different experience than traveling in Pakistan). It should also address whether the sharing service is legal in that particular jurisdiction, whether the provider has been vetted for safety and other concerns, which services will be reimbursed and what supporting documentation is expected for reimbursement, and any back-up plans in the event the sharing service does not work as planned. It is always a good idea for employers to remind traveling employees of common-sense traveling precautions, regardless of where or how they travel. And finally, employers will also want to assess whether corporate insurance policies cover employees while they are using ride or accommodation-sharing services.

Aware that more business travelers are using their services, Airbnb and Uber, to offer two examples, have taken steps to make tracking of employees and their bookings and expenses easier, taking away some of the objections corporate travel managers have expressed in the past. For corporate travel managers, now might be a good time to examine travel policies to ensure they are keeping up with the reality of employees' travel.

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