

The Alamo Travel Group, Inc.

A shifted focus toward government contracts keeps travel company above water

BY SUSAN JOHNSTON

WHEN PATRICIA PLIEGO STOUT FOUNDED Alamo Travel with her then husband in 1982, the San Antonio-based company (and much of the travel industry) was based on commission. “We typically made 10 percent of every plane ticket or car rental,” she explains. “It was predictable. You knew how much you were going to be making from the gross sales.” But that all changed about 15 years ago, when airlines began offering boarding passes online and smaller airlines like Southwest and AirTran Airways created competition for lower airfare. While some travel companies saw this as a threat, Stout saw it as an opportunity. “Our computer capabilities were something that really helped us to gain market share with corporate accounts and leisure travelers,” she says.

With input from travel trade associations, Alamo Travel shifted its business model away from commission-based sales and focused on service fees instead. According to Stout, “This has become an accepted practice, and it allows the client to have a positive relationship with the travel agent. We find the lowest price for the route and charge the same service fee, since we’re not earning commission.”

Around the same time these changes were taking place, Alamo Travel landed its first government contract with the United States General Services Administration (GSA). Now government contracts make up 80 percent of the company’s business, requiring thorough reporting and meticulous attention to detail. “When we’re sending people on official travel, we’re handling travel that is critical,” says Stout. “A mistake in this type of

work is fatal. My motto is to take care of any problems immediately: Within the hour.”

The remaining 20 percent of Alamo’s business is split down the middle between corporate and leisure travelers. Many of the travelers who initially embraced self-booking search engines have returned to travel agents after issues with refunds or flight changes. “Once you click the button, there’s no return,” Stout points out. “It’s a greater responsibility. We don’t pressure the client to buy right now.”

Stout takes pride in the fact that she’s survived three rough patches (including 9/11, when there were no commercial flights for a week) and has not laid anyone off. “We’re tightening our belts, but I’m still in the black,” she explains. “I think a small-to-medium-sized business has that capability. We’re flexible.” The company reduced overhead by cutting all employees’ hours and consolidating expenses, and Stout constantly markets Alamo through a partnership with American Express, co-advertising with cruise lines, listings in directories of women



Patricia Pliego Stout has expertly handled the challenges to the travel industry posed by the Internet by diversifying and expanding the reach of her business.

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and minority-owned businesses, and her community involvement.

“A mentor I had told me ‘It's gonna be easier for people to believe in you if you become active in the community,’” she explains. After joining San Antonio's Hispanic Chamber of Commerce, she found that she really enjoyed being involved in the business community. Currently a member of the Hispanic Chamber of Commerce's board, Stout received the Yellow Rose Commission from the State of Texas and earned the Entrepreneurial Spirit Award from the

National Association of Women Business Owners San Antonio Chapter.

“All of that gives me exposure and lets me meet a lot of business owners,” she says. “Being Hispanic, I've always been proud, but now it seems that as a growing segment of our population, we're perceived as somebody to be taken seriously.”

Though being a minority and a female business owner posed challenges in the company's early years (Stout was rejected the first time she applied for a

revolving loan), she says that with maturity and experience, she has gained the respect of her employees and the business community. “Women have to earn respect,” she notes. “It took me twice as long as it would take a man. But once you're there, it's strong.”

Perhaps that's why Stout makes time to mentor others in the travel industry, which has been hit especially hard by the changing economic times. She acknowledges that not every company will survive the recession, but nevertheless remains determined “to help a couple of them in San Antonio, so that they can make it in this difficult year.” Otherwise, Stout is keeping busy with day-to-day travel projects, working on deals with a pharmaceutical company and a bank, plus preparing for business trips to Colombia and New York City. Pausing for a moment to reflect on her busy schedule, she adds, “But my grandchildren—that's my most important project.” HEQ



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