Five Real World Deployment Guidelines for your Concur Digital Journey

Deployment Tips from Real World Experience

Cognizant

Despite increased use of videoconferencing and other online collaboration, face to face meetings – whether the chance encounter at a conference or the deal-sealing dinner – are still an essential part of business. Business travel is increasing in range and frequency, travel and entertainment (T&E) is the second most difficult operating expense to control, according to Forrester Research. The total cost of travel is inflated by the reimbursement of excessive or inappropriate charges, inefficient and time-consuming processes and delayed payments resulting in late charges.

Being digital in T&E means better visibility into, and control of, spending. It means boosting employee productivity and satisfaction through easier, faster creation of expense accounts and faster reimbursement. And it means reduced risk through more assured compliance with corporate travel and spending policies.

Achieving this is a tall order when employees are moving among multiple business units and geographies, each with their own reimbursement budget priorities, and approval workflows. Success requires not only an industry leading T&E platform such as Concur Travel & Expense, but configuring it based on best practices gained from experience in global workforce management.

Based on our experience of becoming a global T&E user of Concur for over 200,000 employees, here are our recommendations for the design and configuration of five critical business processes that will help you achieve digital Concur T&E excellence.

1. Improve the Relocation Experience Through Better Expense Management

With the growth in global supply chains and the need to seamlessly deploy skills wherever they are needed, relocation expenses – and the need to manage them effectively – will only grow. Managing relocation policies effectively requires:

- Creating effective, appropriate policies that can be implemented across geographies and business units.
- Communicating those policies in a clear, consistent way across business units and geographies.
- Deploying and configuring T&E systems that provide an easy, seamless experience for employees so their move is as easy as possible and they can focus on work as quickly as possible.
- Monitoring relocation spending and reimbursement to ensure compliance with organizational and governmental requirements.

At first glance, all this might seem straightforward, assuming the employee has a corporate credit card, the organization has clear relocation policies, the employee understands those policies and their employer has deployed a robust system to support prompt claim submission and processing. However, look beneath the surface and complex questions arise. They include:

- If an employee uses a corporate credit card issued in their home country in their new location, by which business unit (the home country or the destination) should the charges be paid? Should all corporate card transactions be imported as individual files for each country or as a single global file for all regions in which the employer operates?
- If employees are allowed to use cards issued in their home country in their new location, how will expenses incurred in the new location be handled if there are conflicts between the reimbursement policies of their original and new business units?
- How will employees be reimbursed for the last minute expenses incurred using their corporate credit cards in their home country, and billed to their prior cost center, after their payroll is moved to the new country and the employee cost center has been changed in the T&E system?

In our experience, best digital practices for meeting these relocation expense challenges include:

- Creating a global relocation policy covering all expense types for all employee groups. This will ensure every employee can easily access all the required policies and expense types and related audit regulations, and that managers can process claims based on the appropriate policy. Do note this will still involve some manual accounting checks for cases such as legitimate expenses incurred in the new country that should have been mapped to the new employee cost center.
- Delaying the transfer, for financial purposes, of an employee from one cost center to another within Concur to allow the employee to charge, and be reimbursed for, last minute expenses such as taxi fees or shipping of personal items to the cost center in their country of origin. We recommend, however, that relocated employees be switched to the new country policies/cost center within 15 to 20 days to avoid any late payments to them for expenses in the new country.
- Configuring Concur to accommodate the requirement to make payments to corporate card issuers only in the country of issue. Concur maps the transaction currency as well as the reimbursement currency for every expense line item in the financial extract. Utilize the currency fields from the Concur financial extracts to develop downstream processes to ensure payments are made to the correct corporate card entities. Because this requires extensive manual checking, we recommend it only for companies that handle no more than several hundred expense reports per month.

- Allow employees themselves to change the cost centers and employee groups to which they belong and that control their T&E processes. This helps ensure employees use the appropriate country policies and the proper expense types for the country in which they want the expenses to be reimbursed and that expenses are mapped to the proper account codes. However, giving employees this much control opens the door to substantial manual errors and fraud. That is why this option works best for organizations with relatively simple organizational charts, and minimal policies and approval workflows.

2. Fine-Tune Your Approval Workflows

Approval workflows are essential to ensuring that the proper stakeholders have the appropriate degree of control over various levels of T&E spending. At first glance, the standard approval workflows in Concur Travel & Expense would seem more than adequate. These are simple "1-up" processes that route expenses to a default approver, based on the corporate organizational chart, with options to limit the amounts they can approve based on the amount of the claim or other factors, and the option to require multiple levels of approval for various types of claims.

However, every business is different, and their internal approval requirements (or industry-specific regulations) may require unique approval workflows. Some such requirements, and their implications for how Concur Travel & Expense should be configured, include:

- How can a cost object-based approval model (in which a project manager or other authorized individual approves or declines a payment) be defined and implemented to support mobile devices when the standard cost object-based approval model within Concur is not mobile compatible?

One approach is to use the Authorized Approval model within Concur, in which project managers are mapped to projects and/or cost centers as authorized approvers. This provides essentially the same function as the Cost Object Approver model, but supports mobile based approvals. It does not, however, check whether the person submitting a claim is also the project manager with authority to approve or reject reimbursement. The solution is to use Concur's validation table to ensure the approver is not the same as the employee submitting the report, which would violate the required segregation of duties.

Note also that Concur will send the expense report for approval to only the project manager or cost center selected at the expense header. It will not route individual line item expenses for approval to different project managers based on the projects selected at the line item level, even though those line item level expenses should paid by different cost centers or projects.

- How do organizations ensure the approver is at a more senior level than the employee submitting the claim, in order to ensure more informed reviews and that all the relevant clarification is sought, and guidance provided, about the expenses? Designating grade level as a custom field to guide the workflow process logic would seem the most straightforward approach, but it is not easily configurable under either the COA or Authorized Approver models because custom fields cannot be used in workflow condition logic. A practical approach is to use Concur's Event Notification Service to define required approvers and their attributes (such as grade level) in the Header/Detail forms. This avoids the complexity of maintaining and synchronizing all workflow related data in Concur. This also allows customers to build their own approval logic in-house, making any future changes easier and providing better exception controls.

3. Define the Right Number of Policies, Forms and Fields

Different organizations, or geographic or business units within the same organization, may have vastly different business models, cost structures, profitability levels and corporate cultures. For this reason, Concur provides substantial flexibility in defining policies.

Defining groups properly is an important first step that lets you apply different policies to different groups, or to groups that will be managed by different authorities. A common, and recommended, best practice is to configure groups by country and/or major line of business. As you define your groups, try to follow a global template with the minimal customization for market specific requirements.

Concur allows organizations to set multiple policies per group with one default policy for each group. The major areas determined by the policies are workflows, receipt handling, expense types and the entry forms used by employees. The expense types and related controls applicable for each group can be enforced through the use of multiple policies for each group, or by using sub policies under a default policy and enforcing the expense type usage and regulations using audit rules.

Enforcing Expense types through sub policies reduces the number of policies visible to employees and the number of policies from which they must choose. This helps lower the cost of implementation for multiple geographies and of maintenance, can prevent employees from submitting incorrect expense types for a sub-policy and allows for the use of fewer expense types. However, users will only be notified they chose the wrong expense type based on a sub

policy when they save the line item, which can mean additional effort if they have to re-enter information to change the expense type. In addition, audit rules may need to be updated for each new group added to Concur as part of additional country rollouts, and the number of audit rules that must be created and maintained will be drastically high.

The second approach, enforcing expense types via additional policies, helps assure users choose the right expense type based on the parent expense types. Applying unique audit rules for individual policies means less maintenance of audit rules and provides a cleaner implementation because all configuration elements are tied to the group or policy structure. However, it increases the implementation cost by requiring new policies for each country roll out. It also makes it more likely users will select the wrong policy, requiring them to reenter all their information after they choose the proper policy.

In deciding which approach to take, balance speed and ease of use for employees against the overall cost of system implementation and maintenance. If a configuration choice might cause extra work or delay for employees, provide extra training to minimize such problems. Also, be careful when defining fields that describe organizational units, and/or custom fields, as any changes (especially converting a regular list to a connected list or dependent fields) will be very costly and lead to production data loss. If in doubt, create any fields you may need in the future but keep them hidden from users until they are needed.
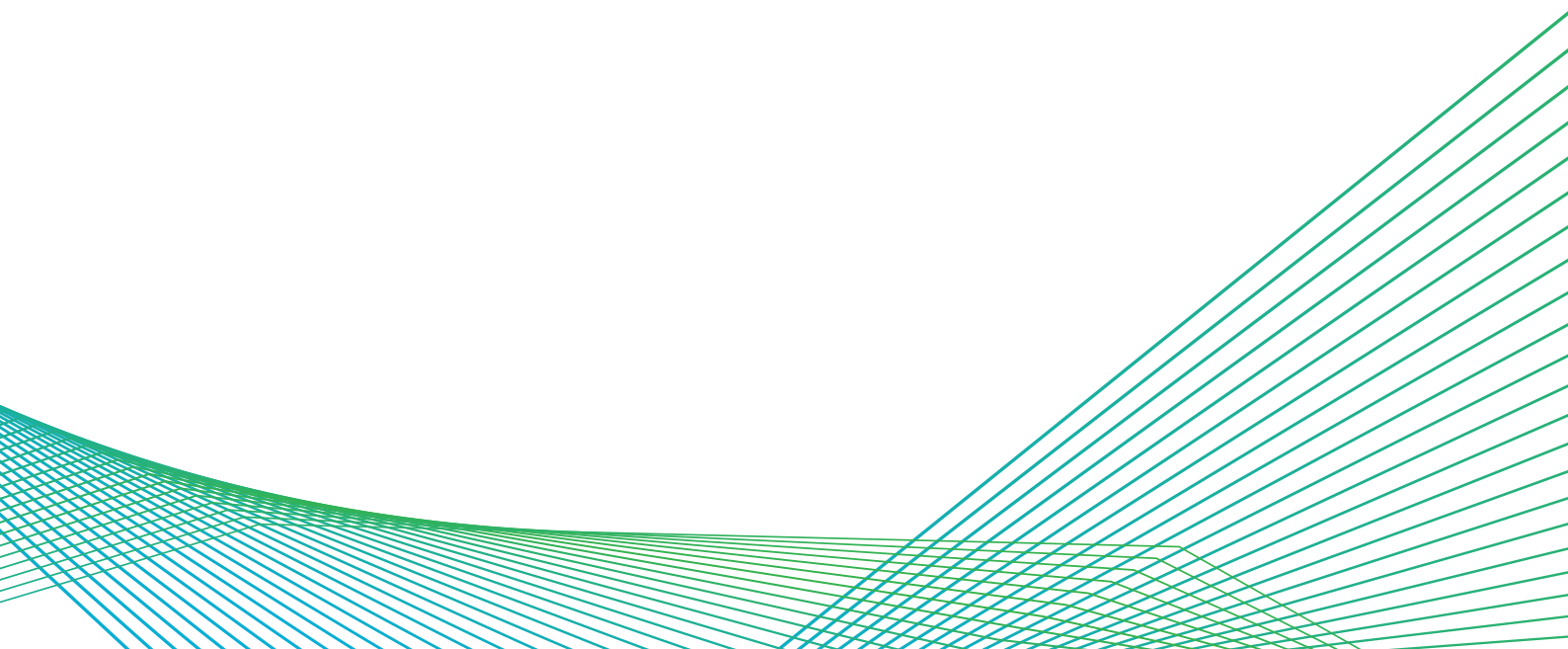
4. Matching Travel Reservations to Expenses

There are several navigation options for a user creating an expense report in Concur. One is to navigate through the "expense" link to the trip itinerary that was booked in Concur travel, which will match that expense report to the travel reserved in Concur or through the authorized travel management company (TMC.) This option makes it possible to check if an expense report matches an existing travel reservation and thus drive travel policy compliance metrics.

But often users will book air tickets well in advance of their travel, or before booking hotel and car rental, to get better rates. In this case the user submits the airfare well in advance of other expenses to avoid late payment fees. In such cases, Concur matches the travel reservation with the expense report submitted for the airfare and will not allow additional expense reports to be created and submitted for the same travel. Thus, any expense report created after the initial report will not be mapped to the matching travel reservation. Being aware of this limitation helps an organization take steps to reduce the risk of non-matching reservation expenses.

One strategy is to encourage and train users to map all airfare, hotel and car rental expenses in one expense report whenever possible. When that cannot be done, one solution is to build a Cognos advanced report that shows all non-travel matching expenses based on the itinerary and time frame of the travel. These expenses can then be validated separately by the audit team to identify any risks or non-compliant charges.

5. Receipt Management

Enforcing receipts has a big impact on your employees' ease of use, and hence their satisfaction and productivity. How this information is handled also affects your overall cost of ownership and the amount of work approvers must do. Here, based on our experience with Concur Travel & Expense, are the pros and cons of common approaches for handling these data types.

Concur provides multiple options for users to add receipts, based on limits on the number and type of receipts required to comply with legal and corporate requirements. These receipt rules can be configured by group, or the same receipt rule can be applied to multiple groups. Enforcing the number and type of receipts that can be uploaded makes it easier for prepay auditors to validate the process, as well as VAT reclaim and tax compliance.

Within Concur, receipts can be added:

- At the header level only
- At the line level only, or
- At both the header and line levels.

Uploading receipts at the header level only has the benefits of reducing effort on the part of the employee, and eliminating the need to attach a receipt for each transaction. It does, however, require additional effort on the part of auditors and processors to correlate expense

transactions with receipts, makes it more difficult to meet compliance requirements that receipts be provided for specific expense types, and doesn't allow for the upload of receipts at line level from mobile devices, which is a very convenient feature for frequent travelers.

Uploading receipts at the line level only makes it easy to require receipts for specific expense types to meet compliance requirements, to implement "line level rejection" by PrePay auditors when many transactions in a report must be correlated with receipts, and allows the use of e-receipts to avoid the need for manual receipt upload. Also, when users submit receipts via a mobile device, the capture of the receipts triggers the automatic creation of an expense report, reducing manual effort. However, uploading receipts at the line level only requires additional effort from the employee, who must upload a receipt for each transaction, especially when they use the same receipt for multiple expenses.

Allowing the upload of receipts at both the header and line level is not recommended as it makes it more complex to manage compliance with, and the auditing of, rules governing the management of receipts.
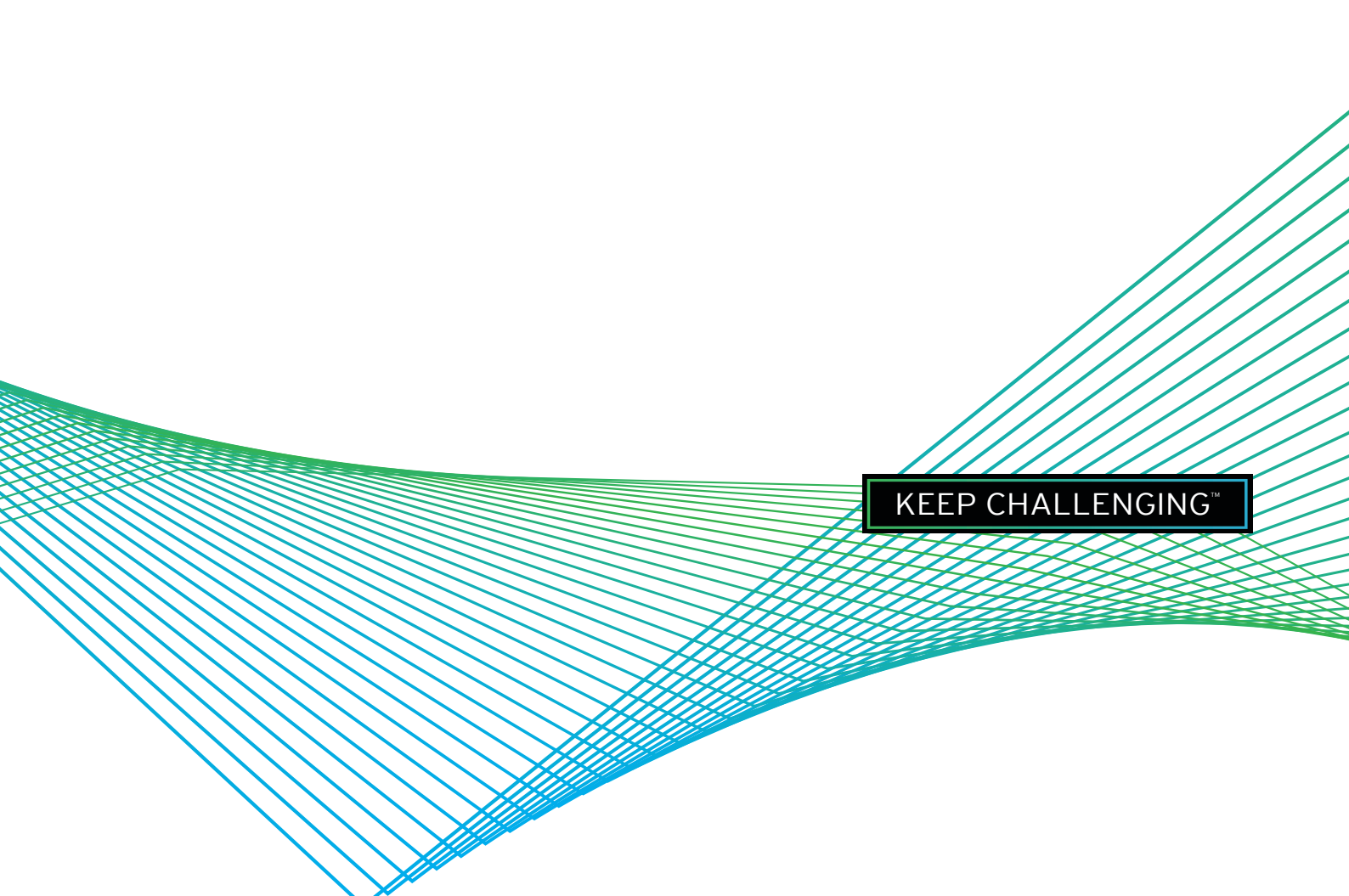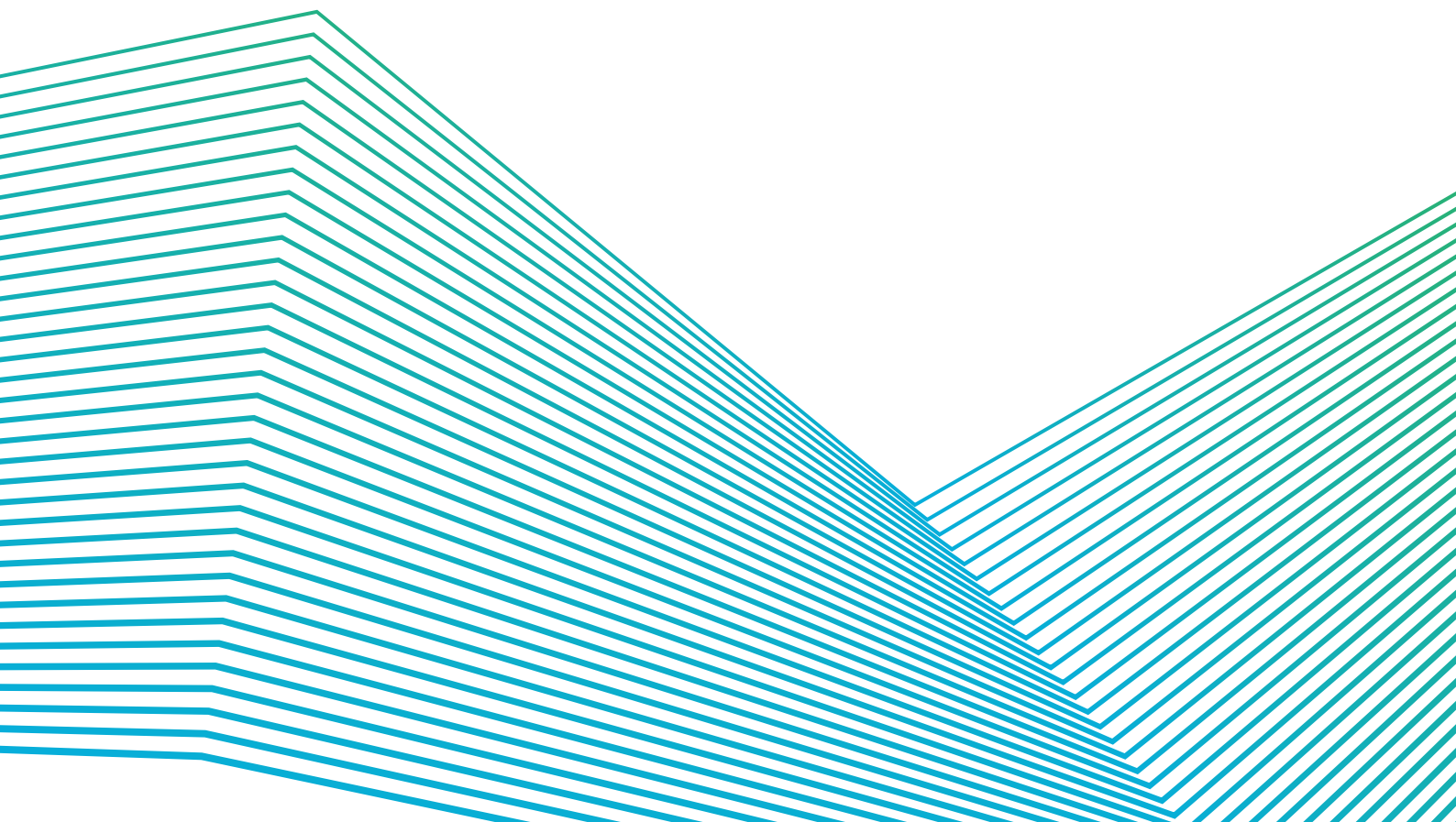
T&E: From Tactical to Strategic

As the global use of talent becomes more vital, and business travel costs rise, the management of T&E costs transforms from a tactical administrative function to a strategic differentiator. Concur Travel & Expense is a world-class platform for achieving an integrated, digital approach to T&E spending that increases visibility and employee satisfaction while reducing costs. However, it must be configured correctly to deliver the optimal digital T&E processes.

A Concur Customer Success Program Partner, we help customers achieve digital excellence in T&E management through functional consulting, project management, system integration, functional testing and support. Drawing on our experience from our global Concur implementation, we reduce the cost and improve the effectiveness of Concur implementations from initial design through deployment, testing and ongoing support.

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About Cognizant

Cognizant (NASDAQ-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 230 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

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