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How to Build a Best-in-Class Travel and Expense Program

Make Business Travel Simple, Transparent, and Cost-Effective Across Your Enterprise

THE BEST RUN SAP

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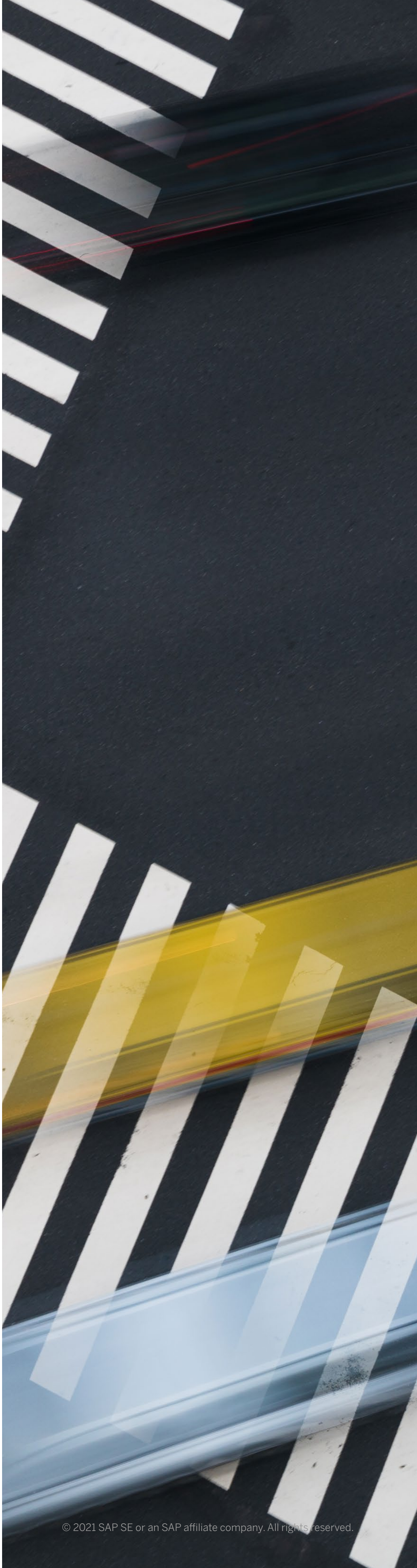
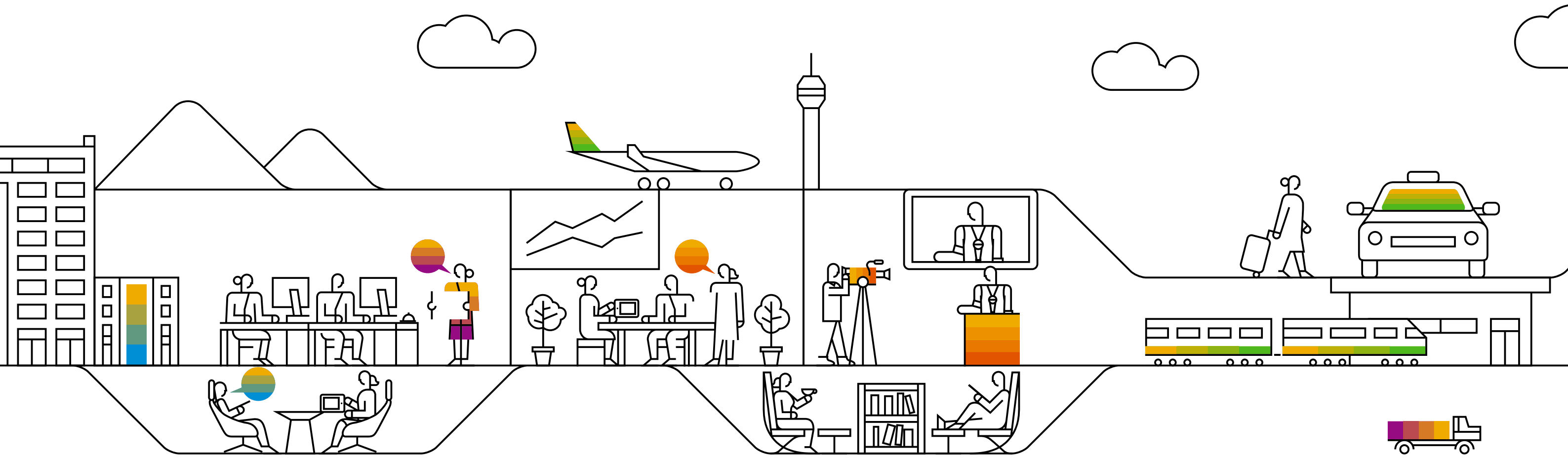


Travel is coming back – and businesses are once again taking to the road, rails, and skies. But in our new, postpandemic world of work, adaptability is critical. Companies must balance employee safety and satisfaction with cost control and the visibility needed to stay flexible in the face of change. This means making travel and expense (T&E) management faster, simpler, and more convenient while also ensuring travel budgets are allocated and spent wisely.

The answer is: **an integrated T&E program**.



Challenges in Travel and Expense Management

For many companies, T&E management can be difficult and cumbersome for employees, managers, and auditors alike.

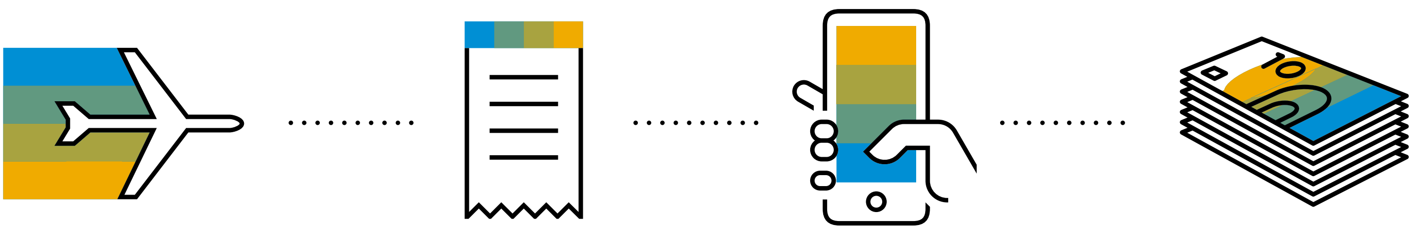
Even when a T&E program exists, it is often not aligned – with fragmented processes and reporting that vary across multiple countries, states, or locations. Add outdated paper-, e-mail-, and spreadsheet-based expense management to the mix, and lines of business lack the clear, actionable data and analytics they need to gain full transparency into T&E card programs. This lack of clarity creates extra work for T&E managers, keeping them from focusing on policy compliance, process efficiency, user satisfaction, supplier savings, and spend management. It also makes it hard to identify program gaps and noncompliant, excessive, and even fraudulent spend – especially in lodging, air travel, mileage, and entertainment reimbursement.

The result can be a general lack of T&E oversight, expense reporting errors, and travelers booking outside your preferred channels. On top of this, limited T&E management services can make it hard for employees to get the help they need when they need it. Businesses may also suffer from a limited view of suppliers, putting them at a disadvantage when securing contracts and making it hard to maximize on discounts and promotions and realize economies of scale. Finally, all of these issues are often exacerbated by the lack of a clear, up-to-date, and easily accessible T&E policy.

Simply stated, a disjointed T&E program constrains successful management of travel spend and employee services. Luckily, most companies have many opportunities for improvement.

The purpose of this document is to show you how to discover the gaps in your own T&E management processes and policies, and then gather the support and build the vision and operational framework for a truly unified T&E program.

A well-organized T&E program protects your company from the pitfalls of disjointed T&E processes, policies, and services while helping **ease compliance, maximize budgets, and ensure traveler satisfaction**.



Key Objectives of a Travel and Expense Program

As you build or improve your T&E program, there are three key goals to keep in mind:

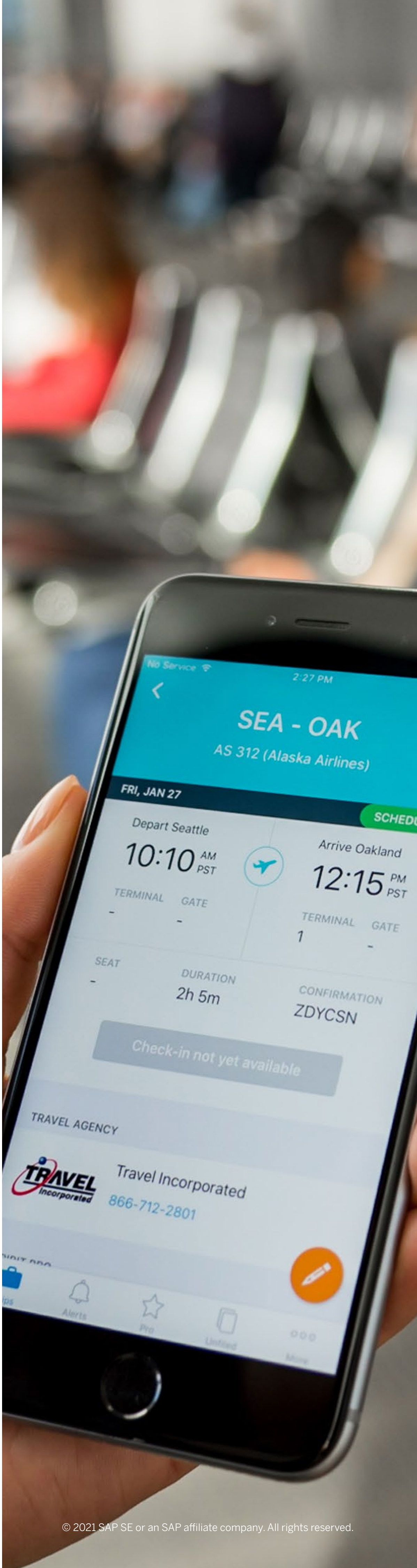
- **Accelerate** the travel procure-to-pay cycle, reduce complexity, and increase convenience for all involved
- **Ensure** compliance with internal spend policies and with shifting tax liability and regulatory requirements
- **Track** all T&E spend to get the most out of your travel budget

Overall, you need to consider the following actions:

- Unify T&E processes, policies, and practices across your organizations
- Simplify and streamline end-to-end travel booking and expense reporting
- Optimize resources to provide a higher level of service and assistance to employees wherever they are in the world
- Empower business travelers to make smarter decisions and improve compliance by embedding policy rules into every transaction
- Give travel managers and finance a comprehensive view of T&E data to track spend, identify trends, craft effective travel policies, and promote smart spend behavior
- Realize greater economies of scale to get better deals from travel and related service providers

The more disconnected your T&E management, the more daunting the task of building a single unified T&E program may seem. But, with this guide and a phased approach, you should be able to do it in less than a year.

Today's business traveler expects speed, simplicity, and convenience. The goal of your T&E program should be to **keep travelers satisfied while also ensuring compliance and tight spend control**.



Implementing Your Travel and Expense Program in Four Phases

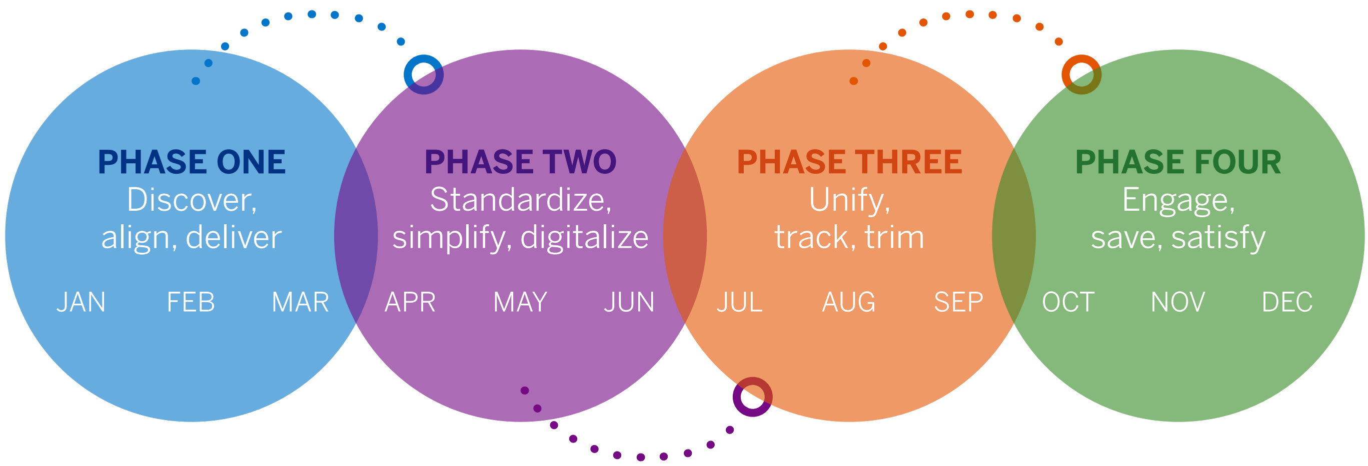
Building or improving your T&E program is a multistage process aimed at making travel as simple as possible while ensuring policy compliance and providing transparency into T&E transactions and data. You need to align your T&E and finance experts, executive leadership, and business users on program pain points, gaps, and requirements – then provide them with the tools and technology they need to realize those requirements. These tools should also be used to help managers, security teams, and risk assessment officers locate travelers to maintain safety and quickly react in case of emergency.

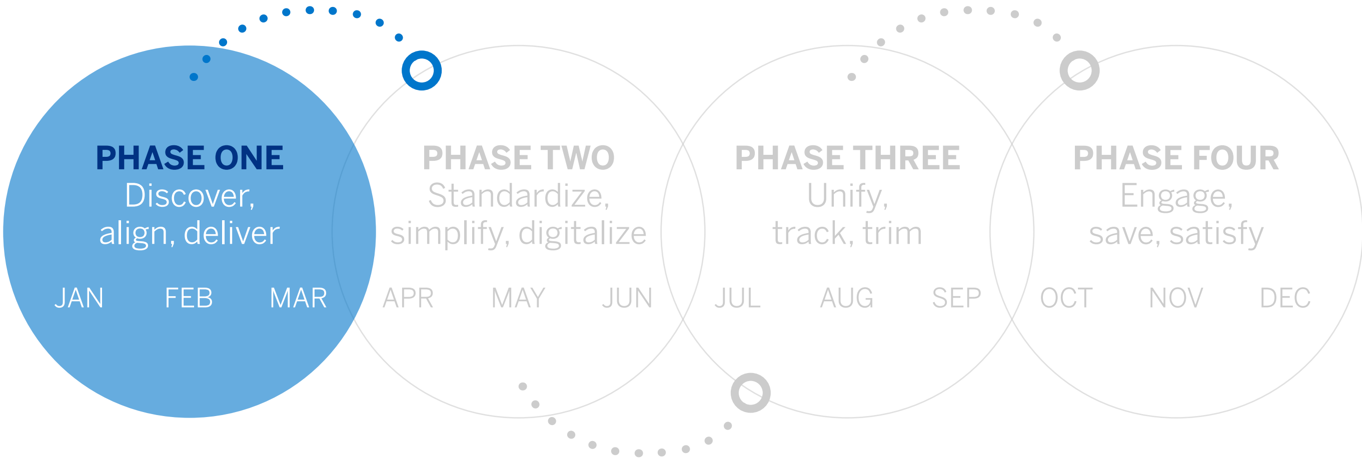
To do all this requires a four-phased approach (see Figure 1), during which you will:

- **Evaluate** your current processes and travel organization, establish the framework for your travel program, align with management, and set up a service strategy to make it happen
- **Optimize**, standardize, and digitalize T&E management processes across your organization
- **Centralize** data and deploy advanced analytics to track your program, identify trends, and take action to make travel more cost-effective and help ensure compliance
- **Review** new services to determine if you are providing the most value in terms of cost and employee productivity, satisfaction, and safety

Typically, this process should take six to nine months to complete, but it is possible to run phases in parallel to accelerate rollout.

Figure 1: Timeline for the Four Phases of Building a Travel and Expense Program





PHASE ONE: DISCOVER, ALIGN, DELIVER

EVALUATE CURRENT OPERATIONS AND BUILD A NEW FRAMEWORK

The goal of the first phase in your T&E program journey is to take a close look at your processes and operational structure as it is today. Then, you will align with your key stakeholders on a vision of what your program should look like for your company. Finally, you will reorganize and centralize your T&E management operations to deliver the convenient, consumer-grade travel service experience today's employees have come to expect.

Discover

Take a deep dive into existing travel operations to determine what is working, what is not, and what is still unknown. This requires you to:

- Evaluate each aspect of your current T&E program or processes (if no formal program is in place)
- Obtain feedback from travelers and all company stakeholders about what is working and what could be improved
- Identify areas where there is a lack of process and policy alignment across business units or regions
- Identify areas where travelers are going outside of the company travel policy and processes, and determine the cause

Align

Work with senior leadership across your company to formalize your vision for the type of program, policies, services, suppliers, communications, and reporting you want to achieve. If you have a travel operations team, optimizing each member role is an important step in strengthening your organization's value to the company. Otherwise, relying on your travel suppliers can be a viable alternative in supporting your travel program – but you need to be sure you're aligning with them to take full advantage of their headcount and the services they offer.

To do this, you need to:

- Restructure, if necessary, and define roles and responsibilities in a way that creates a single focused organizational unit
- Separate travel and card procurement responsibilities from travel and card operations
- Establish team leads to oversee travel management companies, communications, policies and compliance, reporting, and service administration – all within your existing headcount

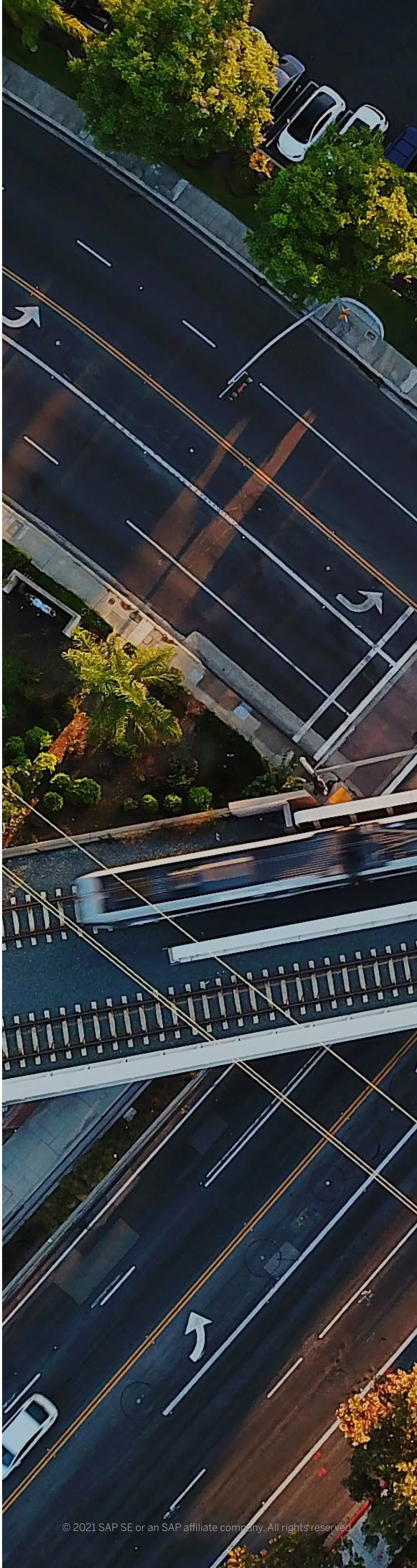
Deliver

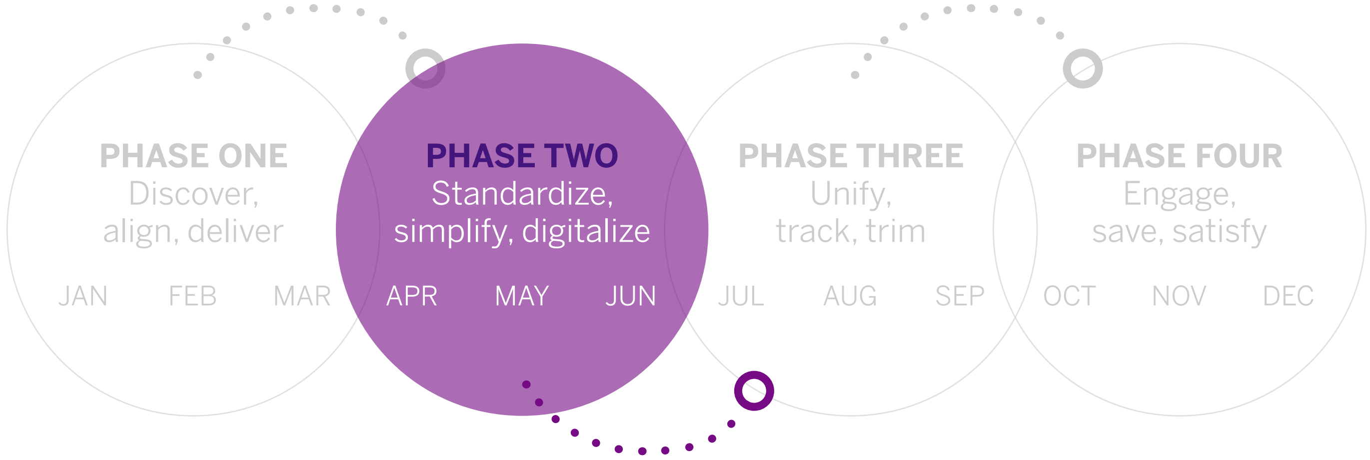
Build a T&E management organization focused on streamlining T&E card operations and offering outstanding employee service experiences.

To do this, you need to:

- Align regional and global policies and procedures as much as possible
- Allow global travel and card teams to focus on operational efficiencies, employee services and satisfaction, and actionable data and analytics
- Create a closed-loop travel source-to-settle system and service offering
- Ensure every team member and other aligned organizations, such as expense operations, are familiar with your primary service partners and new processes
- Make sure that preferred travel management companies and other preferred service providers are on board and working within your established processes
- Focus on creating a positive travel experience while also ensuring employee accountability and compliance

Every traveler's needs are unique. Your T&E management teams must be focused on **meeting and exceeding employee expectations** while keeping a close eye on spend.





PHASE TWO: STANDARDIZE, SIMPLIFY, DIGITALIZE

OPTIMIZE PROCESSES THROUGH DIGITAL ENABLEMENT

You now have a unified vision for your T&E program and have established the roles, responsibilities, and services of your T&E management team. The next phase in making this program a reality is **optimizing your processes through standardization, simplification, and digital enablement**. Not only will this make work easier for travelers, managers, and auditors, but it will also give you a flexible IT framework that can be quickly adjusted and scaled to meet changing business needs.

Standardize

Now that you have identified your T&E process best practices, problem areas, and gaps, it is time to standardize those processes across business units and regional areas. Focus on travel, card, and expense processes across operations so you can document and layer current processes on top of one another – then decide how best to synchronize. To do this, you need to:

- Map your process flows from end to end so you can visualize each step
- Create standard T&E management processes from source to settle that can be implemented across your operations

Simplify

Now that all your regional T&E processes have been documented, mapped against each other, and synchronized, it's time to review and layer the various workflows to identify redundancies and help eliminate unnecessary steps. To do this, you need to:

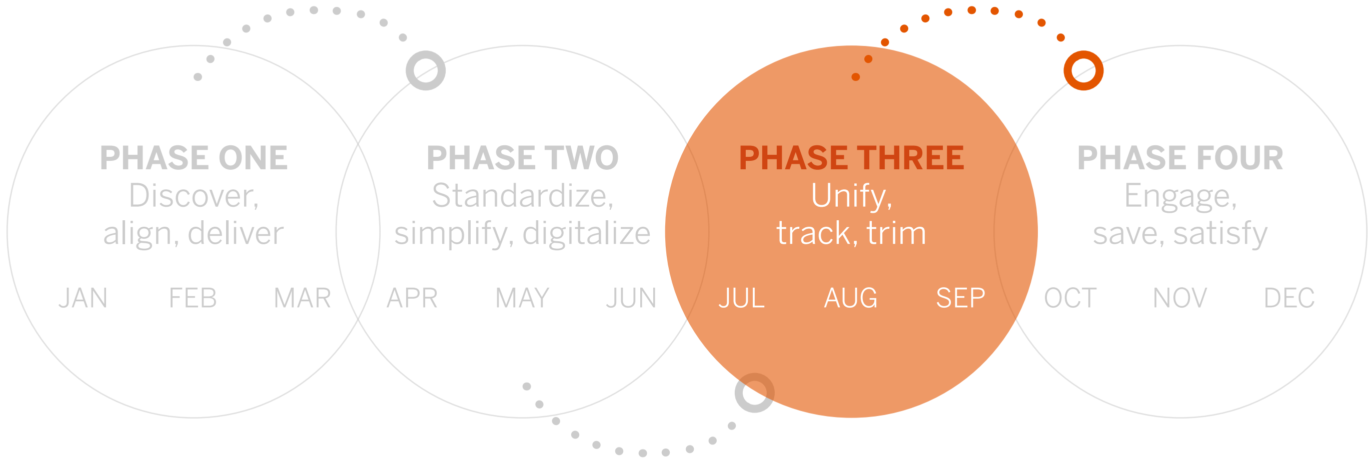
- Evaluate each process step and ask your IT team if there is a simpler, more-efficient digital solution
- Create a unified T&E policy that can be applied across regional and global operations
- Consolidate your list of preferred T&E service providers so you can offer employees standard services and consistent, cost-effective pricing
- Align and integrate your corporate card program across the enterprise to include meetings and events, which tend to be handled separately

Logging expenses, submitting reports, and following up on workflows should be simple. Not only does it make your T&E data easier to track, but it also frees up time for finance teams and travelers to focus on **value-adding tasks**.

Digitalize

We've seen that a core component of simplification is digitalization. And when it comes to digital access, employee expectations are changing. People want the same level of convenience at work that they have in their personal lives. With the right tools and technology, you can **automate time-consuming and error-prone tasks** – improving accuracy and centralizing data. Digitalization can also mean giving your employees tools that allow them to stay productive on the road while saving time for managers, auditors, and service teams. With the right T&E management technology, you can:

- Automate manual T&E data capture, reporting, and approval processes
- Enable mobile, self-service access to data and workflows from any device
- Provide greater transparency to travelers about expense report status and reimbursement times
- Configure compliance rules and alerts into every transaction
- Leverage partner reimbursement technologies
- Capture the data you need to help ensure full transparency and oversight of travel spend and enable comprehensive analytics for your T&E program



PHASE THREE: UNIFY, TRACK, TRIM

UNDERSTAND TRAVEL SPEND, TRENDS, AND BEHAVIOR

T&E data is one of your most valuable assets. But if your travel managers and finance teams can't easily access and analyze it, that value is lost. You've already begun the critical move toward digitally transforming your T&E program. Now, you need to be sure you can track trends in travel costs and behavior, then trim your travel spending in a way that makes sense for travelers and for your company.

Unify

The first step in understanding travel trends and behavior at your company is unifying your data to provide travel managers and finance teams with a single source of truth. To do this, you need to:

- Deploy a single, integrated T&E management solution across your company to align disparate internal and external sources for T&E data
  - Even if you don't have an integrated solution yet, integrate whatever T&E management applications you do have with back-end finance and accounting systems so that T&E spend can be viewed in the context of overall company spend and budgets.
- Connect direct supplier bookings to T&E systems to gain visibility regardless of where bookings take place
- Provide clear, user-friendly T&E reporting and analytics that allow management access to actionable insights

Track

Once you have a single source of T&E data, the next step is to determine the things you should be tracking and make those reports and analytics as simple and intuitive as possible. To do this, you need to:

- Implement a single, user-friendly tool for T&E dashboard reporting
- Establish key performance indicators (KPIs) and create actionable data sets for all enterprise business roles that need T&E analytics
- Take advantage of machine learning and advanced analytics to help expense auditors monitor and identify spending trends by business unit, region, individual, time period, and more

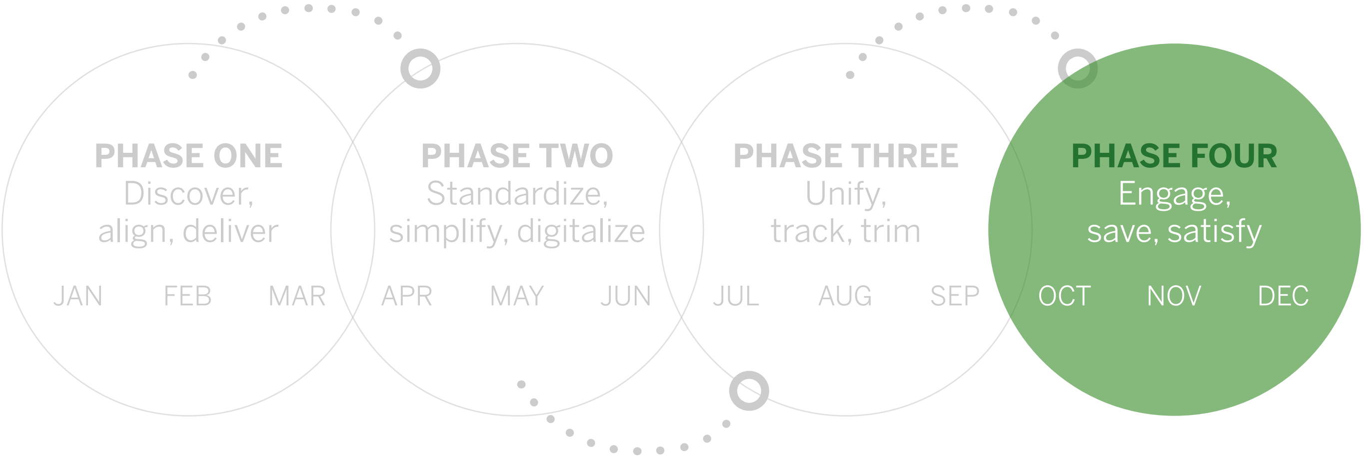
Your ability to make smart business decisions is only as good as the information you have. In a world where change is the only constant, staying ahead of T&E trends can give your program the **insight and agility to succeed**.

Trim

Now that you have determined and can track the KPIs for your T&E program, it's time to turn that insight into action. Use reports to increase awareness among management and travelers and educate them on how to modify behaviors in a way that increases efficiency and productivity while also reducing costs. To do this, you need to:

- Increase the focus on high-dollar, questionable, and fraudulent spending
- Identify trends in corporate card spend by monitoring the level of spend across all regions
- Identify high-frequency suppliers to win more advantageous contracts
- Ensure suppliers offer total revenue transparency
- Promote smart spending behaviors that keep employees productive on the road while also protecting your bottom line

Waste and noncompliance often build up over time. But with the right data at your fingertips, you can quickly find it, fix it, and **help your travel community make the best spending choices** moving forward.



PHASE FOUR: ENGAGE, SAVE, SATISFY

KEEP YOUR TRAVEL COMMUNITY PRODUCTIVE, SAFE, AND HAPPY

Now that your T&E program is in place, the last phase is to find out how well it's working and make a plan for continued improvement. You need to engage with your business travel community as well as finance and IT teams to establish lines of communication and periodic check-ins around service levels, technology, cost savings, program value, and overall satisfaction.

Engage

To help ensure you deliver on service commitments to travelers and other expense submitters, you need to engage with the people you are serving. To better connect about new processes and policies and evaluate how well you are doing, you need to:

- Train business units and employees on T&E processes and best practices using concise, engaging communications and easily consumable content channels, such as social media and video
- Gather and take action on employee feedback through voice-of-the-customer engagements
- Track and publicize service improvements through KPIs, such as a reduction in support tickets, faster response times, and so on

Save

When determining new cost-saving measures, it's important to keep overall value in mind. Whether that means maximizing employee productivity, making the most of discounts, or avoiding up-front costs and fees, there is more to saving money than meets the eye. To help ensure you're getting the most from your T&E program budget, you should:

- Accelerate expense report submission, processing, and reimbursement cycles to lower costs
- Roll out tools and processes that save time for employees, managers, and auditors – increasing overall workforce productivity
- Increase compliance with T&E policies to reduce excessive or fraudulent spend
- Continually update your list of preferred hospitality providers to help ensure your people are getting the best rates as well as VIP guest services

A well-run T&E program can lead to significant savings in time, money, and effort. But the cheapest option is not always the most cost-effective. Find the option that acknowledges happy, productive employees as one of **your most valuable assets**.

Satisfy

When measuring the success of your T&E program, employee satisfaction is a critical indicator. Meeting the needs of all types of employees – including longtime team members and new hires – helps get people on board to support your travel program and keeps them engaged. If the pandemic taught us anything, it is that, in addition to comfort and convenience, employee safety should always be top of mind. When it comes to risk mitigation, the question is not if but when, where, and to what magnitude. To help alleviate friction, enhance safety, and drive continuous adoption of your T&E processes and policies, you need to:

- Consider the unique needs of employees across all demographics as you evolve your T&E management strategy
- Work with employees, security, and HR to address duty-of-care concerns and streamline onboarding for new hires by setting travel expectations and requirements
- Work with suppliers to develop unique services that can enhance your employee travel experience
- Connect with travelers through targeted communications that can ease and improve their travel experience and help keep them safe in the event of an emergency

Business travel can be stressful. A travel manager's role is not to police but to advise. The goal should be to serve as a trusted business adviser and partner that helps **support employee and company success on every business trip**.

Realize the Benefits of Operational Excellence in Travel and Expense

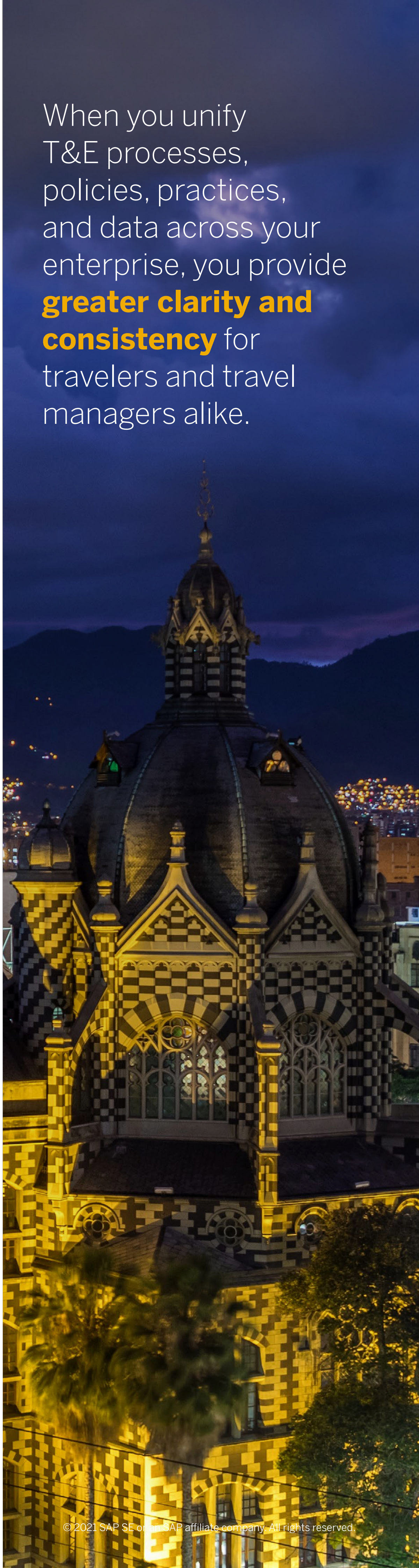
Creating a new or improved T&E management program provides clear benefits for your company and your employees – especially now that flexibility, safety, and convenience are staples of our new world of work.

When you unify T&E processes, policies, practices, and data across your enterprise, you provide greater clarity and consistency for travelers and travel managers alike. Not only does this make everyone more efficient, but it also helps ensure compliance with T&E policy and strengthens supplier partnerships so you can enhance services and better leverage economies of scale.

By providing convenient, user-friendly services and tools to improve the travel experience, streamline end-to-end booking, and simplify the expense-to-reimbursement process, you help employees stay focused on the purpose of the trip – supporting their success and boosting their overall job satisfaction. Plus, you gain the centralized data you need to give finance the visibility it needs to identify trends, flag issues, and determine the most valuable and cost-effective T&E strategy for your company.

Finally, with a unified T&E team and processes in place, you can quickly scale your program to accommodate growth and evolving business needs.

When you're ready to explore building or enhancing your own travel program, contact your SAP® Concur® solutions account manager. Our team is here to help ensure your policy and program fit your needs and to help you make the most of your T&E solution investment.



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