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# The Simple 4-Step
# Expense Policy Refresh

The past few years have brought sweeping changes to travel habits, spending patterns, and business operations across industries. Add in new remote and hybrid work policies, interruptions to supply chains, and other economic disruptions, and many organizations are finding it difficult to see and understand how money is being spent. Luckily, a few simple tweaks now can help you gain better visibility into your organization's spend, find new efficiencies, and avoid a larger overhaul down the road.

## Step 1: Update your expense categories

While "Other" (also known as "Miscellaneous") has always been the largest spending category, the past few years saw the addition of new line items, such as work-from-home and event expenses, accounting for more than 60 percent of spend in some industries.[1] Reexamining your expense categories and aligning them with how your employees are spending now can help uncover hidden spend that can be saved or reallocated to strategic initiatives, such as employee retention and recruitment.

**All expense spending**

60%

Many industries saw the **expense category "Other"** account for more than 60 percent of spending from 2019 through 2021.[1]
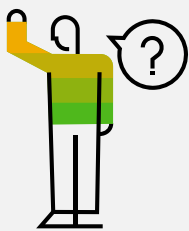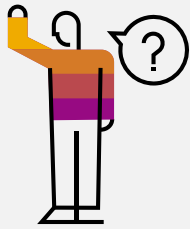
### Questions to ask

- Do our existing categories still make sense?
- Are there new categories that should be considered to align better with the way our employees are spending?
- Could spending categorized as "Other" or "Miscellaneous" be reallocated to a new or existing category?

*"The pandemic shined a light on how many different ways fiscal resources get consumed and employees spend money."*

– Marchelle Klippenstein, Former Vice President, Value Experience Group, SAP Concur

## Step 2: Revisit your expense policy

Is my work-from-home lunch valid for reimbursement? Can I expense the mileage from my recent road trip since I checked my work email? Even without bad intent, policies have a way of stretching and bending when undefined circumstances arise. And due to changes in how and where people work and spend, now is a good time to review your policy and make sure everything is up to date.

### Questions to ask

- Do our policies reflect the way we do business today?
- How much do our policies leave up to personal interpretation?

Policy violations for excessive personal expenses were up 21.8 percent from 2020 to 2021.[2]

**21.8%**
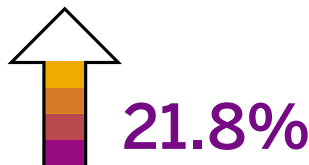
### Tips on policy writing

1. Use simple, clear language.
2. Be succinct (fewer than 10 pages).
3. Explain the "why" behind the policy.
4. Be consistent in tone.
5. Regularly update with new types of spend.
6. Consider global legal requirements.
7. Review your training practices.
8. Keep in mind your industry and corporate culture as well as your employee headcount and generational makeup.

## Step 3: Empower your people

Your employees want to make the right spending decisions, but they don't want to fight disconnected processes and inadequate tools to stay in compliance with outdated or unclear policies. Once you set the right policies, it becomes easy for your employees to take the right actions. When you invest in people-first policies, processes, and tools, your employees (and your bottom line) will thank you.
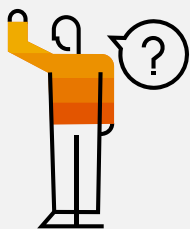
### Questions to ask

- How do our employees feel about our travel and expense tools and policies?
- Are there simple changes we can make to increase employee satisfaction and retention?

**64%**    **36%**

### Employee training and tools satisfaction

Only 36 percent of employees say their organizations provide them with the right training and tools to keep up with changing policies and regulations.[3]

## Step 4: Optimize your travel and expense tools

Are your existing tools optimized to capture all noncompliant spend? With an ever-expanding list of capabilities, integrations, and add-ons, the SAP® Concur® platform makes it easier than ever for you to track and manage travel, expenses, invoices, policies, events, and more for granular insight into your business and control over your processes. That way, you can see organizational trends, adapt to change, prepare for the next fiscal year, and continuously optimize and streamline spending across your organization.
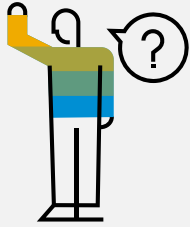
### Questions to ask
- Are we getting all the functionality we need from our platform?
- Do we have easy, near real-time access to the data we need to make business decisions?
- Are there areas we could further optimize using the tools we have or by adding new ones?

## We can help optimize your policies and processes.

Schedule a site evaluation with your SAP Concur representative to make sure you're getting the most value possible from your SAP Concur solutions.

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**Sources**

[1]SAP Concur customer data.

[2]SAP Concur and Oversight, "2021 Spend Insights Report: A better understanding of 2021 for a better view of 2022," SAP Concur and Oversight, 2022.

[3]SAP Concur and Oxford Economics, "Empowering your people: How executives can jump-start the flexible workplace," SAP Concur and Oxford Economics, March 3, 2022.