SAP Concur

Enterprise Life Sciences | Executive Summary

Beyond Regulation: What You Should Be Doing with Your Data

SAP Run Simple

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Presentation Recording

[Beyond Regulation: What you Should be Doing with your Data, September 19, 2017]

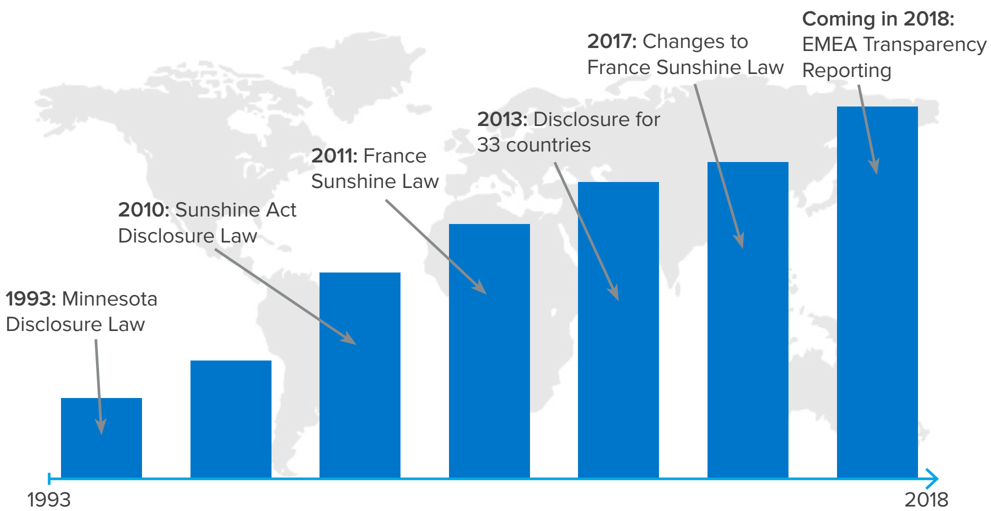
It's a message you've heard time and time again: in the highly regulated Life Sciences industry, it's paramount you're capturing employee and HCP data reliably, accurately and precisely. Today, you may utilize this data to keep pace with the ever-changing compliance regulations and laws your organization must adhere to in a global economy. But can you be doing more?

This executive summary will explore current global trends, key considerations and best practices to help companies do more with their data based on a September 19, 2017 webinar: Beyond Regulation: What you should be doing with your data.

The Changing Global Environment

Life Sciences organizations continue to be impacted by government actions, regulatory and compliance changes, tax regulations in regards to global travel/ M&A activity and emerging technologies – and these impacts become that much more complex as your organization continues to grow and expand into new markets.

Today's global regulatory environment isn't making it any easier. As organizations gain visibility into more data, governments are mandating they have access to that data, too.



The regulatory environment isn't the only thing changing, so is the way your employees spend. Traditional suppliers such as hotels and airlines are developing direct, one-to-one relationships with your employees – effectively cutting you out of the process. Additionally, employees are now accustomed to, and expect, easy-to-use, consumer-like experiences at work. But it's not all bad news. When you can automatically connect to that employee-initiated spend occurring through different systems and directly with suppliers, you have brand new data that allows you to make better informed business decisions.

Do You Have the Full Picture?

This new information is helping to paint a fuller picture of your organization's spend. While you can see that your employees are renting the right cars and staying at the preferred hotels, your data can do more for you than you think. Leverage your data not only to report on what's happening in your business, but also investigate further into employee and HCP spend. For example, do you know how many miles employees are driving on trips? Based on this mileage, was it more cost effective for an employee to Uber instead of drive?

"What gets measured, gets managed."

Peter Drucker

With this information at your fingertips, your organization is well equipped to benefit from data visibility and the cost savings associated with it. Plus, you have the information you need to take action.

Reporting Strategy

With proper training and access to a variety of standard and customizable Concur reports, we help Life Sciences organizations address the complex business challenges they face daily. Additionally, we work with customers to establish a proactive approach to collect and distribute actionable data through operational and strategic reports from within SAP Concur to manage and drive spend.

This strategy helps clients consider key questions about their reporting needs:

- **Collect:** What type of data do you need to collect? Who needs that information? What is their function? How should the information be packaged for them?
- **Distribute:** How often will we send them reports? Daily? Monthly? Should we send it directly?
- **Manage:** Is the information provided to them actionable? Can they take it back to their cost centers to drive additional behaviors? Can it help address concerns with individual employees?

When addressing these questions, organizations ensure the right people are getting the right information at the right time, all so they help drive changes in behavior – for both the business and the employees.

Top 3 Reporting Types You Should Be Using

Spend Reporting

Reports such as "Top Spenders By Expense" should always be your starting point. With spend reporting, you can see key areas you need to focus on with your travel and expense policies. View your top spenders and your top spending categories so you can identify areas that can be improved upon from a policy perspective.

Target Reporting

Target reporting can be utilized to drive employee behavior. For example, automate reports that populate employees with upcoming travel and send them, and their managers, reminders to ensure they are prepared. Coming direct from the reporting tool, these reminders ensure good behavior is being enforced at the ground-level. And good behaviors means cost control for your organization.

Anomaly Spend Reporting

"Excessive personal car mileage" is a perfect anomaly spend report for Life Sciences. This report easily highlights the break-even distance, so you can see employees that have reached, or exceeded, the allowed limit. Employee-specifc spend information like excessive mileage allows you target these particular employees and educate them so they will make better decisions in the long run.

Best Practices for Expense Audits

Organizations agree that auditing expense reports is important for many reasons. However, they may not always follow the proper process for an effective audit:

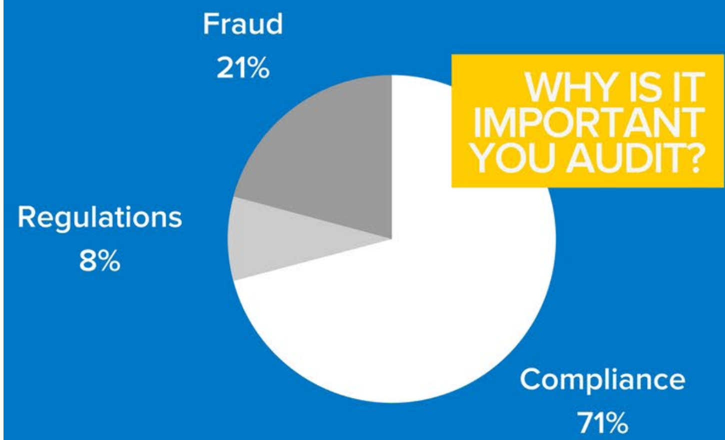
- **First, the employee submits the expense report.** This should include any required receipts, either digital or photographed, attached at the line item level.
- **Second, the report is received by an auditor.** Here, an unbiased auditor should validate the attached documentation and make sure the receipts have enough information to substantiate the expense. From here, the auditor will return any exceptions, engage in dialogue to help them understand what was wrong and allow them to resubmit the report. The audit should always be done prior to when the payment approvers review the report.

Working with your data / Life Sciences

WHAT DATA SHOULD YOU LOOK AT?

- Top spenders by expense type
- Target reporting: upcoming travel
- Excessive personal car mileage

WHY IS IT IMPORTANT YOU AUDIT?



source: Concur webinar poll, Sept 19 2017

50 - 70 hours

on average, are needed to support 1,000 expense reports per month. This includes global policy audit review, end-user support, follow-up activities and generating monthly management reports.

- **Third, the manager receives the expense report for approval.** Any other final workflow approvals should be done at this stage.
- **Lastly, the report is processed for payment.** By auditing before payment is made, you're catching fraudulent and noncompliant spend before it's too late.

Best Practices for Policy Audits

Like the auditing of expenses, policy audits have key considerations that make them effective:

- **Audit 100% of expense reports for policy concerns.** Focus on specific groups that have unique activities on their reports or specific regulations they need to follow.
- **Audit after employee submission and before workflow approval.**
- **Consider local regulations and conduct VAT checks.** Build rules within your expense reporting tool for specific groups of employees to so they can easily comply with the regulations pertinent to them. Additionally, if you have international travelers, make sure VAT receipts are accurate.
- **Utilize split reporting.** This allows you to send a portion of the report back to employee to be fixed. The employee can then submit a new addendum report without holding back the rest of the data.
- **Learn from your peers.** See how organizations like yours are conducting their audits in this SAP Concur client report.

Managing Compliance

For truly effective compliance management, organizations benefit from going beyond conducting audits solely. Instead, Life Sciences businesses like yours should aim to build the right foundation from the beginning:

- Plan to **review your travel policy annually**. Leverage your data and reports to adjust your policy as needed.
- Turn on your **Missing Receipt Affidavit (MRA)** functionality. Employees can upload the MRA in lieu of a missing receipt. As the report moves through the expense process, it is viewed as a valid receipt. Run reports to view who has used an MRA and how often.

- If needed, **put controls in place over MRA use** to ensure employees aren't utilizing MRAs over a valid receipt too frequently. For example, for employees that lose receipts often, a rule may be put in place that only one MRA may be submitted per quarter.
- Use your **Merchant Codes as a mechanism for compliance** and monitor them for fraudulent expenses. One SAP Concur client found an employee had been fraudulently submitting expenses from a mysterious 1-800 number – the Merchant Code identified the vendor as an online gambling site.
- **Leverage your data** to identify noncompliant employees. Which employees consistently have HCP exceptions? Who submits most of their expenses just below the receipt requirement? Which managers are not reviewing receipts prior to approving? Running reports now can save you a lot of trouble in the future.

Final Thoughts and Suggestions

Correctly managing compliance, fighting fraud and meeting your regulatory obligations takes a lot of work – and time. From receipt substantiation on expense reports, answering user support questions, following up with vendors (especially for VAT reclaim) and building spend reports for leadership, it adds up.

The best practices, tips and tricks outlined above can help establish a clear plan for when and how to leverage your data, as well as the type of data you should be looking at. And with the support from SAP Concur, you can see how to shift your culture in ways that lead to lasting improvements in spend and beyond.

For more information

- Beyond Regulation: What you Should be Doing with your Data webinar recording, September 19, 2017
- SAP Concur Reporting training
- Closing the Gaps in Compliance: A SAP Concur Client Community Report on T&E Audit Best Practices
- SAP Concur Solutions for Life Sciences Overview

About SAP Concur

SAP® Concur® solutions take companies of all sizes and stages beyond automation to a completely connected spend management solution encompassing travel, expense, invoice, compliance, and risk. For more than 20 years, these leading, innovative solutions have kept customers a step ahead by delivering time-saving tools, connected spending data, and a dynamic ecosystem of diverse partners and apps. User-friendly and business-ready, SAP Concur solutions unlock powerful insights that help businesses reduce complexity and see spending clearly, so they can manage it proactively.

Learn more at **www.concur.com** or **our blog**.

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