



SAP Concur 

SAP Concur Case Study | EXTERNAL

## **Molina Healthcare** Implements SAP Concur Tools to Simplify T&E Tracking and Submission

# Quick Facts

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**Company Name**

Molina Healthcare

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**Solutions**

- Concur® Travel
  - Concur® Expense
  - ExpensIt
  - Mileage Tracker
  - SAP Concur mobile app
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**Industry**

Healthcare

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**Company Size**

- 7,000 Employees
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**Location**

Long Beach, CA

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**Benefits**

- \$70,000 saved in out-of-compliance expenses
  - Increased visibility into spend
  - Improved processing efficiency
  - Improved mileage accuracy
  - Increased policy adherence
  - Reduced late expense submissions
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**Why SAP Concur**

Although the company already had Concur Travel and Expense, its original configuration needed to be enhanced to meet the needs of Molina Healthcare's growth. To accomplish these goals, they needed to streamline the process and get a better handle on spending. By reconfiguring the solutions to make them more automated and user-friendly, along with Molina revising their T&E and corporate card policies – SAP Concur helped Molina to gain visibility into spend so they could accomplish their growth goals.

**ABOUT MOLINA HEALTHCARE**

Molina Healthcare is dedicated to providing quality managed healthcare services to more than 4 million individuals and families covered by government funded programs in the United States and Puerto Rico. It's the only organization of its type that offers health plans and medical clinics, as well as a health information management solution. Most importantly, Molina makes a difference in positively impacting thousands of lives every day.



# Streamlining the Expense Process to Gain Insight Into Spend

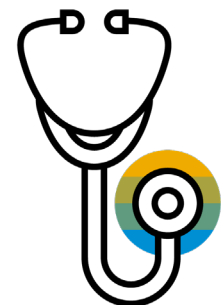
Although Molina's staff and clinicians are all outstanding with patient care, submitting expense reports falls outside their area of expertise. The company did have Concur Travel and Expense, however, its original configuration needed to be enhanced to meet the needs of Molina's growth.

"The system was implemented by accounting, with a focus on automating journal entries—things that pertained to that specific department. There wasn't a lot of thought put into how the users interacted with the system—so there were duplicate steps." Ochoa said. "Plus, the number of employees submitting expense reports had dramatically increased over the years. In 2012, we averaged 22,000 reports a year. By the end of 2014, that number had escalated to nearly 52,000—and we were continuing to grow. We had to do something to streamline the process and get a better handle on spend"

To accomplish these goals, Molina made some drastic changes. They reconfigured SAP Concur to make it more automated and user-friendly. They also revised Molina's T&E and corporate credit card policies to gain greater visibility into exactly where the organization was spending its money.

"We have an outstanding group of people who work here, but many are not at all that technically inclined. They're **focused on taking care of people**, so expense reports just weren't their priority."

Sandra Ochoa, Accounts Payable Supervisor, Molina Healthcare



## REINING IN EXPENSES AND DELIQUENT EXPENSE REPORTS

One of the first things Ochoa and team did was change some policies on corporate credit cards. “When the original policy was written, we didn’t have many credit card holders, and those users were primarily charging hotel and airfare, which are easy to verify against policy,” Ochoa said. “As we grew, we expanded the credit card program to provider reps, member services reps, and other staff members who use the cards for what they need on the go.”

However, people weren’t submitting expense reports on time. Instead of 30 days out per policy, many were still delinquent at 120 days and beyond.

“We began suspending credit cards for any user that had charges over 60 days. That policy alone has really changed our users’ behavior,” Ochoa said. “In 2014, when we started the policy, we had \$120,000 in expenses over 120 days. By the end of 2015, that number dropped to \$30,000 over 60 days.”

Another big change: a more stringent approach to policy on receipts. “Our policy used to be lenient. But without receipts, we couldn’t verify spend or enforce our chargeback policy on out-of-compliant expenses,” Ochoa explains. To make adhering to the policy easier, Molina rolled out the SAP Concur mobile app as well as Expenselt, which allow users to take pictures of receipts using their smartphones, and feed these directly into their expense submissions.

In 2012, employee chargebacks for out-of-compliance expenses were \$38,000. In 2015, that number jumped to \$108,000. “We found a lot of things like parking tickets and Starbucks that used to be buried as ‘office supplies,’” Ochoa said. “And with visibility into our spend, now managers can determine whether an exception should be allowed or not.”



“My favorite thing about SAP Concur is how much the company **invests in research and development.**”

Sandra Ochoa, Accounts Payable Supervisor, Molina Healthcare

### **FROM MANUAL LOG TO AUTOMATION THROUGH CONCUR MILEAGE TRACKER**

Approximately 30 to 40 percent of Molina’s total expenses are mileage-related. Before implementing Concur Mileage Calculator, logging those miles was a highly manual process.

Before Mileage Calculator, “Everything was done on an Excel log; no technology was involved. Not only was it inefficient, but we had no way of knowing if the mileage numbers were accurate,” Ochoa said.

Concur Mileage Calculator added consistency to the process and made policy enforcement a lot easier.

“We have two travel policies related to mileage, based on whether you’re a remote employee, or non-remote— meaning someone who goes into an office everyday,” Ochoa said. “If you’re non-remote, you’re only reimbursed for mileage in excess of your daily commute.”

In other words, if someone normally travels 15 miles to work, and drives to a seminar that’s 30 miles away from his or her home, that employee is reimbursed for the 15 additional miles, not the entire commute. Remote employees are reimbursed for all of their mileage, as they have no official office.

“With Concur Mileage Calculator, our users are automatically set up as remote or non-remote, based on their human resources profile,” Ochoa said. “They plug in their waypoints and the system takes care of everything for them.

If they’re non-remote employees, they plug in their home and office address once, and those settings are saved. When they plug in the address of the additional site, the system automatically deducts what would have been the normal one-way or round-trip commute.”

### **USERS GET UP AND RUNNING**

“Mileage Calculator requires users to enter actual addresses instead of guesstimating mileage. They also have to account for personal stops along the way—and deduct those miles from reimbursements. None of which they had to do before,” Ochoa said. “But, people are adjusting. They’re seeing that this is the way things are going to be, and that we’ve made the process as easy as possible through SAP Concur.”

“We wanted our users to know that, although we are requiring more from them, we were also providing **new tools to simplify the process for them.**”

Sandra Ochoa, AP Supervisor, Molina Healthcare



## MORE EFFICIENCY, GREATER SAVINGS, AND MORE ACHIEVEMENTS TO COME

“In addition to increasing visibility and saving money on out-of-compliance expenses, Molina also increased efficiency. Though the number of expense reports has continued to escalate, these 52,000-plus submissions are still handled by Ochoa’s six-person staff.

Additions like Concur’s Mileage Calculator, Expenselt and the new Mobile App make life easier—and users are embracing the change.

Ochoa knows that this isn’t the end. Working with SAP Concur, she expects more innovations and efficiencies to come. Most notably, SAP Concur is beginning to lead to cost-saving insights that are driving further policy changes and areas for improvement.

Although Molina Healthcare has achieved a lot by making the most of SAP Concur, it’s easy to see that this success story is only just beginning. Expect more great things to come.

“My favorite thing about SAP Concur is how much the company invests in research and development, and is continually introducing **new tools to make things easier for our users and our processors**. With other software, what you see is what you get. With SAP Concur, if we want an additional capability, chances are, someone at SAP Concur is already working on it. We also have input into what’s coming next. That’s important to us, too.”

Sandra Ochoa, Accounts Payable Supervisor, Molina Healthcare



### POLICY COMPLIANCE

By automating and making the expense process user-friendly, in addition to expanding their credit card program – SAP Concur helped Molina be able to better verify spend against expense reports, while making it easier for employees to adhere to policy compliance. Users have embraced the changes.



### EFFICIENT PROCESSING

Molina rolled out Expenselt and SAP Concur’s mobile app to make the expense submission and reimbursement more efficient and timely. As a result, they gained better visibility into their spend, managers could determine if an exception should be allowed, and the organization saved money on out-of-compliance expenses.



### ACCURATE MILEAGE TRACKING

About 30 to 40 percent of Molina’s total expenses are mileage-related. Prior to implementing Mileage Tracker, logging miles was a highly manual process. Now, mileage numbers are accurate, the process is consistent, and policy enforcement has been easier.

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