



How to Transform Your Program for the Evolution of Business Travel

From our Achieving Outcomes series

When will business travel return to normal?

That's been the ubiquitous question of the past few years, spawning myriad discussions, predictions, and presentations alike.

The good news is, we finally have a definitive answer: **“Never.”**

“There is no normal anymore. The evolution is the normality,” said Jeanne Dion, Vice President of the Value Experience team for SAP® Concur®. “We’ve always tended to look at travel through the lens of ‘previous,’ and, we just can’t do that anymore. We’re not going back to a particular time or place. We’re moving forward, and we need to adapt to that.”

That means organizations can no longer rely on the same travel programs, the same policies, and the same processes they’ve had in place year after year, because the entire landscape has fundamentally changed.

“It’s the perfect time to reimagine how business travels,” Dion said. “To make it more personal, more flexible, and more aligned with business objectives. We should be thinking more strategically and less tactically, because, in this dynamic environment, travel managers have to think beyond just controlling costs.”

This paper explores the trends, opportunities, and strategies to consider as you embark on your journey to evolve your travel program.



A New Generation of Business Traveler

Today's business world is on the verge of a changing of the guard. Baby boomers are retiring, Millennials are moving into leadership roles, and Gen Zs (born between 1997-2012) are entering the workforce in growing numbers, projected to account for 30% of the U.S. civilian labor force by 2030.¹

“We're experiencing what I would describe as one of the greatest paradigm shifts we've seen in the travel and service industry, and it is a generational one,” said Ralph Colunga, Thought Leader, Travel and Expense Technology Solutions for SAP Concur. “This is going to require a modernization of the T&E (Travel and Expense) mindset, to not only meet current employee experience expectations with the paradigm shift we're in, but also the new ones of the coming generations.”

Those new Gen Z expectations take many forms, including:

TECHNOLOGY

Although Millennials were reared on technology, they weren't completely absorbed in it, as they were born before social media's prevalence. Because digital technology wasn't yet mainstream, they had to navigate their way between the digital and analog worlds.

Gen Zers, on the other hand, were immersed in this technology from day one. They expect workplace technology to function as effectively as consumer

technology, be mobile, and are willing to push back if those expectations aren't met. Some Gen Zers may accept or reject job offers based on the technology tools the employer offers.²

SUSTAINABILITY

Gen Zers are crusaders for sustainability, across the entire environmental, societal, and governance (ESG) spectrum. This is a group of employees who have grown up with the knowledge that there are problems that need to be solved around climate change, diversity and inclusion, and how organizations work. And, they're willing to fight for those resolutions.

They want the option to stay at eco-friendly hotels, rent electric cars and choose flights that offer the lowest carbon footprint. They want to work for a company that is actively and visibly taking steps to protect the environment. They care more exponentially about issues such as fair pay, hiring, and promotion practices, as well as caring for employees mental and physical well-being – including travelers.

While Gen Z isn't the first generation to care about these issues, this generation actively chooses the companies they buy from, support and work for, based on this criteria.

CUSTOMIZATION AND PERSONALIZATION

The Gen Z traveler also wants a more customized, personalized experience.

“We have to make travel a little more personal, a little more flexible, and give more control and choice to the traveler,” Dion said.

For example, organizations can use employee travel profiles to provide custom dining recommendations, or list loyalty options and amenities at different properties, based on what's important to that traveler.

It's also important to give today's travelers choices, so they can structure their own trip within your

corporate guidelines. That could mean allowing employees to choose between a hotel and a VRBO-type property when booking their travel, opt for different types of ground transportation, or add day passes to gyms or airport lounges.

“Travel managers have to move away from the old ‘command and control’ mentality to that of employee empowerment and choice enablement for this generation,” Colunga said.



Explore how to future-ready your organization for the next generation of business travelers — and why it matters.

Listen to the podcast.

The New Standard for Duty of Care

Although organizations have long been concerned with traveler safety, today, those duty of care standards have expanded and evolved. It's no longer just about protecting travelers in the event of a natural disaster, but ensuring their individual well-being and mental health in an increasingly turbulent world.

"We've always thought of duty of care from aspect of safety, looking to see if a hurricane was coming or how to help someone who gets sick abroad. But, as we look at the lens of travel now, through equality, diversity, and inclusion, it becomes a much bigger process, with more considerations," Dion said.

For example:

- **The remote work model** has positively impacted individuals with disabilities. In 2021, 19.1% of persons who had some type of disability were employed, versus 17.9% in 2020, with unemployment rates for this group declining by 10.1%.³ An employee in a wheelchair may not be able to fly in basic economy, stay at a three-story hotel without elevators, or use traditional ground transportation options.

- **A more diverse workforce** means more diverse travelers, facing new types of risks. For example, there are currently 68 countries in the world that criminalize LGBTQ+ activities.⁴ Hate crimes against certain marginalized ethnic or religious groups are on the rise, both domestically and

abroad. As a result, duty of care now includes a responsibility to vet and assess destinations based on the risks they pose to these travelers.

- According to a Global Business Travel Association survey, **more than 83% of women** surveyed said they had **experienced one or more safety concerns or incidents** traveling for their company that past year, with 71% believing they face a greater risk on the road than their male counterparts.⁵ Although 68% of those surveyed think their companies should have policies that specifically address the needs of female business travelers, only 18% of companies have these policies in place.⁶

"Instead of focusing on the lowest cost to travel, organizations are going to have to start loosening purse strings a bit," said Oren Geshuri, Senior Manager at Deloitte. "Systematically, we need to reframe that conversation and say, to really be an inclusive travel program, we have to open that up. We have to consider the safety of the neighborhood, the location of the office, as well as other factors that could impact the employees' mental stress around travel."

What is duty of care?

An organization's obligation to ensure the safety and well-being of travelers doing work on behalf of that business.

It's also important give your employees the information they need to make informed travel decisions.

"It's critical for employers to proactively provide information to help their employees assess risk, including how specific countries handle accessibility or what their thoughts and morays are around different things," Geshuri said.

"Just arming them with the tools, whether that information comes from the State Department website or your own internal resources, so they can assess risk and feel comfortable with the travel — or not — goes a long way."



Learn how protecting your travelers protects your bottom line.
Listen to the podcast.

The Democratization of the Travel Policy

Although traveler demographics, safety concerns, as well as accommodations and ground transportation options have dramatically changed over the years, some travel policies simply haven't kept up.

"When I ask certain clients or people at conferences, 'when was the last time you dusted off your travel policy,' most will say 'last year' or 'the year before,'" Geshuri said. "But, when I ask them, 'when was the last time you rewrote your entire policy from the ground up,' most say they've been modifying the same policy they've had in place for the past 20 years."

According to Geshuri, those old school policies are inherently non-inclusive, with some giving better benefits to different management levels. Most were written in silos, dictated by a small panel of people, with little — if any — input from the employee population that must comply with its contents.

"It is absolutely in the best interest of the organization to bring in the voice of the employee," Geshuri said.

Make the time to set up focus groups with all types of travelers, of all demographics, not just your power travelers. Listen to their experiences on the road, and policy changes and tools you could provide to help them have a better experience and a better state of mind when they're traveling on your organization's behalf.

"In the past, travel policies were largely tied to cost measures. You can't have a black car, you can't be in business class, you can't order room service or eat from the mini bar," Dion said. "But, that approach is actually costing you — in retention, recruitment, and job satisfaction."

The statistics back this up.

According to a report by the Global Business Travel Association, 79% of business travelers said their business travel experience impacts their overall job satisfaction, with that percentage climbing to 88% among Millennials.⁷ Nearly three in five (59%) of individuals surveyed indicate that a company's travel policy is an important factor when considering a new employer.⁸

So, when rebuilding your travel policy, you simply can't afford to focus on cost over value.

"A few years ago, the great thought leader in the travel area, Scott Gillespie, talked about the "total cost of travel," which is balancing the cost of travel against the overall well-being of the traveler," Geshuri said. "You book a 6'5" guy into economy class, and he's going to have his knees shoved in his neck while he's traveling is not going to be a great experience. And the total cost of that travel, if you're too rigid to let him book a more comfortable seat, is the amount of money you're going to spend recruiting and retraining the person you had to hire because this employee quit."

How would it impact your traveler experience if you gave them the opportunity to book a trusted hotel closer to the office, a direct flight that gets lands while there's still daylight, or use a higher-priced, trackable ridesharing service with well-vetted drivers? How much more productive would your travelers be if they had access to a business center and Wi-Fi during layovers? How much would their experience improve if they had access to gym facilities, or if they had a Global Entry membership, or could stay at a short-term rental property with a kitchen and a more homey feel, instead of a hotel?

"I would implore travel managers to take a moment and imagine yourself in the shoes of the different types of travelers they support, and create a program that allows all of those individuals to be safe and secure," Geshuri said. "Make your company a true leader in advancing the agenda of all of your employees."

8 TIPS FOR CREATING A BEST-IN-CLASS TRAVEL POLICY

In an [SAP Concur Conversations podcast](#), Jeff Saydah and Ben Claxton of Fox World Travel shared this advice for organizations that are creating or revising their travel policies:

- 1 Identify the key constituents of your policy. Who are your travelers? Where are they traveling? Why and how often are they traveling?
- 2 Keep it simple. If a policy is complex, it is difficult to follow, to monitor, and to enforce.

- 3 Have a clear statement of purpose — the explanation of "why" you're doing things the way you're doing them.
- 4 Make your policy reflective of your company's culture.
- 5 Introduce big changes incrementally. Don't try to do everything at once.
- 6 If you have specific goals for the policy (for example, improve traveler satisfaction by X percent, reduce carbon footprint, reduce tickets purchased inside of 8 days), benchmark where you are today and use your data to measure your progress.
- 7 Remember that your policy is iterative, and should be reviewed once or twice a year. Or, as Claxton said, "It's not a rotisserie chicken."
- 8 Create a feedback loop with your travelers, so you know what's working and what's not working, and use that input — and your data — to refine as you go.



Master the "secret sauce" for building a best-in-class travel program. [Listen to the podcast.](#)

Using Your Data to Drive Value and Reduce Waste

In addition to talking to your people, make sure you leverage your travel data, analytics, and reporting to see patterns and opportunities for change.

For example, if everyone is adhering to your \$65 a day meal allowance but one group of travelers, you could use your data to investigate and uncover that this group is traveling to cities like New York, Tokyo, and London where food costs are extremely high. As a result, you can adjust your policy to increase the meal allowance for travel to these cities.

“Look at the types of things that are showing up on your hotel charges, like parking, Wi-Fi, or laundry services, or if you’re paying recreation or site fees to frequently used properties,” Dion said. “Use that data during your next negotiation period to reduce or eliminate those costs.”

Just as importantly, look at how many of your travelers are booking outside of your online booking tool, which negatively impacts your negotiating power with your travel providers.

“Make sure you provide your employees context around why booking outside of the tool, even though it says it’s \$300 for the ticket versus the \$179 rate they see on a travel website, is actually going to end up costing the company a lot more money, because you are negotiating pricing based on volume,” Dion explained. “Do what you can to move employees to the tool, or at least, have a way to capture that type of spend to get a true picture of travel partner volume.”

Your data is a non-biased judge of whether that travel ultimately benefited the organization. This is particularly important when organizations are in cost-cutting mode. That blanket call to “cancel all travel,” might help hit the number, but may hurt the company’s ability to produce revenue.

“The data lets you look at things from a strategic perspective. Instead of cutting all travel, it’s what types of travel should I cut back on?” Dion said. “Data gives you the ability to make a better decision for the core bottom line. Instead of making a blanket, ‘we are not going to travel anymore,’ you look at patterns and trends and data and say, ‘we are going to travel, but we’re going to do it thoughtfully.’”

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Jeanne Dion, Vice President of Value Experience, SAP Concur

Simplify, Streamline, and Automate

Having the right technology in place is key to having a travel program that supports the organization's overall corporate goals and objectives — one that delivers an excellent experience, oversight, and efficiency in every part of the process.

That means supporting travelers on the front end with a mobile tool that lets them book or change flights, or choose their hotels, within policy guidelines, and includes pre-built policy compliance alerts to prevent non-compliant spend.

It means having a solution that automatically reconciles expense receipts with expenses, so managers, as well as the processors on the backend, only look at exceptions, and don't need to waste valuable time culling through every receipt and expense report.

The solution also must be flexible enough to support each organization's unique needs and agile enough to adjust to changing priorities and corporate objectives.

"It's not enough to have spend visibility anymore. Everything is connected," Dion said. "Digital transformation is making it so every program within the organization is tied to corporate goals and objectives. So, if you can build that bridge; when you can tie your corporate objectives to your travelers' objectives, you are always going to be successful."

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Realize Transformation is a Journey, Not a Destination

No matter how well your new travel policy is working, or how relevant it is to your travelers' needs today, you can't just set it and walk away.

Continue to study your data, collect traveler feedback, and refine your program and policy as needs and company objectives evolve.

"You have to look at travel as a continuous improvement process, because there is no normal anymore," Dion said. "The only thing that's normal is change."



For more information on how SAP Concur can help you reinvent and streamline your travel program, improve compliance, and better the traveler experience, [visit us online](#) or [contact your account team](#).



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