Getting personal:

Automating travel and expense management

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Executive summary

The costs related to corporate travel and entertainment (T&E) expenses have been rising steadily over recent years, largely because of the knock-on effects of record high fuel prices. These are not the only T&E-associated costs with which companies have to contend. Unwieldy and labour-intensive travel booking and reimbursement and monitoring processes also pose an indirect cost to organisations.

As well as allowing companies to reduce T&E spending, automation helps them to spend more wisely

Traditionally, companies have managed T&E expenses differently to other types of expense—for example, at many companies, business travellers have had to pay for air fares and accommodation out of their own pockets and then submit their requests for reimbursement. However, the arrival of automation in the late 1990s started to change all this. With the right tools, travellers can now have expense claims automatically uploaded to the system to process their reimbursement quickly and efficiently, often without having to foot the initial bill themselves. As for companies using such automated technology, having travel-related data provides greater T&E visibility and accountability, flags policy breaches and arms them with the type of information that enables them to negotiate better rates with travel vendors.

As well as allowing companies to reduce T&E spending, automation helps them to spend more wisely. This is especially important in the current economic climate, when many companies are having to scrutinise all costs and decide whether to impose blanket bans on travel, which could be detrimental to their longer-term business objectives. Given these benefits, how much are companies us-

ing automated tools for various parts of their T&E management? Are they leveraging this technology to its fullest extent? What's missing from current offerings that could push T&E management towards even greater efficiency?

The key findings of our research include:

T&E costs are not being controlled as well as they might be

Controlling T&E costs is especially important to CFOs in the current economic climate. Fifty-eight percent of those surveyed report that the downturn has made controlling T&E costs significantly more important, while 96% say that T&E cost control

is important or very important to their company's performance. However, only 60% say that their companies are performing well or excellently at controlling T&E costs.

Automation shows clear performance benefits in several areas

Respondents whose companies have automated expense management rate their performance as better than those who haven't automated the same functions, in terms of:

— visibility into travel spending across the whole company;
— fraud control/compliance;
— upholding travel policies by, for example, directing employees to preferred vendors;
— time spent processing reimbursements.

Automated solutions for auditing and spending analysis are not being used to the same extent as other automated processes

Forty percent of respondents say that their companies have automated auditing and spending analysis, and a similar percentage plans to do so. In contrast, around a third more respondents say that their companies have automated travel booking, expense reporting and managing/paying vendor invoices than those that plan to do so. We examine possible reasons for this finding.

The UK is ahead of France and Germany in terms of automation

Sixty-three percent of UK companies already automate T&E. Compared with the UK, fewer French and German respondents say their companies have automated travel booking, expense reporting, managing/paying vendor invoices and auditing/spending analysis. And France lags behind Germany, with a third fewer French respondents saying their companies have automated the four functions.

Those who don't plan to automate any part of their expense management process are largely put off by costs

Comparatively low numbers of respondents report that they don't plan to automate each part of the expense management process. For example, 8% of respondents say that their companies do not plan to automate expense reporting, compared with 53% of respondents who say that this function has been automated in some way already. This large discrepancy could well be a reflection of the size of companies surveyed; almost 70% of our respondents work in companies with annual revenues of €200m to €1 billion and over. While some of those that don't plan to automate are put off by the cost, others seem satisfied by their non-automated means of control.

IT issues present one of the biggest stumbling blocks when it comes to implementing automated solutions

Collaborating with the IT department and integrating an automated system with existing ERP systems are ranked by respondents as the two biggest automation challenges. In fact, just over half the sample say that their companies' expense management system is only "somewhat integrated" with other financial management systems.

Automation projects encounter a good deal of cultural resistance, from some surprising quarters

Cultural challenges are ranked as the third biggest challenge to automation. Examining this issue more closely shows where the resistance is. For example, 53% of those surveyed cite lack of management support as their biggest bugbear.

Section 1 — Controlling T&E costs:
Does automation hold the key?

The economic downturn has made controlling T&E costs significantly more important to CFOs, but the research shows that not all are achieving this at the highest level.

Controlling T&E costs is of great concern to CFOs: 58% of survey respondents report that the downturn has made controlling T&E costs significantly more important, compared with 31% who say that it has been made a little more important.

Moreover, almost all the respondents (96%) say that T&E cost control is important or very important to their companies' performance. That said, while 60% rate their companies' T&E cost control as good or excellent, 40% say that it is poor or average. (See chart 1.)

> Chart 1 – T&E cost control: importance versus performance

> Chart 2 – Top automation benefits

Performance advantage

CFOs see automation as a big enabler in achieving control over T&E costs. More than half the respondents (55%) say that reducing T&E spending is the top benefit of automating expense management; 31% rank visibility into T&E spending as the second biggest benefit. (See chart 2.)

The survey results show that automation has other attractions. Respondents from companies that have automated travel booking, expense reporting, managing/paying vendor invoices and auditing/spending analysis rate their company's performance more highly than respondents from companies that haven't automated these four processes, in terms of:

——360-degree visibility of spending;

——internal fraud control;

——directing employees to preferred vendors;

——time spent processing reimbursements.

A case in point is that 80% of respondents from companies that have automated expense reporting say their reimbursement processing is good or excellent, compared with 61% of respondents at companies that haven't automated this function. (See chart 3.) Furthermore, 90% of respondents at companies that have automated auditing and spending analysis say they are good or excellent at directing employees to preferred vendors, compared with 59% of respondents at companies that haven't automated this function. (See chart 4.)

What's more, the results suggest that there is a clear advantage to having strict corporate card policies. Two-thirds of the respondents say that they use a corporate card, and roughly equal numbers mandate and don't mandate it (48% versus 46% respectively). However, 69% of those who mandate cards say they have access to information that helps them negotiate preferential rates with travel vendors, compared with 33% of those who don't mandate cards. (See chart 5.)

At Danfoss, a Danish developer and producer of mechanical and electronic products and controls, all trav-

ellers using the automated system have a "lodge card", which allows for all payments to a certain travel vendor to be consolidated onto a single account. The more they use the card, the more benefits the company gets. In addition, reporting accuracy is improved because "in all countries, flight data, train tickets etc., are input automatically into the system", says Alice Kaehni, Danfoss's project manager.
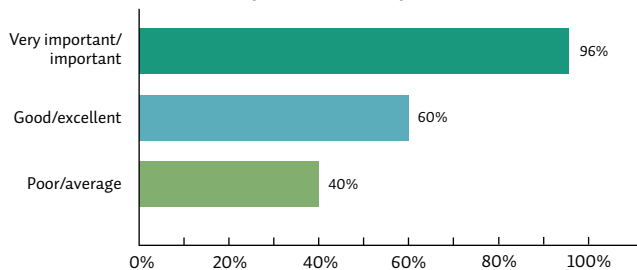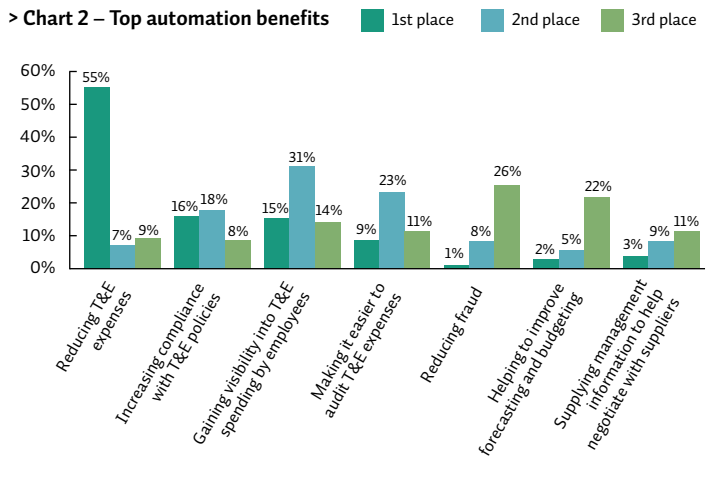
Avon Cosmetics, a leading direct seller of beauty products with global annual turnover of $10.7 billion, also has a corporate card system that provides managers with greater visibility into overall spending. "Our travel system offers two advantages," explains Martin Diaz, director of finance for Avon Spain. "It is connected to our corporate card system, and we have a corporate brand agreement. All

> Chart 3 – Good/excellent expense reporting

Have automated expense reporting | Haven't automated expense reporting

Category	Have automated	Haven't automated
Visibility into travel spending across the whole company	70%	56%
Internal fraud control	80%	63%
Directing employees to preferred vendors	79%	63%
Time taken to process and reimburse employee spending	80%	61%

0% 20% 40% 60% 80% 100%

the Avon employees use the same type of card and all our credit card transactions flow directly into a unique reporting system." In Spain, this amounts to around 100 users, and in EMEA, over 1,500.
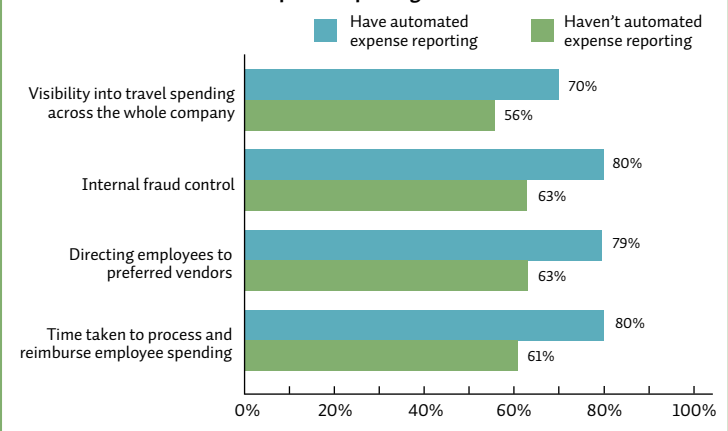
Case study: Leveraging data for further cost savings at Avon Cosmetics

Avon has been following a T&E plan with three milestones. First, it implemented a standardised accounting and reporting system for finance and logistics. Next, it created a finance shared service centre. The third milestone was the adoption of an automated T&E expense management tool in more than 25 markets, including major European, North and South American, and Asian countries. "We now have a great database to check in which areas we are spending, with which vendors, hotels, restaurants, airlines, and we have a continuous benchmark for each destination," says Martin Diaz, the company's director of finance. As such, comparing prices and monitoring reservations in every Avon location has become much easier.

Not only that, Avon's travel spending has declined, partly on account of reduced travel activity, but also because the company made leverages of scale with travel vendors and has better insight into its spending with the new tools and processes. But Diaz says there's more to do—he reckons the company could make even bigger savings by leveraging the information that the automated system provides. "We've made progress with the current tools, and generated significant savings, but we see an opportunity to make even bigger savings in the future," he explains.

The next step is to assess vendor management. "This means evolving to a point at which all the Avon markets work with a selected team of travel operators," Diaz says. "Ensuring that we have the optimum vendor management and travel operators working with us is still a work in progress. It's a continuous effort, and we are improving, but I think we still have a way to go in getting the best value for money in terms of travel spending."

Additional investment in procurement management is on the cards. Diaz explains, "we have a budget to create a procurement team that can help the countries make savings, but firstly, we need to ensure that those savings will be higher than the project costs." If it does go ahead, travel expenses will be the new procurement team's first priority. "We need to go to the next level, which is to be better equipped to reorganise and restructure our relationships with our travel agencies," he says. "That is key for us, from my point of view."

Taxes are also on Diaz's agenda. This means ensuring that staff return to the office with all their invoices, including the requisite information for VAT and other deductions. "If every employee follows these practices, the company can save up to 50% of the trip costs," he estimates.

"The automated tool provides savings as long as we customise our practices, and as long as we leverage the information that the system offers," concludes Diaz.

Extent of automation

So how widespread is the use of automated T&E expense management solutions? More respondents say that they have automated travel booking, expense reporting and managing vendor invoices than those who say their companies plan to do so. In contrast, when it comes to auditing and spending analysis, the numbers of companies that have automated and plan to automate are roughly equal. (See chart 6.)

What many companies have found is that it's relatively easier to automate travel booking and expense reporting than auditing and spending analysis because of the broader mix of processes involved. But either way, planning is critical. "You need to know in great detail what you want to achieve with automation," confirms Alice Kaehni of Danfoss. "You have to know what kind of costs you want to analyse, so it takes quite some time to figure this out before you

can start." Kaehni has learned that lesson the hard way. "We thought that we could implement the project quite quickly," she recalls, "but in the middle we had to slow down and rethink our structure."

She advises working closely with the IT department, especially if the T&E system, as is the case at Danfoss, is to be connected to an ERP system. "We discussed extracts, and what the fields should be like, but not deeply enough," she recalls. "We then had to go back to that point during the implementation and discuss the mapping. It was quite some work."

Comparatively low percentages of respondents have not automated the four functions and don't plan to do so. (See chart 6.) The primary reason is cost. "Budget limits in the current situation do not allow for discretionary IT spend," explains one finance executive. Lack of time is another reason.

Other respondents are satisfied with their non-automated methods of controlling T&E costs. "T&E costs are being cut by instruction and stringent

> Chart 4 – Good/excellent auditing and spending analysis
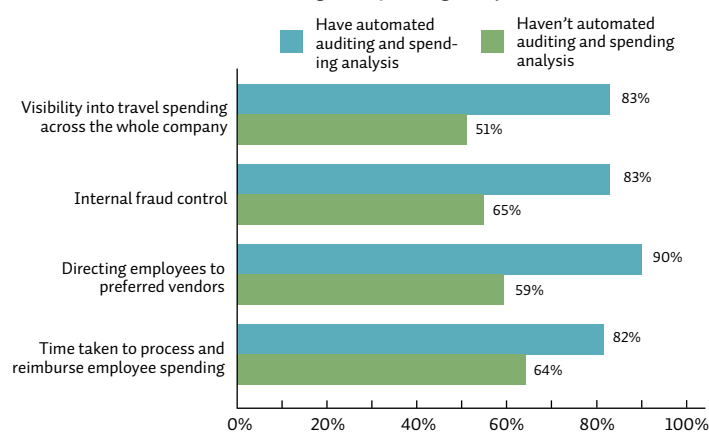
> Chart 5 – Access to information to negotiate preferential rates
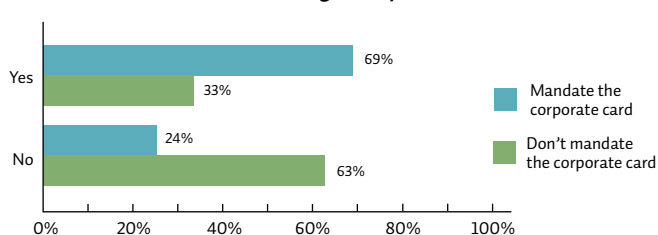
> Chart 6 – Automation plans
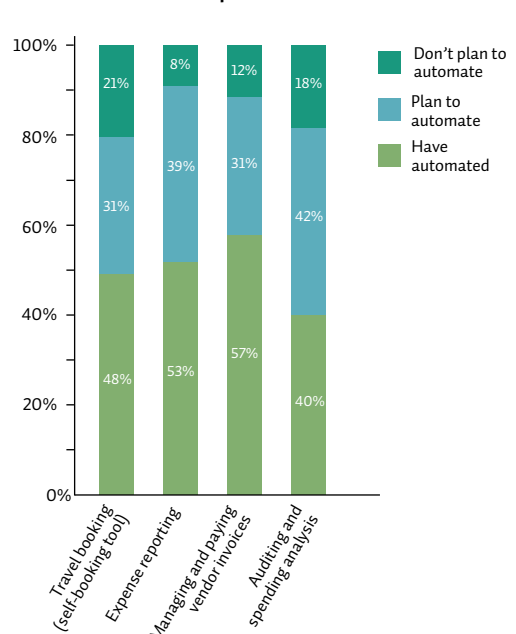
approval," explains one respondent. "We don't want to automate expense reporting because we have put this function in the hands of an assistant. We want our people to focus on business and not on claiming their cash," says another finance director. "We don't plan to automate the auditing and spending analysis because we manage expenditure through budgetary control processes."

Country comparison

The survey results show a geographical disparity in the adoption of automated solutions. Fewer French and German companies have automated travel booking, expense reporting, managing and paying vendor invoices and auditing and spending analysis, than in the UK. This difference is especially marked for expense reporting. (See chart 7.)

expense management processes in large parts of Europe, as well as in Singapore and Malaysia.

Along with legal requirements, cultural issues also need to be addressed. Consider Numonyx, a Swiss-based memory solutions company. "Numonyx is the joint venture of two very different mentalities, Euro-
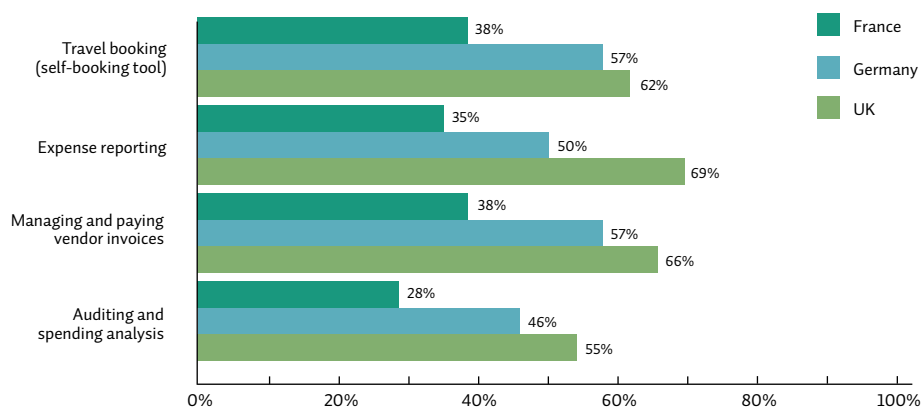
> **Chart 7 – Automation rates**

One factor that could have a bearing here is that France and Germany have more statutory, legal and fiscal requirements than the UK; this can make the automation process slightly more involved in that more configuration is required. The advice here is to implement a new system in stages, covering one or two countries at a time, as Danfoss is doing. "Sweden, for example, has a lot of different legal requirements where you really need to dig in deeply, and then we have some countries that we can group together because the rules and the set-up are very simple," Kaehni says. The company has rolled out automated

pean and American [STMicroelectronics and Intel]," explains Marco Longhi, European finance director. The company has now been spun out from its parents. "Our travel system is based on that of a European company. So you are asked to insert the details of your trip, and then you need to wait for your manager's approval before the ticket is made available," he says. "We need to make clear to some in the company that any travel – including its expected cost – must be formally authorised by the management. In some companies, you just travel when you need to travel, and then you prepare the expense claim."

Section 2 — Automation and IT:
A cross-functional affair

Collaborating with IT and integrating an expense management system with ERP systems are the top two hurdles for automation projects.

Forty-three percent of respondents rank "collaborating with IT on implementation" as their primary automation challenge. A quarter says that integrating the system with existing ERP systems is their second biggest challenge. (See chart 8.)

> Chart 8 – Top automation challenges

	1st	2nd	3rd

Collaborating with the IT department on implementation: 43%, 11%, 6%

Technical (implementing and learning the new system): 11%, 19%, 10%

Integrating the system with existing ERP systems: 12%, 25%, 13%

Getting the business case approved by senior management: 10%, 19%, 16%

Cultural (ie communication, changing employee behaviour): 14%, 15%, 22%

Deploying across multiple geographies: 9%, 8%, 20%

Financial (unable to afford automation): 2%, 4%, 14%

Why is collaborating with IT so challenging? It could be that they are overstretched or have other priorities vying for their attention and budgets. This is the case at Numonyx, which is rolling out an automated T&E system that STMicroelectronics developed in-house. As Longhi explains, the company's main challenge is securing the resources to work on the project. "Being a new company, we have thousands of priorities in terms of IT systems," he says. "The T&E system is a piece of cake compared to all the other systems, like the procurement, accounting and HR systems. So the challenge that we are still facing is getting some resources working on this tool."

The ease of T&E software implementation depends on how much of a product needs customisation. At BBC Worldwide, for example, implementing an automated expense claim system in the UK was completed within two months. "We did it particularly quickly," says Dave Wren, director of financial operations. "We only had 18 rules to build in, so it was quite standard. But obviously the more bespoke it is, the longer it will take. For a really big policy it might take a while, but we're quite a small area worldwide, we only have 125 to 150 claims per week across the UK and US, so it's not a massive operation," he adds.

It is also important for IT to discuss the implementation with all the interested parties. Philippe Lodomez, accounting director of Baxter Services Europe in Belgium, says that the only drawback with the firm's automated booking system could have been avoided if the accounting team had been involved at an earlier stage of implementation. "Some expenses are summarised at a level that is not sufficient," Lodomez says. "If the accounting team wants to find tax recoverable expenses, they have to go back to the paper document and check the transactions individually."

Integration

Integration is another IT-related issue. A majority of respondents – just over half - say that their expense management systems are somewhat integrated with other financial management systems. This is twice the number that says their systems are highly integrated. Another 20% have not integrated their systems at all. (See chart 9.)

At Danfoss, Kaehni sees a clear advantage to having the T&E system integrated with ERP and centralised accounting systems.

"The main benefit for us is having an aligned process and posting procedure," she says. "We can approve reports across borders without any problem, because everything is electronic," she explains. Previously, every country had its own solution, and these solutions were not standardised. "You had to send the document and approval papers around the world and sometimes they would get lost. It was not really practical," she says. Aligning the processes also meant aligning the policies. "Implementing the software is only half the story," says Kaehni. "You have to do a lot in the accounting department as well."

> **Chart 9 – Level of integration**

Level	Percentage
Highly integrated	25%
Somewhat integrated	51%
Not integrated	20%
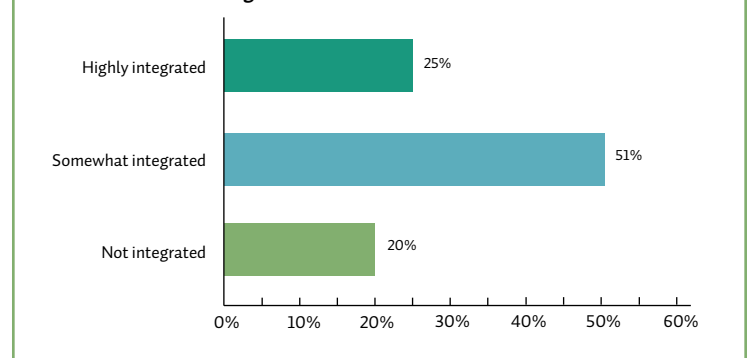
Section 3 — Cultural resistance:
Managers, end users and sales staff

Cultural issues present a big barrier to automation projects, and the research highlights problems with certain groups.

Major IT projects always bring their own cultural challenges, and automating T&E is no exception. Cultural issues are ranked as the third greatest challenge to automation. (See chart 8.) In particular, a majority of respondents - 53% - rank "lack of management support" as the top cultural obstacle. (See chart 10.)
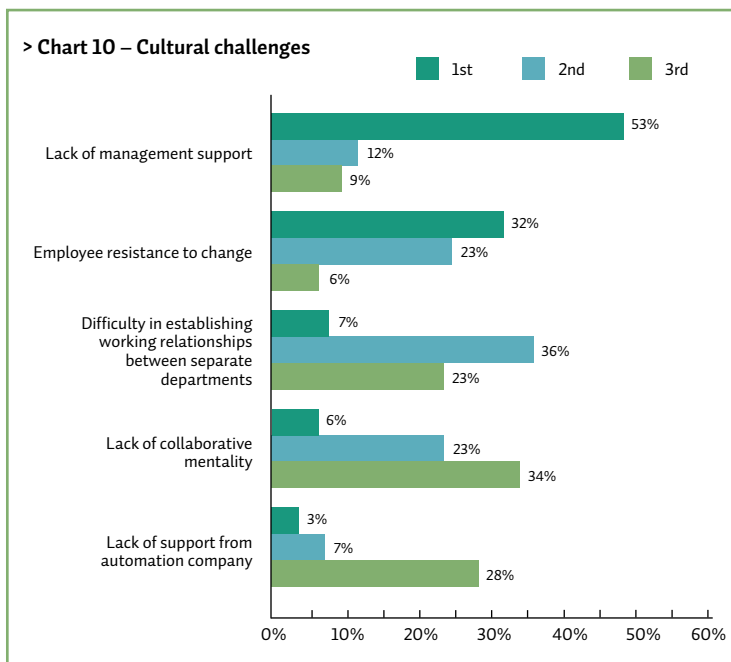
This could be due to confusion about who needs to take ownership of the project, given that it spans many departments. "In the beginning we had some issues about the ownership of the project," says Longhi of Numonyx. "It wasn't clear if it was up to HR or finance. In the end, it was decided that finance should manage it, because while HR is responsible for establishing corporate policy, finance is more impacted by the T&E process and managing the creation, control and payment of expense reports. That is not to say that other parts of the company aren't involved. As director of finance,

and the person in charge of the whole project, Longhi defines and manages the plan, while IT works on the system, HR supplies the policies, and other finance staff co-ordinate the testing and the training.

At Danfoss, finance is also responsible for the project. "Our company differed from those that I meet at conferences," says Kaehni. "Normally, the people who implement this system come from the travel management [department], but in our case, the system is set up by the finance department." This has had an impact on the end result. "We are coming at it more from the accounting side; we want to know where the costs are coming from," she says. "We are looking more at the process itself, so using the system, avoiding errors, having aligned accounts, policies, and travel agency agreements and those kinds of things."

Whoever is the project owner, getting managers of all departments to support the system is essential. "It's very important to have the managers on board right from the beginning," says Kaehni. "We involved them right from the start. This wasn't to discuss if the system should be implemented or not, but how we could implement it best."

However, as Diaz of Avon says, "The main challenge is that the implementation of new travel systems affects the entire organisation and involves a high level of change management." According to our research, "difficulty in establishing working relationships between separate departments" and "lack of collaborative mentality" are the second and third biggest cultural obstacles. (See chart 10.) To this end, training and good communication are essential. This is what Roland Verdon, vice president of procurement at Estée Lauder, a manufacturer and marketer of skin care, make-up, fragrance and hair care products with worldwide net sales of €6.3 billion in 2008, believes will take up most of the procurement team's time in the forthcoming adoption and roll-out of an automated expense reporting tool in 20 of Estée Lauder's operating countries in the EMEA region. "The IT can be done in a few weeks in each country," he says, "but the training and coaching and communication will take most of the time."

> Chart 10 – Cultural challenges

Legend: 1st, 2nd, 3rd

Lack of management support: 53%, 12%, 9%

Employee resistance to change: 32%, 23%, 6%

Difficulty in establishing working relationships between separate departments: 7%, 36%, 23%

Lack of collaborative mentality: 6%, 23%, 34%

Lack of support from automation company: 3%, 7%, 28%

Some end-users will need more time than others. "You have people who are open to new things, who are interested in new software, and who don't mind fumbling around with these things," Kaehni says. "The people who complain about such things will also complain about a new travel and expense system, and that was exactly the case." What is her advice? "You need to take some time for the people who are really not willing to embrace a new system."

Diaz of Avon agrees. "You will need to ensure that you spread the new technology to the entire organisation. The more technology-oriented your employees are, the more successful your new technology upgrades will be." He sees adoption as a matter of time and of raising awareness. In Avon's case, managers give clear guidance and set an example to the rest of the company. In addition, the departmental super-users offer all employees training in how to use the travel tools.

Then there's the sales staff. "[Adoption] can be difficult, especially for sales people, who are usually away from the office," says Diaz. "They sometimes feel that this doesn't provide value to the sales work, and to some extent, they are right, although it's important, because it impacts our bottom line. We need to ensure that they devote the maximum time to sales and the minimum time to administration, so we need to make it as easy as possible for them," he adds.

As Fabio Amore, financial subsidiaries controller of EMEA at Nice, a technology company headquartered in Italy, sees it, "The commercial guys don't care about the expenses, because they are trying to increase sales." To counteract this mentality at Nice, Amore plans to draw up a new T&E policy, in part to encourage people to moderate their spending. The new policy will be linked to every sales manager's and general manager's budget and expense account, as Amore wants "to educate the people to control their spending, because the company is not mine, but belongs to everybody."

Compliance and control

Not only is management buy-in crucial in getting employees to use T&E tools, it is also important when it comes to compliance and control. Over two-thirds of respondents cite the reason for T&E policy breaches as the lack of management enforcement. (See chart 11.)

There is no doubt that automation helps to enforce compliance. (See case study on page 12.) "We have embedded our policies in the system, so we identify the exceptions up front. In fact, we prevent them before we detect them," says Lodomez of Baxter. "So we are free to choose the airline we want, but if we select one that is more expensive than the airline that Baxter recommends, we will be asked to justify why we did not take the cheaper option."

However, the optimum level of control still requires a human element. "For sure our system reduces abuses, because every person who has to travel needs to ask for electronic authorisation," says Longhi of Numonyx. "So the managers are aware that the person is travelling, and how much is being spent. On the other hand, there still needs to be people picking up the expense claims and checking that the ticket corresponds to what is claimed. If you want to be sure that there are no abuses in this sense, you need to verify the expense claim."

Kaehni of Danfoss reinforces this point. "There is still controlling work to do. Of course, you can use the system to do the pre-checking; it has an audit rule function that you can program to flag every hotel over a set amount, for example. You can have these kinds of checks. It's checked much better than a normal file [before the automated system was implemented] but somebody still has to check the policy or the report."

> **Chart 11 – Explanations for breaches of company policy**
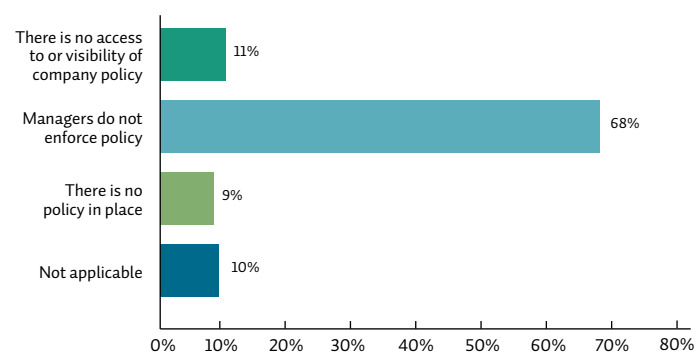
Case study: Star struck — automating expense claims at BBC Worldwide

The spreadsheet is dead, long live the spreadsheet. Just ask BBC Worldwide. Processing expense claims at the global media company used to be a manual, spreadsheet-based exercise. Travellers filled in claim forms, stapled their receipts to the back and sent them to their managers for approval. The claim was then forwarded to the expense administrator, who checked the claim against the expenses policy and returned claims falling outside the policy to either the claimant or the authoriser to be amended or clarified. "Claims were going backwards and forwards in the internal mail and potentially going missing," explains Dave Wren, BBC Worldwide's director of financial operations.

When the company started to consider outsourcing its accounting services function in 2007, T&E management was put under scrutiny. "The automated expense claims system that has since been adopted has enabled a number of improvements, including a reduction in claim checking, an increase in policy compliance and cost savings."

One important feature is that the application has the BBC's expenses policy built into it. "Previously, we had to manually check every single claim," Wren says. "Now, if someone's claim breaches the policy, the system gives it a red or yellow flag, depending on how serious it is." A red flag means that they must change the claim before they put it through. A yellow flag is a warning that they are outside policy, and need to substantiate the claim with a message. That said, there is some room for flexibility. "If you wanted to entertain one of your top talents, and you might exceed policy, you would get your manager's approval beforehand. You would still get a flag when you put your claim through, but you would attach a pre-approval email from your manager," he explains.

"We check less now, because the system dictates the policy, and the red and yellow flag system signals to the authorising manager and administrator what's outside the policy. We still do random sampling to make sure that the receipts are there, and we perform other VAT checks, but our checking has gone down," Wren explains.

At the same time, compliance has increased, and this has resulted in cost savings. "People are aware that they're being checked, and therefore they hold to the policy," says Wren. "There's a saving against claims, because people will either reduce their claims to be in line with policy, or even not claim at all, because they've done something they shouldn't."

The expense claims system also feeds into a reporting tool, which allows the company to monitor managers. "We can look at things as Big Brother if you like," Wren says. "Things like which manager is regularly approving claims outside policy, who is submitting claims just up to their first level of authorisation, who isn't opening receipts when they're getting claims to approve. So there are various controls built in, which we wouldn't have had in the past, when a manager could sign an expense claim without reviewing the receipts."

Wren says that it is difficult to quantify the cost savings, and to determine whether it is being driven by the automated system or by the recession, or both. "I can see my expenses going down, and would expect the saving to be 1% to 2%, so between £20,000 and £40,000 per annum."

The system saves time as well as money. "With the present system, you see where your potential issues are when you're submitting a claim, and so does your manager. So by the time the claim reaches the expense administrator, the issue is normally resolved, and we reject very few claims now. Previously, we used to reject something like 12% of our claims; now it's below 5%."

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Tips for automating T&E expense management

Rolling out a new T&E system? Here's a check list:

- **Establish ownership**
  Who will lead the project and who will provide support?

- **Prepare, prepare, prepare**
  What do you want to achieve and how will it be achieved?

- **Make sure the project is multi-functional**
  At a minimum, will IT, finance, accounting, travel, and procurement all be involved?

- **Spend time with end users, especially those who are less IT-oriented**
  Which employees are likely to experience problems mastering a new system?

- **Leverage information from the system**
  Do you have the resources to make the most of the information that the system produces?

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Conclusion

As in previous downturns, controlling T&E expenses—one of a company's largest controllable indirect costs—is now on the radar screens of CFOs. Automation helps finance executives improve this control, especially if they channel resources into leveraging the information that the automated tools provide.

It's not only about cost savings. Automation delivers other benefits, including internal fraud control, improved travel policy management such as directing employees to preferred vendors, and faster processing of employee reimbursements. T&E automation can also be an important component of a wider company drive to standardise and improve a range of processes.

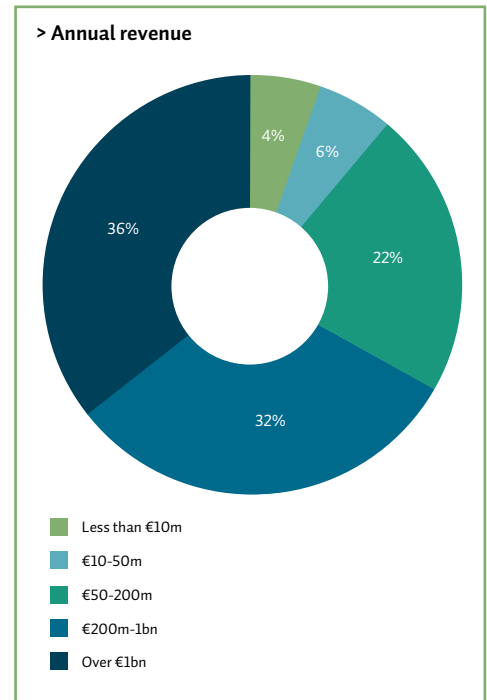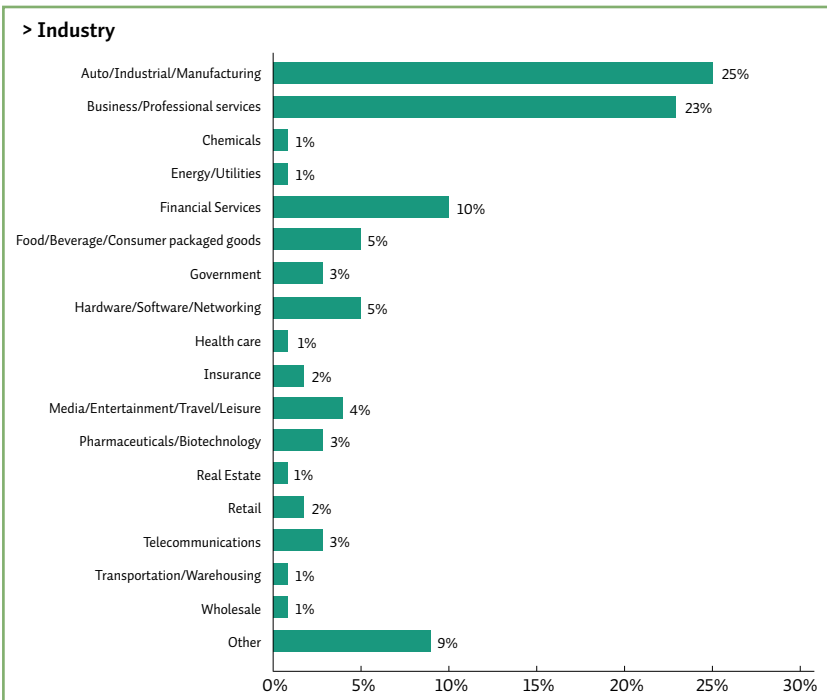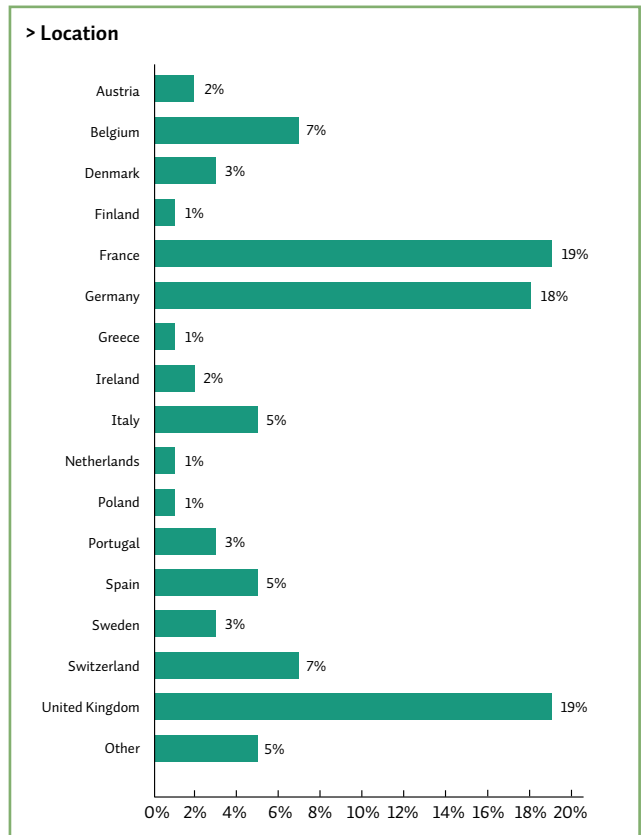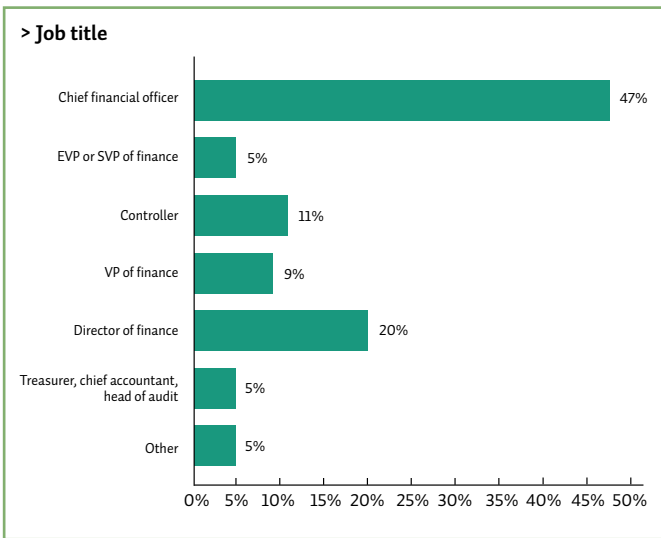There is more scope for companies to go beyond automating the nuts and bolts of T&E manage-ment and adopt automated solutions for auditing and spending analysis too. This will enhance further visibility, accountability and control, while not only reducing time-consuming, error-prone manual tasks, but also improving governance and compliance.

IT issues and cultural resistance are the main barriers when it comes to maximising the benefit of T&E tools. While the implementation of automated T&E software depends, to some extent, on the size and complexity of the project, the same sound principles of IT rollouts apply here.

Another area in need of attention is mandating the corporate card. If more companies did so, they might find the often tense meetings when negotiating better rates and terms with travel suppliers much more fruitful.

Study methodology

In September 2008, CFO Europe Research Services conducted a survey of 154 senior finance executives in Europe in a range of sectors. A breakdown of the demographics is as follows:

> Job title

Chief financial officer	47%
EVP or SVP of finance	5%
Controller	11%
VP of finance	9%
Director of finance	20%
Treasurer, chief accountant, head of audit	5%
Other	5%

> Location

Austria	2%
Belgium	7%
Denmark	3%
Finland	1%
France	19%
Germany	18%
Greece	1%
Ireland	2%
Italy	5%
Netherlands	1%
Poland	1%
Portugal	3%
Spain	5%
Sweden	3%
Switzerland	7%
United Kingdom	19%
Other	5%

> Industry

Auto/Industrial/Manufacturing	25%
Business/Professional services	23%
Chemicals	1%
Energy/Utilities	1%
Financial Services	10%
Food/Beverage/Consumer packaged goods	5%
Government	3%
Hardware/Software/Networking	5%
Health care	1%
Insurance	2%
Media/Entertainment/Travel/Leisure	4%
Pharmaceuticals/Biotechnology	3%
Real Estate	1%
Retail	2%
Telecommunications	3%
Transportation/Warehousing	1%
Wholesale	1%
Other	9%

> Annual revenue

Less than €10m	4%
€10-50m	6%
€50-200m	22%
€200m-1bn	32%
Over €1bn	36%

A technology provider's perspective

Concur has helped thousands of companies around the world, including hundreds in Europe and the UK, automate the processes they use to manage employee travel and entertainment (T&E) expenses. The findings of this report are consistent with what Concur hears from the market every day. Companies of all sizes are looking for ways to drive down their operational costs. Yet many are unaware of the tremendous savings that automated solutions can deliver – both through efficiencies and streamlining of costly manual processes and through increased compliance and stricter controls over spending. By viewing automation through the lens of traditional enterprise software, many organisations are missing an opportunity to quickly drive down costs and improve employee productivity.

Perceived barriers

So why are so many companies still content with lightly managed travel programmes, costly human-based travel-booking and expense claim management systems, and paper-based processes? Considering that for many organisations, T&E spend is second only to payroll, often approaching up to 10% of operating costs, one might think it wise to place a greater focus on managing this significant area of cost.

But for many companies, the task of automating the process of managing T&E expenses can seem daunting. The fear of an ERP-sized engagement involving many months or even years to implement, consuming IT and project-management resources and requiring a significant investment in technology, infrastructure and time is well-founded, based on previous attempts at harnessing technology to solve a business need. And since the manual processes currently used by these companies provide little data, many are unsure of what the costs to automate might be or how to quantify a reasonable expectation around ROI.

The lure of on-demand

Fortunately, technology has progressed beyond the traditional licensed software technology paradigm. With the advent of Software-as-a-Service, technology companies can now deliver enterprise-wide solutions to address a wide variety of needs – all on-demand with little to no technology or infrastructure investment. These on-demand services, accessible by anyone in the organisation, from anywhere, using a simple web-browser, connect seamlessly with back-office systems, third-party sources of data and company policies, and employee profile data to enable companies to provide their employees with robust solutions that are easy to use and drive down operating costs.

Travel and expense management is one area to which on-demand services are particularly well-suited. As noted in the research conducted by CFO Europe Research Services, many companies intuitively understand that there are better ways to manage this significant area of spend, but are either not realising the full benefit, or are having difficulty getting buy-in from key executive stakeholders to fully automate the process. On-demand services address both of these significant barriers, while also opening up additional opportunities for cost savings and efficiencies that some organisations might not currently have on their radar.

ROI horizon

On-demand services, by their nature, place the onus on the service provider to get the service up and running quickly. The service is only valuable to the extent that it helps the company quickly drive down costs and deliver a compelling user experience. So on-demand service providers leverage best practices cultivated from literally thousands of client engagements, along with finely-tuned implementation methodologies, to deliver their services quickly, with little up-front cost and predictable on-going transaction fees. Companies only pay for what they use, and the

more transactions processed, the lower the cost per transaction. Gone are the days of calculating ROI in years or decades. With on-demand services, companies realise ROI within months and because there are no versions or upgrades, innovation is delivered continuously.

An end-to-end approach

With Concur® Travel & Expense, companies can take the process one step further. By combining both travel booking and expense reporting into one seamless process, companies can manage the entire T&E lifecycle, from procurement to payment. Employees use one end-to-end service that takes them from pre-trip approvals and booking through the expense claim process all the way to audit and reimbursement. With all the T&E data captured automatically – from itinerary to corporate card to expense claim – employees spend less time reconciling their expenses at the end of a trip, and because all of the T&E spend is managed through one system, the company now has a 360-degree view of all aspects of their employee spend.

Additionally, employees who find the process easier to use are more likely to book their travel through the prescribed booking tool and pay for expenses using the corporate card, which increases compliance. This in turn drives even more data through the system, enabling companies not only to truly understand their employees' purchasing behaviour, but also to access that data to monitor compliance and drive supplier negotiations.

Targeted solution benefits entire organisation

As the research indicates, the benefits of automation to a company's corporate travel programme are rather obvious. The challenge is to educate colleagues in IT and executives throughout the business that the automation of travel and expense management is not just a travel or AP department initiative. Automation potentially touches every employee, and is responsible for a significant percentage of a typical company's operating costs, so it can have a broad impact. With on-demand services, companies can now enjoy the benefits more easily, more quickly and at a fraction of the cost they might have expected just a few years ago. It's by leveraging these same on-demand services that companies will continue to unlock additional efficiencies and cost savings, with little or no incremental cost.