



Growing out of the pandemic

Robust processes can help UK businesses ride the tailwinds of coming growth

Introduction

The covid-19 pandemic plunged the UK into a deep recession, with national economic output falling by 10% in 2020, according to the IMF. Growth is now returning, aided by a rapid vaccination programme. The IMF projects the UK economy will bounce back to 4.5% growth in 2021 and 5% in 2022, although the pandemic will cast a long shadow in the form of lost lives, damaged livelihoods and ongoing economic disruption.

To identify key sentiments and trends in the approaches of executives tasked with navigating their organisations through the pandemic, SAP Concur commissioned a survey of 550 senior

executives in 11 countries (Australia, Brazil, China, France, Germany, India, Japan, Mexico, Singapore, the UK and the US), conducted in December 2020 and January 2021. Respondents were drawn from the senior leadership ranks of the finance, IT/technology, management/strategy, and operations and risk functions at companies with at least 1,000 employees. (E) BrandConnect, a commercial arm of The Economist Group, fielded the survey.

This report provides an analysis of trends identified by UK respondents and outlines how investing in better business processes, specifically travel, expense and invoice (TE&I) management capabilities, can help organisations move towards growth in an evolving economic landscape.

UK executives are generally optimistic about their own organisations

Although the pandemic has hit the UK economy hard, in particular small businesses and companies of all sizes in certain sectors such as transport, hospitality and the creative industries, the majority of UK executives in this survey are upbeat about the financial outlook for their own organisations. Sixty-four percent have positive financial expectations for the coming 12 months, although they are far less optimistic about their country's economy (32% positive) or the global economy (just 30%). In fact, UK executives were the most pessimistic about the global economy compared with their peers in all other countries surveyed.

In the midst of this gloom, where does the optimism about their own organisations come from? One explanation is that UK executives have successfully risen to the challenges posed by the pandemic. Asked to compare the performance of their organisations over the past 12 months with that before the covid-19 outbreak, a majority of respondents report stronger performance in each of several key areas (see Figure 1), many of which share the theme of improved and more efficient processes and, in particular, digital transformation. Eighty percent of UK executives report stronger performance in their use of emerging technologies—significantly more than the Australian, Chinese, French and German executives surveyed. These improvements have enabled UK companies to react more nimbly to shifting market conditions. Virtually all UK executives (96%) say the pandemic has forced their organisation to become more open to experimentation and quick shifts in strategy.

Figure 1: The pandemic has made UK companies more agile and more tech- and data-driven

(% of UK executives reporting "stronger" company performance in past 12 months compared with before the covid-19 outbreak, top ten areas shown)



Digital transformation is the number one priority for UK executives

Though they have made substantial strides in this area already, making better use of technology is the primary overarching objective for UK respondents: 90% report at least one tech-related goal among their top five strategic priorities for the next 12 months (see Figure 2). In terms of individual strategic priorities, making significant progress in digital transformation and enabling a remote work environment are tied at first place for UK executives. The emphasis on remote work is likely the result of the particularly long periods of lockdown restrictions that the countries of the UK have endured.



Figure 2: Tech-related goals are now among the top priorities for UK executives

(Top ten strategic priorities for the next 12 months, % of respondents listing the priority among their top five)



Robust spend management solutions can give UK business a tech-tinged boost

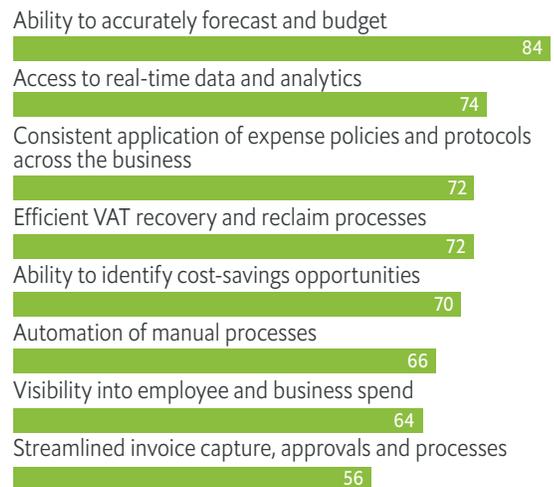
The recovery from covid-19 in the UK is under way, but it will bring many challenges. In the face of such uncertainty, it's no surprise that top of the priority list for UK executives, in terms of TE&I management capabilities, is the ability to accurately forecast and budget (see Figure 3). Indeed, taking a closer look at TE&I processes reveals numerous opportunities for UK businesses to achieve their goals by managing process-related costs more efficiently. Such improvements can also further accelerate their digital transformation and enable them to move more quickly towards growth.

Firstly, solutions that offer near real-time visibility into spending enable businesses to proactively track budgets and manage expenses. However, 58% of UK executives report they have less visibility into employee and business spend than before the pandemic, a higher percentage than any other country surveyed. This makes access to real-time data and analytics particularly urgent in the UK and fittingly, it's the second highest TE&I priority for UK respondents (see Figure 3).

Secondly, solutions that allow pre-authorisation of expenses, enabling managers to approve requests before expenses are incurred, can give organisations greater visibility into future spend and reduce the unexpected costs that can arise with a remote workforce. Thirdly, by automating and streamlining cumbersome manual processes such as invoicing and reviewing receipts, effective expense and invoice management solutions reduce paperwork, save time and cut processing costs. Artificial intelligence (AI) and machine learning (ML) can assist here by minimising processing time, as well as by increasing spend compliance and improving audit accuracy and efficiency. UK executives are well aware of the benefits

Figure 3: UK executives say robust travel, expense and invoicing capabilities will help them navigate the next 12 months

(Necessary capabilities of a travel, expense and invoice management system, % of UK respondents replying "Essential" or "High priority")



of AI/ML technologies: 66% say it will be very or extremely important for their organisation's TE&I solution to make use of AI/ML to meet business priorities over the next 12 months.

Finally, robust spend management solutions can identify valuable cost-savings opportunities by optimising tax efficiencies, making it easier for UK organisations to claim back their fair share of the globally reclaimable VAT that is left on the table each year. Much comes down to the inherent limitations of manual data management: in the UK, more than half of eligible VAT on travel and expense costs goes unclaimed, largely due to incorrect information or missing data. This helps to explain why efficient VAT recovery and reclaim processes are a priority for 72% of UK executives (see Figure 3). By identifying VAT-eligible expenses and validating receipts automatically, intelligence-backed solutions can optimise the potential for reclaim while complying with complex and constantly changing tax regulations in a way no human ever could.

Conclusion

UK executives have rapidly transformed their businesses over the past year, and they know further investments in efficient business processes are likely to pay off: 94% say investing in resilience now will help their businesses navigate and grow in an evolving economic landscape. By managing business spend and invoices effectively, organisations can steer themselves more quickly towards growth—and minimise unnecessary hits to cash flow, such as unclaimed VAT

refunds. As the UK emerges from the pandemic, organisations that make full use of the efficiency opportunities offered by effective expense and invoice management solutions—from anticipating business spend before it occurs to saving time and money by automating the processing of receipts—will be best positioned to ride any economic tailwinds the coming year may offer.

Visit [SAP Concur](#) to learn how organisations can better control costs, drive compliance and gain increased spend visibility during the pandemic.

Sources

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About SAP Concur

SAP® Concur® is the world's leading brand for integrated travel, expense and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. The highly rated SAP Concur mobile app guides employees through business trips, charges are directly populated into expense reports and invoice approvals

are automated. By integrating near real-time data and using AI to analyse transactions, businesses can see what they're spending and avoid possible blind spots in the budget. SAP Concur solutions help eliminate yesterday's tedious tasks, make today's work easier and support businesses to run at their best. Learn more at concur.com or the SAP Concur [blog](#).

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