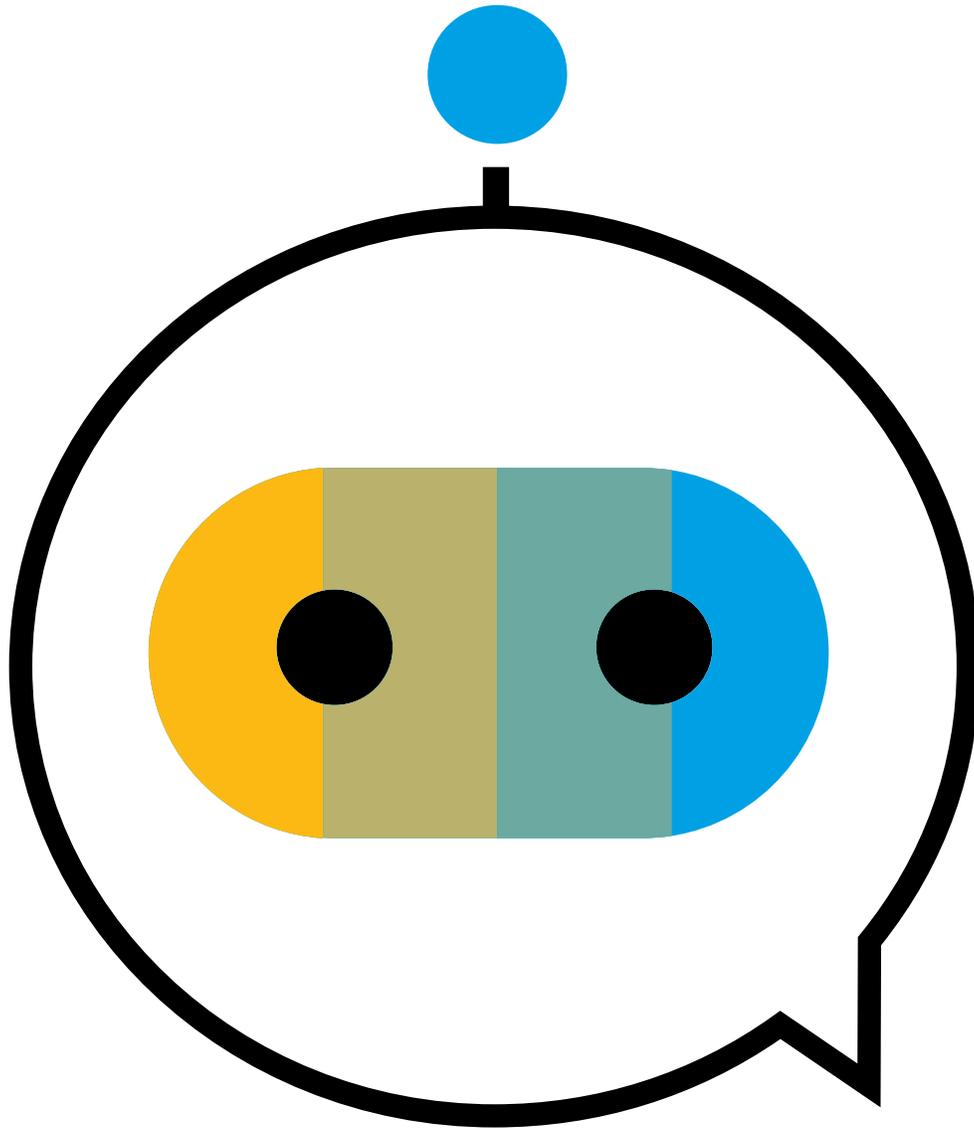
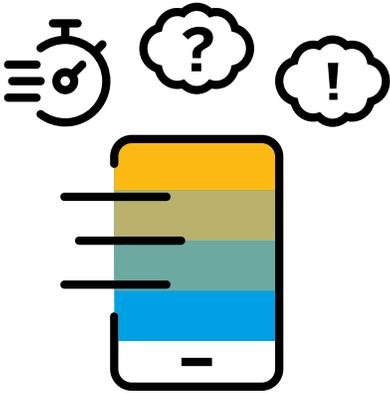


# The Time Traveler's Expense Report





In the pre-dawn darkness, Sarah sits, her driverless ride-share lit by her tablet. The car moves swiftly from side street, to boulevard, to on-ramp. Quickly finding a slot the car eases in with the other autonomous vehicles and glides toward downtown. She's talking to Yeong, who's on a plane to Seoul, and Jedda on her treadmill in Sydney. There's definitely a problem in Pittsburgh.

Most troubleshooting can be done virtually, but today Pittsburgh needs a personal touch. She puts her mobile device close to her face and summons her assistant:

"I need to go to Pittsburgh as soon as possible."

"When do you need to arrive?" the assistant asks.

"This afternoon..." Sarah says.

"Here are two options," the assistant offers "Highspeed train gets you there but not until 6:30 PM. There's also a flight that arrives at 4:20 PM"

Sarah pauses. "I need to get there before my status call."

"One second" says the voice on the other end; "let me check some airline booking tools...ah there we go. How about a flight that gets you there at 2:15 PM local time?"

"Yes!" Sarah says as she eases back into her seat. "Also, I'll need..."

"A hotel? Same as last time?" the assistant anticipates.

"Yes, that will do nicely" Sarah agrees.

"Since you'll be on-site, shall I also order food for you and the team? Pizza? It sounds like it might be a late evening."

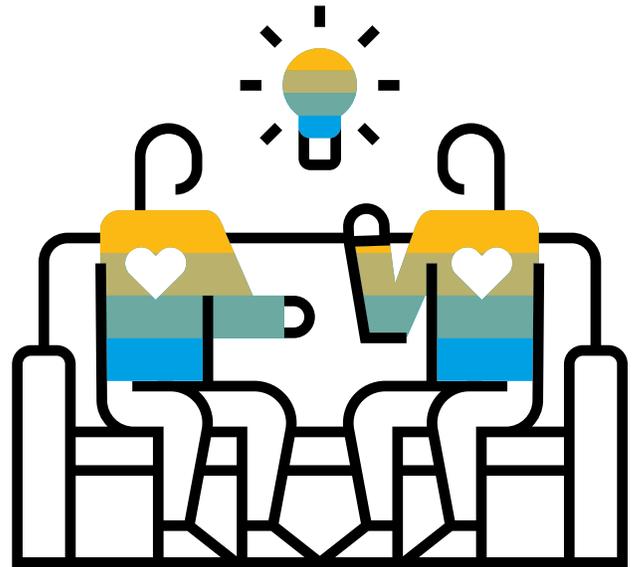
"Yes, thank you."

"My pleasure" assures the assistant.

**During this short conversation, the assistant has filtered through dozens of travel options, anticipated the needs of her traveler, referenced Sarah's calendar, email, and preferences. Behind the scenes finance leaders and travel managers get the visibility they need as budgets update automatically, and real-time data flows into a flexible, comprehensive analytics system. The expenses are linked to the appropriate project and everything is in policy. In fact, the expenses couldn't be any other way because the travel assistant is an app which only presents options within company policy.**

This future may be closer than you think. Indeed, the foundations are already here. Intelligent technologies, experience management, machine learning, virtual assistants, and other factors are converging to create a new reality for how we work, travel and spend on behalf of our organizations. Managing travel and expense spending across organizations of any size is challenging but every additional employee is one more reason to get it right. The leading strategy for control might seem contrarian: With all the variables today, and so many more to come, companies can't manage travel and expense by heaping more rules on employees, they need to shift to a model of management through transparency.

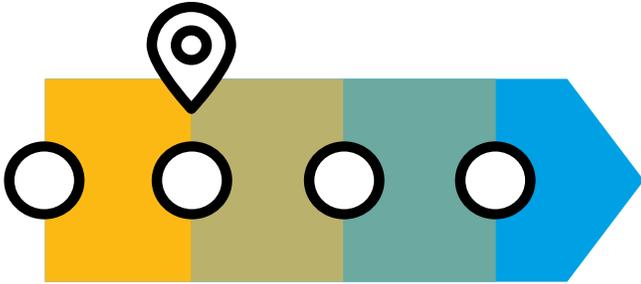
Focusing on technologies that give organizations visibility into spend and the ability to apply policy and negotiate rates will not only drive compliance and save money, but also keep employees happy and safe.



“Going forward, employee retention, work-life balance, and creating positive employee experiences will be of paramount importance” says Ralph Colunga, a thought leader for travel and expense technology at SAP Concur. Given the competitive business marketplace, the changing expectations of employees, and the cost of replacing people, business leaders across the organization need to do their part to mitigate risks of losing key personnel.

# Ch-ch-ch-ch Changes

**“Finance is in a unique position to provide other functions the data they need to enable better business outcomes”** Chris Arendale, CFO of SAP Concur



To really understand where we're going, we need to take a look at where we are today. From the boardroom to the front line, travel and expense management is a focal point where changing expectations merge.

## **63% of business travel managers feel risks to travelers has increased**

As organizations strive for greater visibility into investments and returns, financial leaders realize the value in breaking down silos. CFOs are partnering more with their colleagues in IT, HR, Travel and Operations in ways they've never done before. "Finance is in a unique position to provide other functions the data they need to enable better business outcomes," according to Chris Arendale, CFO of SAP Concur. Cross-functional partnerships are necessary to adapt to a fluid market where trade wars and geopolitical events can change business realities overnight. Where it used to take weeks or months to pull together ad-hoc reports, executives now have to slice and dice data with the skill and agility of a Teppanyaki chef, compare disparate data sources and even run "what if" scenarios in real time to model the future impact of business decisions.

International regulations, tax policies, exposure to corruption, means organizations need access to solutions that incorporate best practices that are always evolving. Compliance with Foreign Corrupt Practices Act (FCPA) is one area where the stakes are high and the cost of getting it wrong could mean more than fines; violations can damage an organization's reputation and brand. Value Added Tax (VAT) reclaim is another area where organizations can stop overpaying on employee expenses, but only if they can keep up with the complexity of managing regulations across many nation's tax jurisdictions. Adhering to international regulations like General Data Protection Regulation (GDPR) continues to be a priority as organizations do business internationally.

Travel and expense spend is important not just because of how much money is at stake (which is significant), or the fact that spend decisions are spread across so many employees, but also because finance organizations are just starting to grasp the important role they play in duty of care. "It is not only a moral obligation of employers, but in many cases becoming a legal obligation to do everything possible to keep not only employees, but also contractors out of harm's way" continues Ralph Colunga. 63% of business travel managers feel that risks to travelers have increased and 52% are expecting further increases in risk over the next year.<sup>1</sup> When there's an emergency and employees may be impacted, one of the first places to look is travel bookings. Another potential source of location information is expense data which is rich with breadcrumbs leading to where employees and contractors are at a given time.

<sup>1</sup> Ipsos, Perceptions of travel risk, 2017

**“It is not only a moral obligation of employers, but in many cases becoming a legal obligation to do everything possible to keep not only employees, but also contractors out of harm’s way”**

Ralph Colunga, Thought Leader for Travel and Expense Technology at SAP Concur



Travel managers’ jobs were never easy, but they were perhaps simpler previously. Today, with so many ways for employees to book travel and with the explosion of fare options, “It’s time to redefine the role” adds Colunga; “the change can be uncomfortable for some as it requires a new mindset.” As the world of technology continues to change and businesses become more and more sophisticated, so must the future role of the travel manager. Different communication methodologies, new trends like “bleisure” travel (the combination of business with leisure travel), employee satisfaction and empowerment, personalization, consumerization, and socialization. The future embraces new technologies like artificial intelligence, machine learning, and the internet of things. Perhaps the biggest change for travel managers is migrating away from a ‘command and control’ model toward transparency as a strategy for control. Travel managers can’t hope to assist every employee with each booking. If adoption and compliance are goals, then a policy that limits flexibility is unfair to employees or prevents efficiencies of work. Organizations need solutions that capture bookings no matter how and where they happen so travel managers can apply policy, negotiate rates, make the most of travel budgets, and mitigate risks at scale.

For instance, zero percent of salespeople are hired because of their travel booking and expense report prowess. They are hired because they can deliver revenue. The last thing organizations want is to put obstacles in their way, yet at the same time, sales people are expected to know which planes, trains, and automobiles to use within a myriad of rules and policies designed to keep them and their organizations out of trouble. No matter the job title, employees deserve a guided experience through travel and spend decisions. That's why travel and expense tools need to make doing the right thing the easiest thing to do. Ideally the experience is so good, it improves employee engagement, helps retain hard-won talent, and attracts even more.

When it comes to employee expectations, Millennials are also driving change. By 2025 they'll represent 75% of the global workforce and they are changing the way travel managers think about travel policies.<sup>2</sup> Millennials expect three things from work: flexibility, flexibility, and flexibility. Their job satisfaction is traditionally tied less to money, location, and title; and more to culture, lifestyle, and work-life balance. Flexible policies like allowing "bleisure" travel, are small changes that can go a long way toward creating places people want to work.

**By 2025** millennials will represent **75%** of the global workforce



But it's not just Millennials, the same technologies we all enjoy in our personal lives also change our expectations of tools we use at work. Employees want to use apps they already use, and they want a simple user experience. Branded fares, new transportation and lodging apps are emerging every week, pushing organizations to adapt to how employees expect to spend and travel.

<sup>2</sup> Ryan Jenkins, "How Millennials (and Gen Z) Will Transform the 2018 Workplace," Inc., 2018.

# Selecting the Right Technology for the Future

Solution providers across the spend management landscape are extending their footprint.

Procurement platforms are acquiring online booking tools. Online booking tools are merging with other solutions for expense management. The landscape of solution providers will continue to coalesce and there will be many questions to consider: How much spending data can we capture? How complete is the solution? What's the size of the network of partners and providers? What kind of experience are we creating? How well are we positioning our organization for the future?

With all those questions how can solutions ensure the flexibility they need to be relevant today and into the future? Two words: platform and ecosystem. "I suggest focusing on suppliers who have a single platform with an integrated travel and expense system coupled with a robust supplier ecosystem, which allows you to customize and 'plug and play' the suppliers value added services," says Ralph Colunga.



## Platforms

When comparing solutions, one thing to keep in mind is how solutions connect to Enterprise Resource Planning (ERP) systems. Coordination across the C-suite drives the need for more business data flowing into a common analytics platform. For instance, duty of care responsibilities requires HR data, travel, expense, and third-party data to keep employees safe.

When it comes to managing spend, it's not just a question of "do you have the data" but "what can you do with it?" Will the solution send real-time data to enterprise-level reporting? Does the solution provide the detail necessary to dig deep? Is it easy to manipulate for ad-hoc reports and scenario exploration? Consider the boardroom meeting requiring a deep dive into data to answer "why" questions and then the inevitable, "what if we could..." questions. Look for solutions that send data to one place, providing a unified view that's easy to manipulate using 'natural language.' That way users don't have to struggle with complex database queries. Typing a simple question in the search field should be all the work needed to reveal the story behind the data or to explore "what if" scenarios.



## Ecosystems

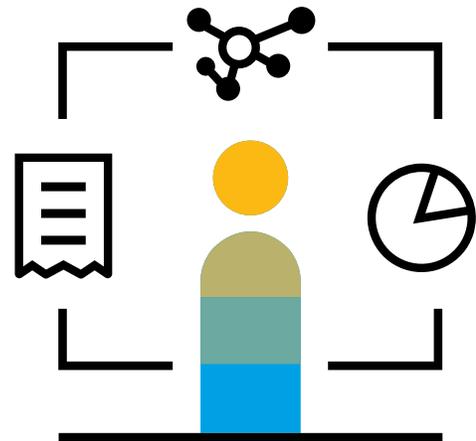
On average, 37% of hotel and 15% of flight bookings are made outside corporate channels.<sup>3</sup> In a perfect world, traveling employees and contractors book travel through the organization's online booking tool. But with the convenience of self-service, people — not just millennials — increasingly prefer to book travel when and where it's easiest for them. That often means in the palm of their hands with apps they already use for personal travel. Plus, the sharing economy offers the ease of use and customer experiences people demand. Not to mention, more travel suppliers are actively promoting direct booking with discounted rates.

<sup>3</sup> "Lost in Translation—Changing Landscape, Familiar Challenges," GBTA, 2018.

## On average, **37%** of hotel and **15%** of flight bookings happen outside corporate channels

Without question, the travel industry is witnessing the acceleration of supplier-direct bookings, and thus the realization that traditional corporate-booking channels can't capture all travel spend on their own. If organizations aren't leveraging technology to connect to the ecosystem of travel suppliers, they are missing out on the ability to see spend while it happens and apply policy and negotiated rates on a huge percentage of their travel spend. What may be even more serious is that without visibility into direct booking, companies limit their ability to locate employees and contractors to provide duty of care.

The value of an extended ecosystem comes down to employee experience and productivity. Any time employers can tap into tools employees already use to apply policy and get the visibility and control they need, it's a win for everyone. When considering a travel and expense solution, look for a provider that can help you lower costs by applying corporate discounts and maximize policy compliance with ecosystems that elevate visibility, connects to tools people already use, enhances your duty of care solution, and optimizes employee productivity.



### What Next?

Travel and expense management is just the start. When it comes to spend management, organizations should keep their eyes on the big picture. Imagine you're running a large customer event. You have to get your own employees to and from the location, take care of their accommodations, meals, and other expenses. You also have to secure the venue, food, and equipment vendors. Don't forget the contingent workers and contractors you'll need to hire: consultants, media specialists, crews to set everything up and tear it back down. How does all that data come together? Are you following local laws, and regulations? Is your reporting updated in near real-time so you can pivot funds in the moment? When it comes time to see if the event was worth the effort, you need to bring data in across travel and expense, procurement, workforce management, sales, IT, HR, and more. Will the solution you choose help or hinder visibility into ROI?

## Bringing It All Home

After a long day in Pittsburgh and with the project back on schedule, Sarah is on her way to the hotel when she gets a notification. A seat just opened on an earlier return flight. If she acts now, she could make it. **Her virtual assistant changes the car's destination, guides her to the quickest security line and when she's safely onboard, cancels the hotel reservation. A few hours later she arrives at home, just in time to tuck in her daughter and read their favorite bed-time story.**

SAP Concur is leading travel and expense management into the future, not just for the obvious business benefits, but also for the not-so-obvious benefit of employee engagement. Today, desktop tools and apps allow Concur® Travel and Concur® Expense users to work where they want from a pre-approved solution, but if they need to book direct, Concur® TripLink captures data from connected suppliers. Additionally, by bringing itineraries into a connected platform, travelers are one step ahead because their booking data flows automatically into expense reports, spend data gets to finance leaders and travel managers so they can make more intelligent business decisions, and spend data helps fulfill duty of care with Concur® Locate and Active Monitoring. On the road, tools like Triplt® Pro assist travelers by telling them when to leave for the airport, notifying them of when gates change and how to navigate new locations and local customs.



This is just the beginning. When travelers are happier and feel safe, they are more productive. It's easier for employees to stay compliant when travel and expense tools meet them where they are. Organizations have better visibility and can apply negotiated rates even to direct bookings with an ecosystem of partners and connections. Both employees and employers sleep better at night knowing they have a duty of care solution that covers everyone in the organization.

For more details about SAP, SAP Concur, travel and expense management, or Intelligent Spend Management, talk to a representative today.

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Travel and Expense WP (19/07)

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