The Journey To Better Travel, Expense, And Invoice Management: A Spotlight On EMEA

EMEA Results From The 2018 Thought Leadership Paper, "Getting Better Mileage Out Of Your Travel, Expense, And Invoice Solutions"

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Introduction

Travel, expense, and invoice management are important components of every business, however, managing them can be difficult as manual processes and limited tools often bog down the process and inhibit efficiency. It's important that companies can manage and process expenses in a timely manner to keep both the budget on track and your employees happy.

In September 2017, SAP Concur commissioned Forrester Consulting to evaluate how companies in EMEA (UK, France, Germany, Belgium, and Norway) are making decisions about travel and expenses (T&E) and invoice solutions. Forrester conducted an online survey of 125 respondents from EMEA-based companies and conducted six qualitative interviews with IT and finance decision makers from global companies to explore this topic.

KEY FINDINGS

› Less than 50% of EMEA companies are very satisfied with the ease of use and accessibility of their T&E and invoice management tools and processes.

› Fifty-four percent of EMEA companies agree that IT and finance don't see eye to eye on T&E and invoicing priorities.

› Seventy-three percent of EMEA companies agree that IT and finance leaders need to better communicate and collaborate on T&E and invoice priorities.

› Key outcomes driving investments in new T&E and invoice management solutions include improved process efficiency, cost savings, and visibility and access to spending data.

Methodology

In this study, Forrester surveyed 125 enterprise organisations split across the UK, France, Germany, Belgium, and Norway to evaluate how they are currently leveraging T&E and invoice management tools. Companies were from a variety of different industries, and the survey participants included decision makers in IT and finance roles who were responsible for making decisions around new T&E and invoice management technology solutions. Respondents were offered a small incentive as a thank you for time spent on the survey. Forrester also conducted a series of in-depth phone interviews with six global companies to further discuss the topic.

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Spend Management Tools Are Plagued By Inefficiency

Employees today expect the same digital tools and capabilities from their personal lives to be available in their professional lives. Such is the case with enterprise spend management tools. However, many companies struggle to provide employees with the latest features and capabilities for managing expenses, resulting in inefficiency. Top challenges that EMEA companies face today include (see Figure 1):

› **Slow approval and reimbursement timelines.** Approvals and reimbursements are often delayed by manual processes which lead to protracted timelines and inaccuracies. These inaccuracies can lead to auditing headaches and can require additional hours of work, further delaying timelines.

› **Cumbersome tools.** Under 50% of companies are very satisfied with the ease of use and accessibility of their T&E tools and processes, and even fewer (40%) are very satisfied with their tools and processes for invoice management. This includes a lack of automation which indicates that many processes are still manual and more prone to errors.

› **Lack of visibility for expenses and budgets.** Managers' greatest challenge with current T&E and invoice solutions is the lack of visibility into expenses and expense projections. Only 44% of companies are very satisfied with their T&E reporting and analytical capabilities.
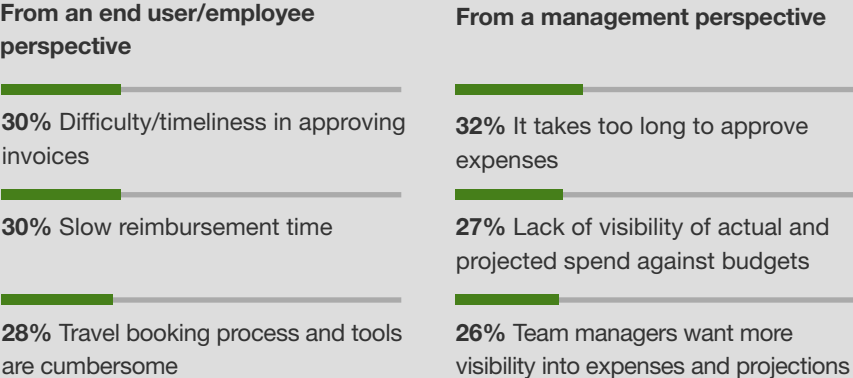
NON-ALIGNED IT AND FINANCE TEAMS HAMPER SUCCESS

Companies need to have a clear technology strategy in order to drive improvements for T&E and invoicing. However, 54% of companies agree that IT and finance don't see eye to eye on T&E and invoicing priorities, which creates challenges in moving forward with concrete objectives.

> Only 44% of companies are very satisfied with their T&E reporting and analytical capabilities.

Figure 1

Key challenges with travel, expense, and invoice management

From an end user/employee perspective

30% Difficulty/timeliness in approving invoices

30% Slow reimbursement time

28% Travel booking process and tools are cumbersome

From a management perspective

32% It takes too long to approve expenses

27% Lack of visibility of actual and projected spend against budgets

26% Team managers want more visibility into expenses and projections

> Over 65% of companies face at least one of these top issues

Base: 125 IT and financial decision makers in EMEA based companies
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

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A Unified Strategy Will Drive Lasting Success

Achieving the desired outcomes with T&E and invoice management improvements requires companies to have a clear strategy that brings together both IT and finance objectives. That is why 73% of EMEA companies agree that IT and finance leaders need to better communicate and collaborate on T&E and invoice priorities. Companies with a unified strategy report much higher levels of satisfaction with T&E and invoice management tools than those who don't. For example, 75% of EMEA companies with a unified strategy reported high satisfaction with T&E tools, compared to only 35% with a non-unified strategy (see Figure 2).

What does a unified strategy entail? It requires IT and finance teams to prioritise business objectives on shared outcomes. For one Germany-based manufacturing company, the primary strategy was finding solutions that can be implemented globally, a goal easily shared by IT and finance. Their travel and mobility manager explained that, "the background [for our solution decisions] was always that we want to have a system which is ready for a more or less global usage."
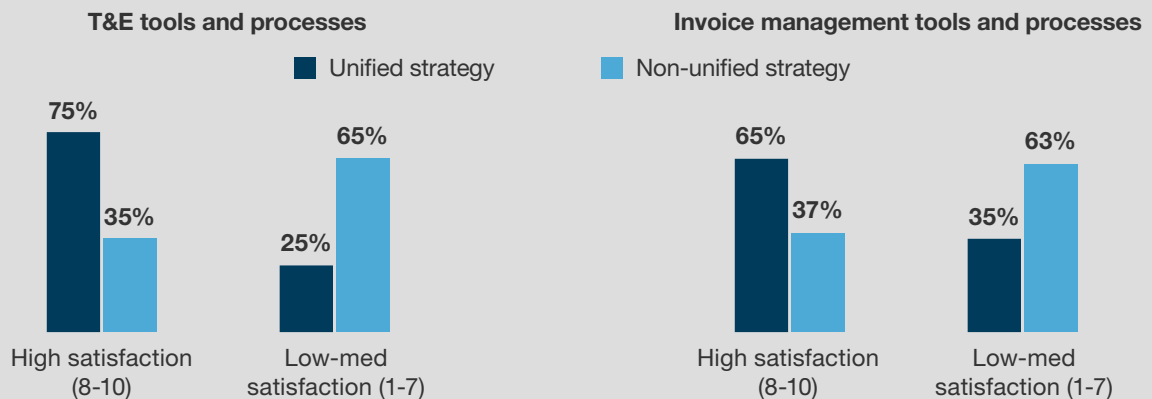
NEW TECHNOLOGY CAN HELP

The proper technology can help companies reach these objectives as well. Available technologies have robust feature sets that can help companies deliver on their evolving T&E and invoice management objectives, capabilities include: cloud and mobile access, integration with existing systems, great UI for employees, etc. Our survey found that companies that demand more of these capabilities from their technology partners experience greater satisfaction with their T&E and invoicing tools.

> "The background [for our solution decisions] was always that we want to have a system which is ready for a more or less global usage."
>
> *Travel and mobility manager, German manufacturing company*

Figure 2

"On a scale of 1 to 10, how satisfied are you with your current T&E and invoice management tools?"

T&E tools and processes

■ Unified strategy   ■ Non-unified strategy

- High satisfaction (8-10): 75% / 35%
- Low-med satisfaction (1-7): 25% / 65%

Invoice management tools and processes

- High satisfaction (8-10): 65% / 37%
- Low-med satisfaction (1-7): 35% / 63%

Base: 125 IT and financial decision makers in EMEA based companies
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

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Companies Aim To Automate And Simplify Their T&E And Invoice Management Processes

Companies — and in particular, finance professionals — know that modern technology can help alleviate many of the current problems they face with T&E and invoice management. New tools can streamline and simplify slow, multistep processes through increased automation, mobile capabilities, and a unified interface. As companies consider greater investments in spend management tools, they have a specific priority to support both T&E and invoice management objectives. For one German company we interviewed, the focus was on "harmonisation and standards", which would allow them to better automate and simplify tasks for both T&E and invoice management around standard tools and processes.

DESIRED OUTCOMES OF IMPROVING T&E

A primary priority for T&E improvements is making the process more efficient and having the proper visibility to measure and accurately report on expense usage and budgets. Top desired outcomes include:

› Improved process efficiency.

› Improved analytics and reporting.

› Improved visibility and access to data.

DESIRED OUTCOMES OF IMPROVING INVOICE MANAGEMENT

Better invoice management tools can help reduce many of the errors that exist within traditional invoicing processes. This can reduce costs by ensuring on-time payments and by offering better visibility into vendor utilisation to support future engagements. Top desired outcomes include:

› Cost reduction.

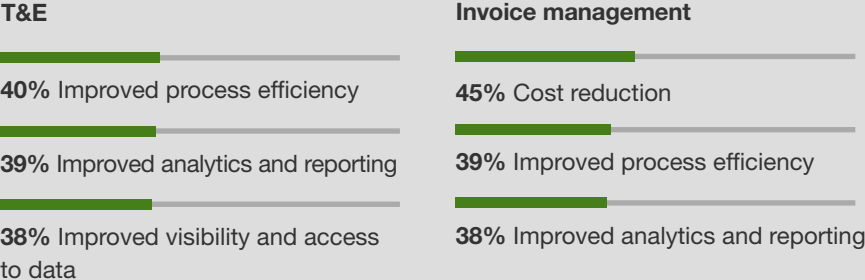› Improved process efficiency.

› Improve analytics and reporting.

> "This whole project is about harmonisation and standards. It's more that we have a standardised process, a process design, and also detailed processes."
>
> *Travel and mobility manager, German manufacturing company*

Figure 3

Key outcomes to support T&E/invoice management investments (% ranked in top 3)

T&E

40% Improved process efficiency

39% Improved analytics and reporting

38% Improved visibility and access to data

Invoice management

45% Cost reduction

39% Improved process efficiency

38% Improved analytics and reporting

Base: 125 IT and financial decision makers in EMEA based companies
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Key Recommendations

The benefits that can come from improved T&E and invoice management processes can be significant: higher satisfaction, hence compliance; better travel, expense, and invoice management and sometimes reduction; and in some cases, a foundation for revenue growth. One EMEA-based company described their desired outcomes saying: "The biggest aspect in general, especially for countries which are running manual processes, is time saving potentials, and process efficiency is also to be considered on several levels. Another part of the business case is about control in terms of reporting and transparency for management decisions or management guidance in the organisation."

Modernising travel, expense, and invoice systems by going digital is a quick win for finance and IT leaders as those improvements can make a real difference for all of your employees by driving efficiency. To achieve these benefits of automation, mobility, and improved travel, expense, and invoice management, companies should:

Align finance and IT to work effectively on a unified spend management strategy. Before companies can begin making improvements, they need a plan to do so. Pursuing separate IT and finance agendas will inevitably inhibit any resolution of current challenges as resources will be split. A unified strategy can allow all parts of a company to focus time and resources on a mutually beneficial goal, ultimately yielding better outcomes.

Eliminate paper-based processes. Both IT and finance professionals agree that removing paper-based processes is critical for making T&E and invoice management more efficient (37%). It will eliminate errors, reduce overall time spent by employees, and reduce burdens in support staff. One company found that implementing automated tools allowed them to eliminate around 42% of their human-engaged tasks, thereby enabling the AI solution to process tasks within the ERP itself. The result was a 46% efficiency gain.

Invest in new T&E and invoice management technology. Sixty percent of companies expect tech budgets for T&E and invoice management to grow over the next two years. Not surprisingly, companies with a unified T&E and invoice management strategy are investing more because they have a more holistic view of the potential outcomes.

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