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The Business Value of SAP Concur Solutions for Optimizing Travel and Expense Operations

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Navigating this White Paper

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BUSINESS VALUE HIGHLIGHTS

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628%
three-year (ROI)

5.3
months to payback

$777,000
annual savings on business travel and expenses

36%
more efficient expense report intake and handling

54%
less time to book a business trip

43%
less time to fill out an expense report

48%
more efficient travel and expense users

32%
more employees following company travel and expense policies

65%
more compliant expense reports submitted

Executive Summary

The travel and expense paradigm, as we knew it, is being forced to change as it is beset with global socio-economic uncertainty and dramatic business model changes, including growth in digital-first models and remote working. Today's finance departments must have the tools capable of helping users improve operational efficiency and enhance the employee/traveler experience even amid such swirling winds of change. As business travel is returning, finance leaders and travel managers will need to be open to upgrading their operational infrastructure.

SAP Concur solutions integrate travel and expense (T&E) processes and data to help organizations manage employee spending on an end-to-end basis, improve transaction visibility, and optimize policy compliance. SAP Concur solutions present finance leaders with extensive capabilities to automate T&E workflows and integrate with other business applications to enrich data flows. Applications from SAP Concur solutions help finance team align the dual priorities of improving control and visibility into administrative areas such as budgeting, forecasting, and T&E policy management while delivering a seamless experience to end users and business travelers. To evaluate the real-world effectiveness of SAP Concur solutions IDC conducted in-depth interviews with several worldwide organizations using the solutions for their business travel and expense reporting and operations.

IDC's analysis found that these organizations realized significant value from SAP Concur solutions by:

▶ Fostering greater business efficiencies in travel and expense management and providing significant time savings for professional staff

▶ Increasing the productivity of finance and travel support staff responsible for processing business travel and expense reports

▶ Enabling business travel savings based on the easier implementation of and compliance with organizational travel policies while also minimizing data loss

Situation Overview

The COVID-19 pandemic severely impacted the corporate travel industry over the past 2 years and with the continued rise of new contagious variants like Delta and Omicron, COVID-19 is set to be part of our lives for the foreseeable future. While we know the future of travel and expense management will need to include Covid-19 protocols, many of other aspects are still evolving and shifting. Finance departments are seeing new expense types and new employee spend behaviors that are pushing the boundaries of traditional T&E management. Here are few ways that T&E is changing;

▶ **Business Expense Mix is changing:**
  The drop in business travel did not necessarily slow the tide of business expenses and employee reimbursement payments. However, the mix of expenses shifted very quickly. As a result, now more than ever, businesses need advanced expense management capabilities to pair with travel management functionality. Organizations must focus on delivering a seamless travel and expense experience through an integrated T&E management platform or a deep integration with a modern ERP/finance system to increase visibility of employee spend.

▶ **More Sustainability Features:**
  The pandemic has prompted many businesses to consider the environment, mental well-being, and healthy lives a bigger priority in the future. In addition, organizations looking to gain momentum as business travel returns must consider adding more sustainability features.

▶ **Higher Demand for Convergence:**
  The pandemic highlights the need for finance leaders to be agile. The traditionally siloed nature of financial activities like AP, Expense, Tax, Digital Payments is rapidly changing. These walls will break down, allowing for more coordination, collaboration, and communication among these budgeting and planning activities.

▶ **Growth in Virtual Meetings/Events:**
  Many organizations have adopted virtual meetings in place of face-to-face interactions with clients or co-workers, which has helped grow the profile of virtual meetings and enhance the general corporate comfort level with virtual meetings. As a result, more attention will be given to travel justification and pre-trip approvals.

▶ **Digital Payments Becoming Integral:**
  In 2021, IDC saw payment capabilities becoming more integrated into expense management. A rise of digital payment requires organizations integrate new payment channels with their expense management platform to simplify and streamline reimbursement process.

▶ **Hybrid Working Models Proliferating:**
  Hybrid and remote working models added greater complexity to the process of expense management, ushering in new expense types with personal protective equipment and expense for home office setups (i.e., keyboards, monitors, and internet access). This change in the expense mix prompted many businesses to seek out tools with additional expense management and auditing functionality.
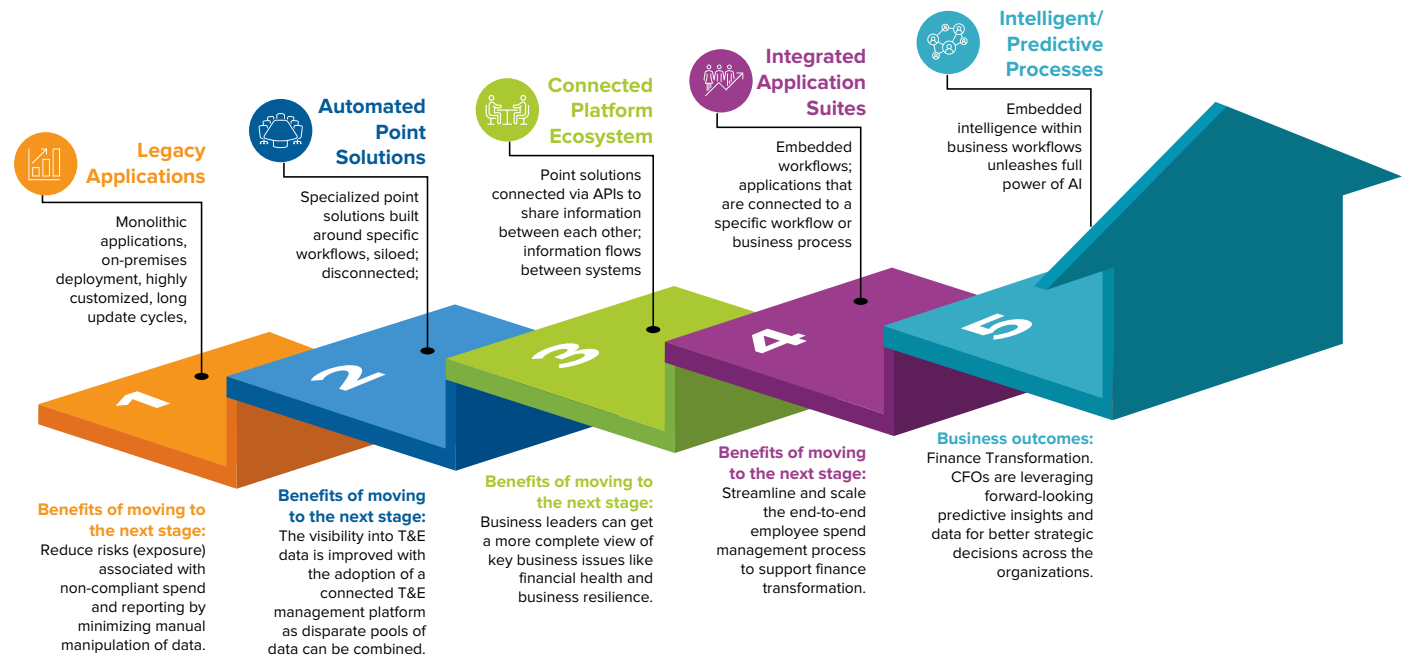
To be sure, some business travel will likely be replaced, in part or in whole, by virtual meeting technology. However, at its core, business is about relationships. While new virtual approaches have been developed to enable meetings, events, and conferences, there is a growing pent-up demand for increased in person contact. This will likely be led in the short- term by client and sales meetings, but we expect to be joined by more hybrid events, and other internal travel as organizations establish robust protocols for managing their businesses in a commercial environment that will continue to variable and challenging in the near future.

Travel and Expense Application Adoption Maturity Model

As stated previously, there are organizations that have begun their digital transformation journey in spite of the travel slowdown and travel restrictions. In fact, for a significant number of businesses, their journey to digital transformation is a direct response to the pandemic. According to IDC's 2020 *SaaSPath Survey,* 40% of respondents were using mostly or only legacy technology for travel and expense management. This "good enough" approach to travel and expense management was severely tested with the pandemic. The frustration caused by the lack of agility among legacy systems has pushed digital transformation of the travel and expense management system and processes toward the top of the CFOs agenda. Discussions with software vendors within the travel and expense space reveal that more and more businesses are choosing to expedite their digital transformation efforts when it comes to travel and expense management. They want solutions to give them more insight and control so that they can be better prepared for the next global event. **Figure 1** next page, lists the travel and expense application adoption maturity model.

Travel and Expense Application Adoption Model

Legacy Applications
Monolithic applications, on-premises deployment, highly customized, long update cycles,

Automated Point Solutions
Specialized point solutions built around specific workflows, siloed; disconnected;

Connected Platform Ecosystem
Point solutions connected via APIs to share information between each other; information flows between systems

Integrated Application Suites
Embedded workflows; applications that are connected to a specific workflow or business process

Intelligent/ Predictive Processes
Embedded intelligence within business workflows unleashes full power of AI

Benefits of moving to the next stage:
Reduce risks (exposure) associated with non-compliant spend and reporting by minimizing manual manipulation of data.

Benefits of moving to the next stage:
The visibility into T&E data is improved with the adoption of a connected T&E management platform as disparate pools of data can be combined.

Benefits of moving to the next stage:
Business leaders can get a more complete view of key business issues like financial health and business resilience.

Benefits of moving to the next stage:
Streamline and scale the end-to-end employee spend management process to support finance transformation.

Business outcomes:
Finance Transformation. CFOs are leveraging forward-looking predictive insights and data for better strategic decisions across the organizations.

Legacy Applications

Legacy systems are rampant in the T&E space. These legacy on-premises "dinosaur enterprise applications'" are typically monolithic, cumbersome, and overly customized. These staid systems lack intuitive features and intelligence. These applications often must be augmented by spreadsheets to move and combine data sets.

▶ **The CFO View:**
The legacy financial technology currently in place hinder any efforts to be agile and flexible. Legacy solutions prevent FP&A and budget teams from moving at the new speed of business.

▶ **Benefits of moving to the next stage:**
A move away from this stage can array many benefits, including reducing risks of noncompliant travelers or out-of-policy expenses by minimizing manual manipulation of data.

Automated Point Solutions

Automated point solutions are built to manage one task/workflow in a relatively unconnected fashion. These point solutions lack intelligent features to drive automation; instead, relying on rule-based automation patterns for travel and expense management. Employees can use automated processes for travel and expense provided by cloud point solutions.

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Connected Platform Ecosystem

Technology exists to help the organization navigate its overall business of products and services. However, too many applications are focused only on the functions instead of the workflows between functions and collaboration. This stage highlights back-office point solutions for travel and expense are connected via APIs to the system of record and to a broader ecosystem of third-party applications and external data sources.

▶ **The CFO View:**
CFO is located at the heart of the enterprise; the office of the CFO has become a hub for business operations, enabling collaboration with suppliers, partners, and customers.

▶ **Benefits of moving to the next stage:**
Business leaders can get a complete view of key business issues like financial health and business resilience. By connecting business applications with budget tracking and preapproval functions, organizations can proactively control spending before it happens and reduce noncompliant spending. With analytics and reporting tools support, business leaders can use accumulated data to drive policy changes and configurations to enhance compliance.

Integrated Application Suites

These application suites are connected to a specific workflow or business process. For example, to get a holistic view of working capital, you would need to tie together aspects of T&E, corporate card, enterprise resource planning (ERP)/financial system, customer relationship management (CRM), and meeting management. This is where integrated suites can flourish. In addition:

▶ **The CFO View:**
The pandemic changed the game for CFOs in many ways. Simply put, the CFO is being asked to do more (be more strategic) and do it all at a faster pace. As a result, the demand for a unified view of financial data is essential for the CFO to be agile and flexible, which are key aspects of the "new normal."

▶ **Benefits of moving to the next stage:**
Streamline and scale the end-to-end employee spend management process to support finance transformation. With intelligent and predictive processes, the finance team can leverage intelligent technology to reduce processing time (e.g., improve expense audit efficiency or maximize VAT/GST reclaim), improve organization agility, and establish business resilience.

Intelligent/Predictive Processes

This stage of maturity takes the platform ecosystem approach a step further. By utilizing cognitive capabilities, travel and expense systems provide predictive services that mitigate unplanned or needless expenses and forecast future invoices before they happen. This is a big shift when compared with most businesses today, which are not able to analyze their spend until months after the fact. Organizations at this stage gain more insights, make advanced and continuous improvements, and establish business resilience. In short, this stage opens the door to virtual assistants, predictive T&E budgeting and planning, machine learning—based fraud detection, and perhaps the elimination of the expense report altogether.

▶ **The CFO View:**
   The stage that features embedded intelligence within the business workflows is required in enterprise applications to unleash the full power of artificial intelligence.

▶ **Business outcomes — Finance transformation:**
   CFOs are leveraging forward-looking predictive insights and data for better strategic decisions across their organizations. Harness intelligent automation to increase business agility, establish resilience, and keep organizations ahead of the competition.

The Business Value Of SAP Concur Solutions

Study Demographics

IDC conducted research that explored the value and benefits of using SAP Concur solutions to optimize travel and expense operations. The project included 10 interviews with organizations that are using the Concur Travel and Expense. Interviewed managers all had experience with and knowledge about its benefits and were asked a variety of quantitative and qualitative questions about the impacts of the solution on their travel and expense operations, core businesses, and costs.

Table 1 presents study demographics. The organizations that IDC interviewed had an average base of 31,900 employees and total average annual revenue of $17.3 billion, indicating the involvement of several large enterprise organizations. In terms of geographic distribution, four organizations were based in the United States, with the remainder in Brazil, Kenya, Japan, the Philippines, Switzerland, and the United Arab Emirates. A variety of vertical markets were represented, namely, the healthcare, retail, communication and media, energy, financial services, manufacturing, and travel and hospitality sectors.

TABLE 1
Firmographics of Interviewed Organizations

Firmographics	Average	Median	Range
Number of staff	31,900	14,000	1,500 to 150,000
Revenue per year	$17.3 Billion	$4 Billion	$3.8 Million to $116 Billion
Countries	United States (4), Brazil, Kenya, Japan, the Philippines, Switzerland, United Arab Emirates		
Industries	Healthcare (3), retail (2), communication and media, energy, financial services, manufacturing, travel and hospitality		

Source: IDC interviews, September 2021

Selection and Use of SAP Concur Solutions

The organizations that IDC interviewed described typical usage patterns for their use of SAP Concur offerings, including predominant feature sets. They also discussed the rationale behind their choice of SAP Concur solutions as an optimal means of enhancing their T&E operations and better managing employee spend. Study participants recognized the importance of keeping a tight rein on these costs, which are one of the largest line-item which can be a significant line item expense that organizations typically contend with. They also recognized the importance and value in migrating from error-prone manual expense approaches to using a more integrated and automated approach. They found that increased automation offered the obvious but important benefit of freeing up employee time and providing organizations more oversight and visibility into T&E policy compliance and costs.

In addition, study participants cited a variety of company-specific reasons for choosing SAP Concur solutions, such as ease of use and the ability to scale T&E operations to keep up with the growth and expansion of their organizations. The ability to improve overall T&E workflow as an aspect of internal digital transformation efforts was also called out. Study participants made detailed comments on these benefits:

▶ **SAP Concur tools easy to use and adopt (director of financial systems, media):**
"First, we purchased another company that had an existing Concur contract. The second is that Concur is really the industry leader. We were on an outdated homegrown system. As we merged two very large companies together and did an analysis of tools, Concur's was much superior, well known. It offered ease of use and adoption by users."

▶ **Modernizing T&E processes across the organization (financial analyst, manufacturing):**
"We had an audit process throughout the company to have better policies and workflow for traveling expenses, so we started to check other tools. We found that in other countries where we operated they used Concur and really liked the tool. Our goal was to have just one tool for the company and have all audit rules and policies inside of the tool and workflows. Previously, we were using another type of software, but it was really old school with paper receipts and glue in sheets…"

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TABLE 2

Organizational Usage of SAP Concur Solutions

SAP Concur User Environment	Average	Median
Product areas		
Expense reporting	24,748	8,000
Business travel booking and reporting	21,183	7,000
Specific products (percentage of users)		
SAP Concur Mobile App	76%	95%
ExpenseIt	42%	25%
TripIt	45%	40%

Source: IDC interviews, September 2021

Table 3 provides a snapshot of specific SAP Concur solution feature usage across all interviewed organizations. As shown in Table 3, the greatest feature usage involved:

▶ Intelligent Audit

▶ Concur Request (pre-approval) (60%)

▶ User Support Desk (40%)

▶ Consultative Intelligence (40%)

TABLE 3

SAP Concur Solution Feature Usage

SAP Concur Feature Usage	Organization Using (%) Range
Intelligent Audit	70%
Concur Request (pre-approval)	60%
Consultative Intelligence	40%
User Support Desk	40%
Budget	30%
Service Administration (expert advice/best practices)	20%
Concur Detect	10%

Source: IDC interviews, September 2021

Business Value and Quantified Benefits of SAP Concur Solutions

IDC's business value methodology demonstrates the value for study participants in adopting SAP Concur solutions as a core element of their T&E operations. SAP Concur solutions helped interviewed organizations establish robust business travel process efficiencies while providing significant time savings for their corporate professionals who traveled. It also helped increase the productivity of finance and travel support staff engaged in the routine processing of expense reports and related tasks. In addition, the use of SAP Concur solutions fostered business travel savings based on easier implementation and compliance with organizational travel policies and reductions in financial inaccuracies associated with lost data. Study participants commented on these core benefits:

▶ **User-friendly features increased policy compliance (financial analyst, manufacturing):**
"The most important benefit was the ease of use … in doing expense reports. Rules-based technology means employees don't need to know travel policy in detail. If something is incorrect, the system provides alerts. It's easier for the user experience and beneficial for the audit process. Before, the employee didn't care that much if the receipt was correct or not. Now, they're taking care of it because they know there's an audit process in Concur."

▶ **Reduced lost receipts save finance team time (senior financial accountant, retail):**
"We are saving time and money and not losing receipts. It saves the finance team time to approve expenses and get things done without delays. During COVID-19, we conducted a lot of webinars to give everyone more training on how to use it. We send them small videos about Concur and how to use it better through mobile apps."

▶ **Better analytics provide more visibility (global director, healthcare):**
*"Number 1 is integration in the SAP accounting module. With analytics and dashboard reporting, we can look at spend, accruals, and budget by department. One of the things that's really cool is that now we're able to look at our spend, aggregate it, and use it for negotiating with hotels and car rental companies. We also have more reliability. Concur brought us up a notch compared with what we had, especially with the mobile app.
I think that, as travel starts to increase again, we'll see more users begin to use the app."*

▶ **Helps with talent attraction and retention (financial manager, healthcare):**
"We had one incident where an interviewee asked how we do T&E. He's a salesperson, so he had issues with his previous company. We took him through how Concur works, and he was amazed. In some instances, it can help with attracting and retaining people because they know the company strives as much as possible to make their lives easier by providing working aids and appropriate tools."

Improved Travel and Expense Workflow and Operations

IDC research shows that many businesses are still mired in legacy approaches to T&E operations. Organizations often still rely on manual expense reporting, which is inefficient and prone to errors, especially when data is exported into corporate accounting systems.

Newer cloud-based approaches offer greater use of automated toolsets that enable smoother workflows, increased efficiency, and better overall control and management of employee spend. They can also save significant amounts of staff time for business professionals filling out expense reports and the T&E staff who process and approve those reports.

SAP Concur solutions are designed to support these business needs by integrating expense and travel data into a single system that helps organizations manage employee spend on an end-to-end basis while improving transaction visibility and optimizing corporate spend compliance. Interviewed organizations confirmed that this integrated approach helped them meet these goals by providing greater accuracy and richer reporting formats to manage T&E workflow and outcomes better. In addition, study participants confirmed that SAP Concur solutions improved visibility and compliance and reduced travel expenses while optimizing T&E operations associated with policy control and auditing. They commented on these core benefits:

▶ **Better visibility and compliance (director of financial systems, media):**
"The richness of the data lets us report on everything, so exposure to information is critical. The other thing is compliance. Because of our audit rules and the way we've built our process, we have really good compliance to T&E policy. I also think usability for our users is great, and it's why it's the industry leader with a very user-friendly tool."

▶ **Reduced travel expenses (financial analyst, manufacturing):**
"In 2018 - 2019, we spent 30% less on travel, and traveled 10% more. We're seeing savings because of these reports and showing the directors and VPs how much they were not saving, so they try to arrange better trips."

▶ **Easier auditing capabilities (director of financial systems, media):**
"Our auditors love it because it's easy for them. They have dashboards that run out of the reporting tool. It's given them a 50% improvement on time they use to prepare and things like that, and the data is definitely better."

Interviewed organizations reported that their professionals who traveled were able to save time and effort with SAP Concur solutions by completing expense reports in substantially less time. Several features contributed to this, including the fact that Concur Expense automatically imports credit card charges and matches them to supplier-generated receipts fed directly into reports.

These benefits are quantified in **Table 4.** Employees were able to complete their expense reports 43% faster after Concur Expense was made available (see **Table 4**). In addition, the time needed to book a trip was reduced by 54%, and reimbursement time was reduced by 50%.

TABLE 4

Travel Expense Report User Impact

Travel and Expense Report User Impact	Before SAP Concur	With SAP Concur	Difference	Benefit
Time to complete per expense report (hours)	1.3	0.7	0.6	43%
Time to book a trip (hours)	0.9	0.4	0.5	54%
Time for user to be reimbursed (weeks)	3.6	1.8	1.8	50%

Source: IDC interviews, September 2021

Table 5 provides additional metrics on travel booking and expense report preparation, looking specifically at how user time savings translated into business value for interviewed organizations. Overall, there was a 48% reduction in user time costs associated with expense report preparation after adopting SAP Concur solutions (see **Table 5**). This resulted in an annual staff time savings of $10,182,000 per organization.

TABLE 5

Expense Report User Impact

Expense Report User Impact	Before SAP Concur	With SAP Concur	Difference	Benefit
Travel booking and expense report end-user impact (FTE equivalent per organization per year)	301	155	146	48%
Time spent per user (hours)	23	12	11	48%
Staff time costs for expense report	**$21,062,000**	**$10,879,000**	**$10,182,000**	**48%**

n = 7, Source: IDC's Business Value Research, April 2021

Because SAP Concur is an integrated end-to-end system, it offered benefits in other areas of the reporting process. Shifting the focus to expense report processing, interviewed organizations reported that the use of SAP Concur solutions reduced the amount of time needed for T&E intake staff to handle and process reports. IDC calculated the annual staff hours expended per user and found that interviewed organizations experienced a 36% time saving, which equates to an annual business value of $753,000 per organization (see **Table 6**) next page.

Processing and Intake Staff Impact

Expense Report Staff Impact	Before SAP Concur	With SAP Concur	Difference	Benefit
Expense report staff impact (FTE equivalent per organization per year)	30	19.3	10.8	36%
Staff hours per user per year	2.3	1.5	0.8	36%
Staff time cost for expense report processing per year	$2.1 million	$1.3 million	$753,000	36%

Source: IDC interviews, September 2021

Because SAP Concur solutions rely on digitizing receipts and automated policy controls, study participants reported more efficient and accurate expense tracking and monitoring, including reductions in lost receipts or other errors. IDC evaluated the impacts of adoption by identifying and measuring the KPIs in **Figure 2.** There was a substantial reduction in expense report errors (52%) and a similar degree of improvement in reducing the number of lost receipts (see **Figure 2**).

Expense Reports KPIs
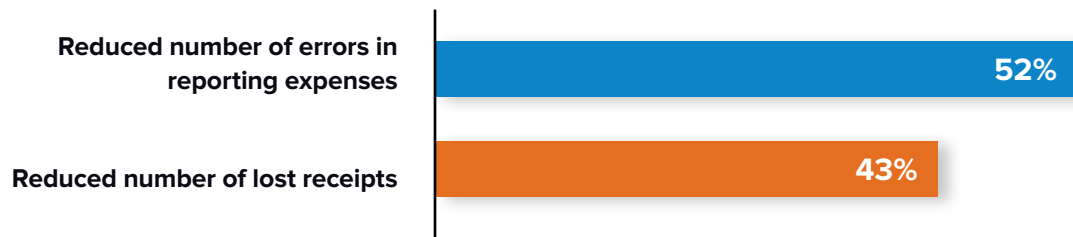
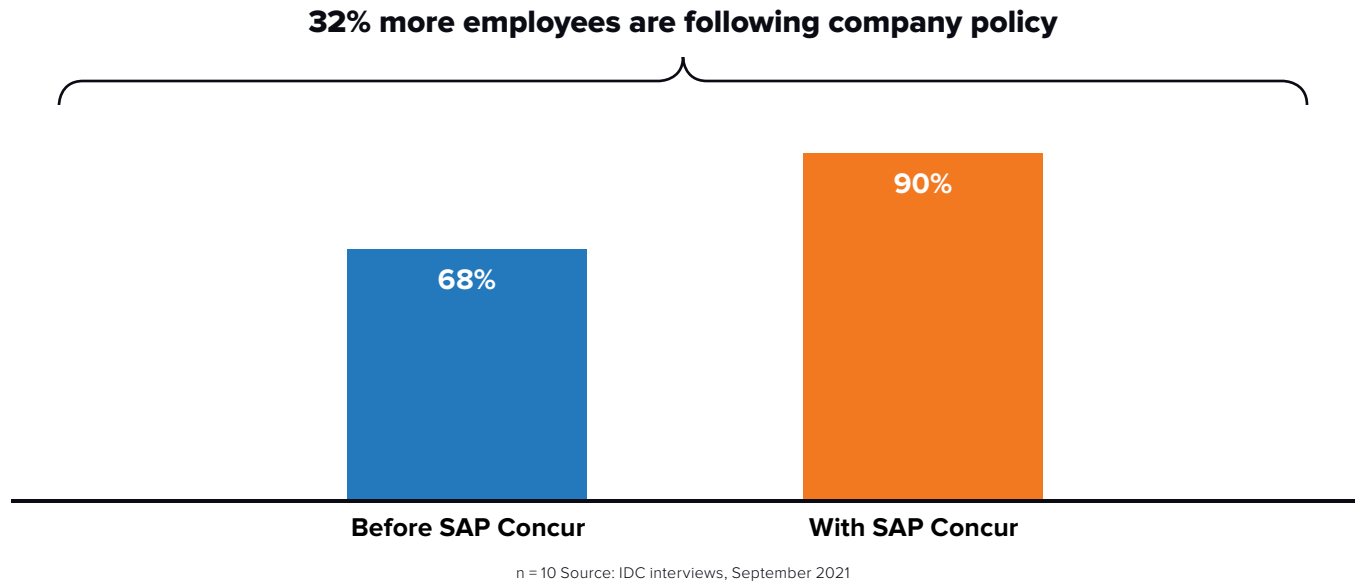n = 10 Source: IDC interviews, September 2021

Interviewed organizations reported that SAP Concur solutions helped them stay on top of both regulatory and internal policy compliance because it is an integrated offering that provides more accurate data and richer reporting formats to optimize policy administration and control. With the ability to implement better T&E policies, organizations can ensure better overall employee compliance for workflows related to business expenses.

As a director in the financial services sector noted: "We had some basic policies before just to prevent abuse of the company funds, but now we have a much more detailed policy. We didn't track any of this before, but now we follow it rigidly. I would say 100% are complying now. We never did a cost saving comparison, but I'm certain we're saving money now because before you could book a first-class flight, and now it's economy only."

IDC quantified the impact of SAP Concur solutions on T&E policy adherence. After adoption, IDC calculated that 32% more employees were following company policies (see **Figure 3).**

FIGURE 3
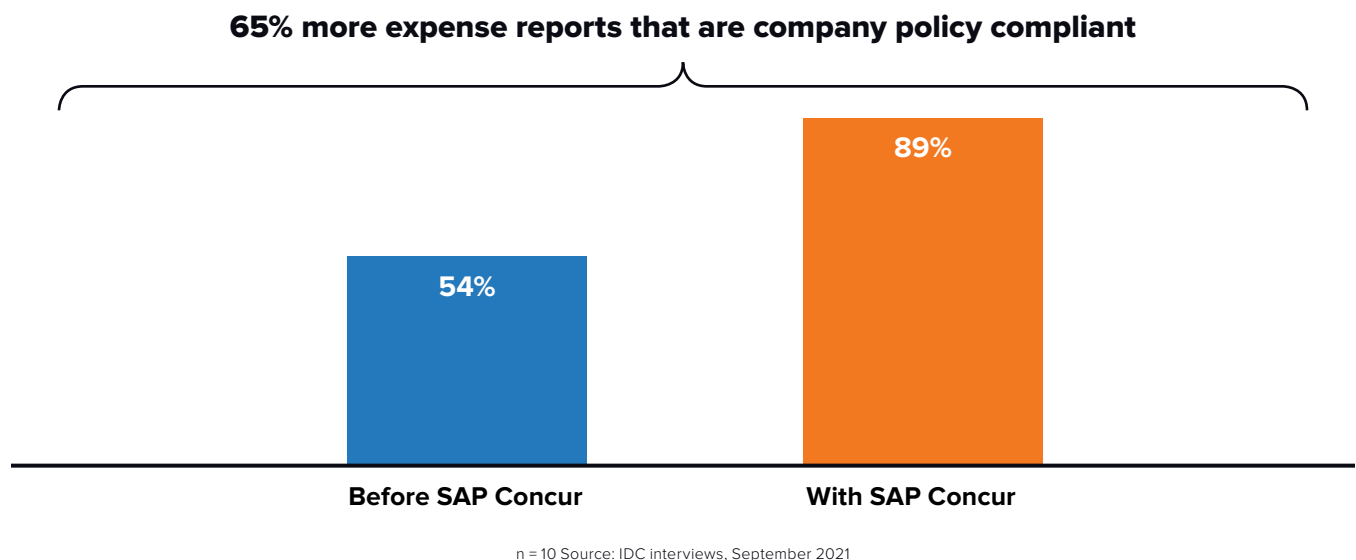## Company Travel and Expense Reporting Impact

(% of employees following company expense report and travel policy)

32% more employees are following company policy

Before SAP Concur	With SAP Concur
68%	90%

n = 10 Source: IDC interviews, September 2021

IDC then drilled down on travel policy impacts and found that more expense reports that flowed into the processing and intake staff were compliant with stated company T&E policies. As shown in **Figure 4**, after adoption, there was a 65% improvement in compliance.
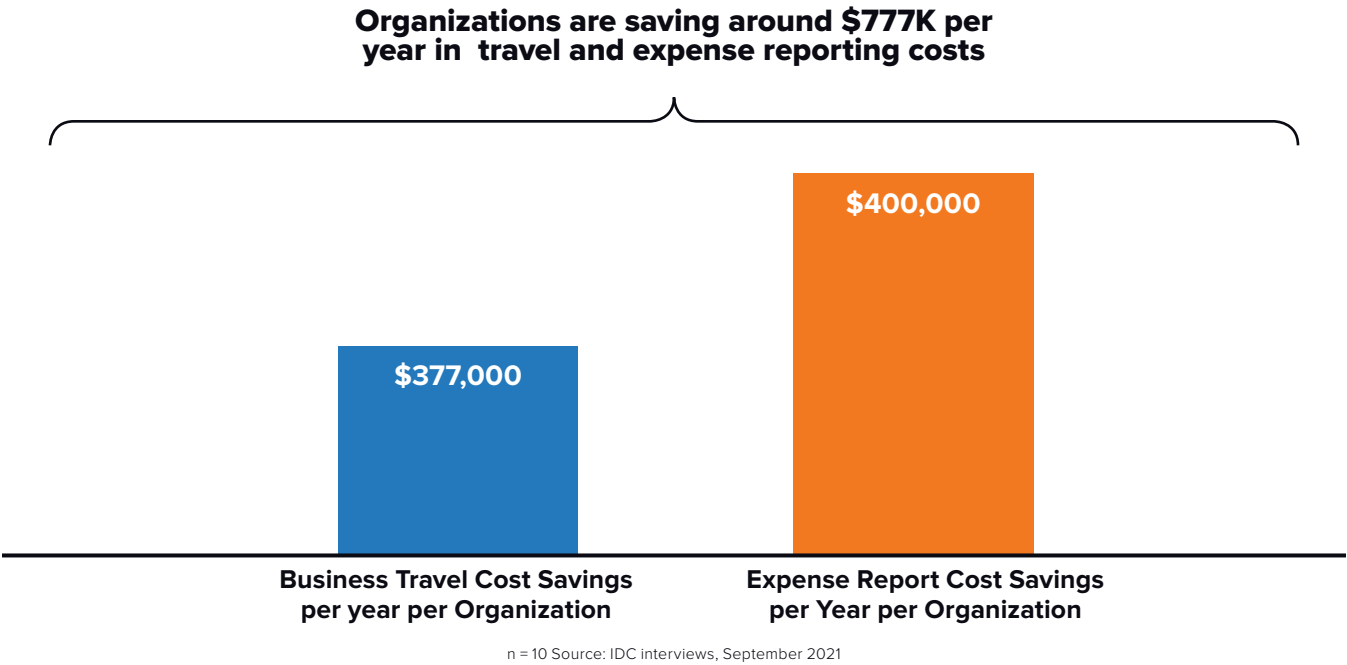
FIGURE 4
Expense Report User Impact

(% of employees following company expense report and travel policy)

65% more expense reports that are company policy compliant

Before SAP Concur	With SAP Concur
54%	89%

n = 10 Source: IDC interviews, September 2021

Interviewed organizations reported that their T&E staff could negotiate better deals with business travel and other partners because they gained a more holistic view of their spending patterns and data. Coupled with savings from benefits previously described, this had strong financial impacts. As shown in **Figure 5**, savings were recognized in two key areas: business travel cost savings and expense report cost savings. Considering both, interviewed organizations are saving around $777,000 annually in travel and expense-related costs with the use of SAP Concur solutions.

Business Travel Cost Impact
(% of savings)

Organizations are saving around $777K per year in travel and expense reporting costs

$400,000

$377,000

Business Travel Cost Savings per year per Organization

Expense Report Cost Savings per Year per Organization

n = 10 Source: IDC interviews, September 2021

IDC then looked at how the adoption and use of SAP Concur solutions impacted auditing processes and interviewed organizations that reported that auditing staff was able to access the information they needed with more agility and speed. IDC quantified these impacts and calculated that interviewed organizations saw a 43% improvement in auditing team productivity **(Table 7)** next page. This amounted to an annual business value of $708,000 per organization.

Auditing Staff Impact

Expense Report Staff Impact	Before SAP Concur	With SAP Concur	Difference	Benefit
Auditing staff impact (FTE equivalent per organization per year)	23.8	14	10	43%
Staff time cost for auditing per year	$1,662,500	$955,000	$708,000	43%

Source: IDC interviews, September 2021

ROI Analysis

Table 8 presents IDC's return-on-investment (ROI) analysis for study participants' use of SAP Concur solutions. IDC projects that interviewed organizations will achieve three-year discounted benefits worth an average of $26.4 million per organization ($107,100 per 100 users) through improved T&E operations and cost savings as described in **Table 8.** These benefits compare with total three-year discounted costs of $3.64 million per organization ($14,700 per 100 users). These levels of benefits and investment costs are projected to result in an average three-year ROI of 628%, with a break-even point occurring in approximately five months.

Three-Year ROI Analysis

ROI Analysis	Per Organization	Per 100 Users
Benefit (discounted)	$26.4 M	$107,100
Investment (discounted)	$3.64 M	$14,700
Net present value (NPV)	$22.9 M	$92,400
ROI (NPV/investment)	628%	628%
Payback (months)	5.3 months	5.3 months
Discount factor	12%	12%

Source: IDC interviews, September 2021

Challenges/Opportunities

Travel and expense applications are evolving rapidly as vendors invest research and development dollars into bolstering, augmenting and, in some cases, redesigning their applications. It is extremely important for buyers to understand how vendors and their solutions are positioned currently, as well as how those vendors and their solutions may be positioned in the next three to five years. It is critical that buyers look for a technology partner that can take them well into the future and meet their anticipated T&E business needs.

Before making purchasing decisions on SaaS and cloud-enabled T&E software, organizations should consider the following:

▶ **Look to innovation:**
When looking for a solution to replace your legacy software solution during this time of uncertainty, look for travel and expense management vendors that continue to announce innovations. As data management becomes even more critical for finance and travel managers, it is increasingly important to look for vendors innovating in the areas of artificial intelligence and machine learning.

▶ **Customer-first approach:**
Ask the vendors what steps they have taken to help their smaller customers or customer in harder hit industries maximize their current investment. Is their payment flexible? Are customer success teams set up to help their customers navigate the complexities related to rewards, vouchers, cancelations, and refunding processes from various travel content providers? Many vendors market themselves as "customer centric"; the stress of the pandemic will reveal those vendors that truly incorporate a customer-centric model.

▶ **Focus on the ecosystem:**
The travel and expense management process is best when it is integrated with other back-end systems like accounts payable, CRM, and ERP. The connection allows data to flow quickly and securely between these back-end systems, giving the user the real-time access to information needed to make better decisions. Organizations must look for vendors that are aggressively building out their partner ecosystem to include other related enterprise applications. Specifically, it is essential for vendors to utilize APIs to create prebuilt integrations that streamline the data flow between systems.

▶ **Improve employee experience:**
Finance teams must juggle policy management and controls with the employee experience. It can be a difficult proposition. Yet, with the right tools in place, T&E management may be able to offer faster reimbursement, faster trip approvals, and even the elimination of the expense report altogether. Movement in this direction will positively impact both employee satisfaction and productivity.

▶ **Insights over data:**
Organizations are more focused than ever on the bottom line. Controllers will need the ability to dive into the data and derive the insights needed to plot a successful strategy amid this uncertainty. Organizations when considering a travel and expense management solution, must strongly consider those vendors that have made deep investments in analytics and reporting functionality that will facilitate the necessary insights.

▶ **Guidance through the storm:**
Business travel is in a constant state of flux and many users turn to their software provider for guidance during uncertainty. As such, it is important to look for vendors that continuously provide guidance via online training resources, virtual training/consulting sessions, and data/ resources regarding industry best practices to help optimize your T&E program performance. Further, look for vendors with a strong global community of customer user groups that will bring more value to your investment by connecting you with peers in the T&E community.

Conclusion

The role of data at organizations has expanded from primarily data management and analysis provisioning to more strategic value generation through improved enterprise intelligence. This transition has occurred as organizations realize that they must generate business value through their operational data, especially to support business decisions and strategies. This is often easier said than done; growing volumes of distributed, diverse, and dynamic data challenge almost any organization to make sense of data, let alone to use it proactively and intelligently to drive business operations. manage travel and employee spend while providing a cutting-edge employee experience.

Appendix: Methodology

IDC's standard business value/ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using SAP Concur solutions as the foundation for the model.

Based on interviews with organizations using SAP Concur solutions, IDC performed a three-step process to calculate the ROI and payback period:

1. **Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of using SAP Concur solutions.** In this study, the benefits included staff time efficiencies, development productivity gains, reduced costs associated with risk, and higher revenue.

2. **Created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using SAP Concur solutions and can include additional costs related to migrations, planning, consulting, and staff or user training.

3. **Calculated the ROI and payback period. IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of SAP Concur solutions over a three-year period.** ROI is the ratio of the net present value (NPV) and the discounted

investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

▶ Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).

▶ The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

▶ Because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

About the Analysts

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As a research director, Kevin M. Permenter provides insights and analysis across multiple Fintech market segments including accounting, revenue management, corporate tax, accounts payable, accounts receivable, treasury and enterprise payment management. Kevin leads qualitative research efforts which drive a series of technology buyer-focused documents including Marketscapes, buyer perspectives, Peerscapes and end-user surveys. He also leads several quantitative research efforts within financial applications that feed key technology supplier-focused documents like Market Shares, Market Forecast, Market Glance, Market Analysis Perspectives. Kevin's research includes a particular emphasis on the interplay, challenges, and trends driving financial application deployment and its role in the evolution of the complex financial technology ecosystem.

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