

Where Do We Go from Here?

Insights from SAP® Concur® Solutions
2021 Travel and Expense Trends Webinar

THE BEST RUN



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Travel and Expense **is about to get simpler, safer, better, and easier to manage.**



When businesses look at travel in terms of reinvention, not merely resilience, the tools they use to travel will continue to improve. It won't be a quick trip however – it's going to take a little work.

- **It's going to take some convincing to assure travelers it's safe** to get back out on the road, in the air, and on the rails – that they won't get sick or bring infection back home to their families. All while balancing the risks and costs of travel for the company.
- **It's going to take a literal doubling-down on sustainable practices** to satisfy employees', customers', and corporate expectations, and companies that think last year's commitments are good enough are going to find out how much more they have to do.
- **It's going to take tools and technologies** that focus on the unique and complex rules, regulations, and tax requirements of the countries in which you do business.
- **And it will require the power of the cloud** to oversee it all.

Four trends to look for in 2021.

To see what this is all going to look like, let's take a peek at these four key trends that will drive positive change in 2021 – plus best practices and “quick wins” that will help you improve your T&E program.

#1

2021 ushers in the era of responsible travel, and businesses raise the bar on health and safety awareness.

#2

Sustainability is table stakes.

#3

Thanks to AI, cloud-based tools accelerate the ability to draw insights from unstructured data.

#4

The pressure is rising on compliance, government regulations, and taxes.

Speakers:

K G Subramanyam,
Global Vice President,
Enterprise Platforms,
NielsenIQ

Nari Narvani, GTP
Global Travel,
Expense & Card Manager,
PACCAR Inc

Crystal Schoenhals,
Manager, People Advisory Services,
Ernst & Young LLP

Facilitator: **Ralph Colunga,**
Thought Leadership,
SAP Concur

TREND #1

2021 ushers in the era of responsible travel, and businesses raise the bar on health and safety awareness.

It's already started on the sales floor. And in the C-suite. And at the hands of essential workers who simply cannot do their jobs without traveling. They're the early travel adopters, and they're already boarding the planes and trains that will bring businesses back together – but they will and do have demands for a new level of safety.

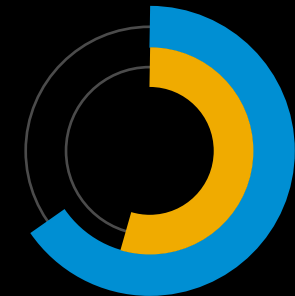
Travel providers, too – from hotels and airlines to ridesharing services – are establishing health and safety protocols and, in some instances, requiring travelers to disclose their COVID-19 status. In many cases, this includes rapid testing right at the gate and/or proof of vaccination.

Companies themselves will require employees to comply with government guidelines – such as mask mandates as well as quarantine requirements before and after trips – and will need to create a resource center to share this critical information.

These travel experiences will be watched closely and measured intently to gauge infection rates, and by mid- to late-year, lower rates will encourage the return to travel at large.



55% of global employees say their top concern about business travel is infecting their families.



65% of business travelers place personal health and safety while traveling in their top three considerations.

Source: Global Business Traveler Report, 2020

Here's what you can do:

Set the kind of expectations for safety, security, and wellness that *you'd* want to see when traveling, in order to restore confidence and overall morale. Also, work to educate employees and the travel community as a whole, regarding safer travel practices and wise health precautionary measures, while preparing to quantify the value of travel to the business.

Quick wins and best practices:

1. Provide continually updated health and safety information regarding travel to specific countries.
2. Keep travel voluntary, if possible, and provide alternative means for conducting business until the pandemic truly subsides.
3. Give travelers the necessary flexibility to make business choices on the road, as dynamics and regulations change quickly.
4. Align with your partners across the organization to demonstrate the value of business travel.



36% of travel managers expect enhanced duty of care solutions/services to be implemented near term, and **35%** expect new/revised duty of care policies long term.

Source: Global Travel Manager Report, 2020



TREND #2

Sustainability is table stakes.

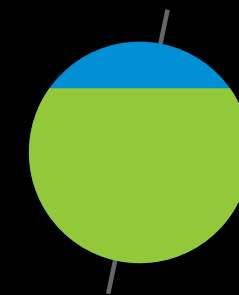
While health and safety are and will remain key concerns for business travelers, these aren't the only measures of responsible travel that will bring mass travel back.

Recent environmental research shows that companies are using the lull in travel to enhance or add environmentally sustainable practices to their corporate travel programs.

Sustainable aviation fuel, for example, helps reduce pollution on commercial flights, and companies are purchasing it for routes most frequented by their employees. This helps travelers feel more comfortable and encouraged about the return to the skies. But it's just the beginning.

As business starts moving again, corporate travel programs will place a greater focus on sustainability by:

- Using messaging and alerts to direct travelers to the most responsible decisions and show when a greener mode of transportation is available.
- Equipping travelers to track their air travel carbon emissions as well as provide ideas on how to reduce or offset that impact.
- Use reporting to set, track, and manage sustainability goals – delivering monthly, quarterly, and annual reviews on carbon emissions as well as the insight to analyze emissions by employee, department, route, country, or any other category.



80% of business travelers would be more inclined to work for a company that builds sustainability into its corporate policy.

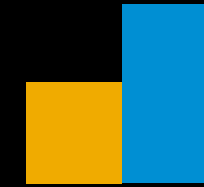
Source: Corporate Travel Sustainability Index

Here's what you can do:

Clarify your company's sustainability goals and make sure leadership supports them – holding themselves, employees, and the company accountable. Configure your travel solution to give travelers the information they need to make the best decisions and give you the reporting horsepower to track, trend, and trim it all. You should also make sure your organization is aligned with a legitimate carbon-offset company, and not one that does the bare minimums and focuses primarily on profit.

Quick wins and best practices:

1. Get involved as an individual with your sustainability team and commit to making more sustainable travel choices.
2. Simplify sustainability by creating a “top 10” list of easy things employees can do to help.
3. Identify existing processes and policies that could become roadblocks to sustainability success.



31% of business are willing to invest 11-20% in a more sustainable travel program.

53% of travel decision makers believe it's critical to be able to see options for sustainable travel when approving travel services.

Source: Corporate Travel Sustainability Index



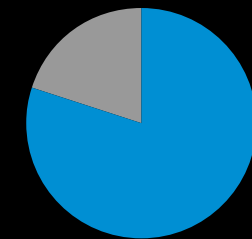
TREND #3

**Thanks to AI,
cloud-based tools
accelerate the
ability to draw
insights from
unstructured data.**

Technology advancements typically do not slow down. Case in point, even as everything else was put on pause last year, transformation continued and, in fact, redoubled.

Many companies were in the early and mid-stages of digital transformation when the pandemic struck, but they were able to adapt and speed up their transitions in the face of unprecedented global disruption.

The disruption gave companies the opportunity to re-evaluate if and what cloud solutions or other services were being utilized for their travel and expense programs. Many are re-engineering now, so they have more control over their costs moving forward. Some invested their cloud dollars in a new integrated travel and expense solution while others expanded upon their current one to improve employee productivity or compliance.



80% of enterprises will shift to cloud technology – that's twice as fast as before the pandemic.

Source: IDC Top 10 predictions for IT industry for 2021, IDC, 2021

Here's what you can do:

Position any additional resources needed to close gaps in your travel, expense, and invoice areas as a cloud or AI initiative.

Quick wins and best practices:

1. Pool data across all your spend channels with repeatable processes and workflows, using AI to get reliable, consistent data.
2. Lean on AI and machine learning to manage spending in near real time, helping improve budget management and compliance.
3. Identify if there are any cloud dollars available to refine and improve your travel and expense program.

"Spend management is already key on the CFO agenda and with the availability of tools and adoption of cloud it has become much easier to crunch numbers and use that to make key decisions or shape the travel and expense policy."

K G Subramanyam,
Global Vice President, Enterprise Platforms,
NielsenIQ

TREND #4

The pressure is rising on compliance, government regulations, and taxes.

If 2020 goes down as the “year of resilience,” 2021 could well be known as the “year of compliance,” specifically in the area of potential taxes for companies.

The work-from-anywhere workforce, for example, has opened the door to new challenges and uncertainties for businesses. And businesses aren’t sure how to handle the new risks of fraud; growing compliance pressures; and new taxes that may be imposed by states, provinces, and countries within this new remote-working norm.

States may also seek new ways to make up budget deficits, such as broadening their tax base, going after unregistered remote sellers, cracking down on consumer-use taxes, and even taxing COVID-19 surcharges.

Additionally, the pandemic has created highly complex cross-border regulatory and tax risks, causing immigration and mobility teams to work closely together to address a host of new challenges.

It’s also predicted that tens of billions of dollars in potential Value-Added Tax (VAT) refunds could get left on the table – with \$10 billion being claimed incorrectly, leaving companies open to severe penalties.



90% of respondents in an ACFE Benchmarking Report expect to see an increase in fraud over the next 12 months.

38% said they expect at least some increase in the investment into anti-fraud technology.

Source: ACFE Covid Report

Here's what you can do:

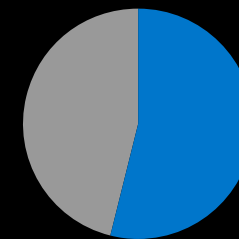
Gain and maintain an understanding of the changing laws and tax regulations being implemented by states and countries, and study risks they pose to employees and travelers. Consider working with a third-party solution that can manage employee-related tax issues and work within your T&E system.

Quick wins and best practices:

1. Bring T&E management together with finance and tax teams to assess the potential tax risks of employing a distributed workforce.
2. Educate your workforce about the possible tax implications of working in various locations.
3. Remember VAT and GST reclaim taxes, as they can mean as much as 27% return on your spend.

"I sat at the table with leadership, internal tax team, and others to develop a better solution to reclaim VAT. We've been able to bring back thousands of dollars to the business as a result of our efforts. I encourage others to do this, it's a win win, especially when you can pull data so easily out of SAP Concur!"

Nari Narvani, GTP
Global Travel, Expense & Card Manager
PACCAR Inc



54% eligible
VAT goes unclaimed.

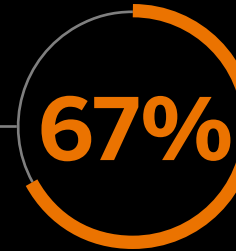
Source: Connecting the Dots on Travel,
Expense and Invoice Spend, Vanson Bourne



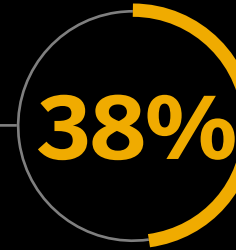


Responsible Travel Takes the Lead

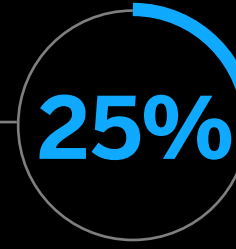
Attendees of the webinar (your fellow travel and expense leaders) were asked which trends are driving decisions within their company, and **here's what they said.**



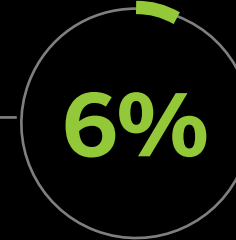
The era of responsible travel.



Compliance pressure is on the rise.



Sustainability is table stakes.



Cloud-based tools accelerate insight.

SAP would like to thank our partners BCD and Ernst & Young for their participation in this event.



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