

How to Transform Your Program for the Evolution of Business Travel

From our Achieving Outcomes series

Introduction

When will business travel return to normal? That's been the ubiquitous question of the past few years, spawning myriad discussions, predictions, and PowerPoint presentations alike.

The good news is, we finally have a definitive answer.

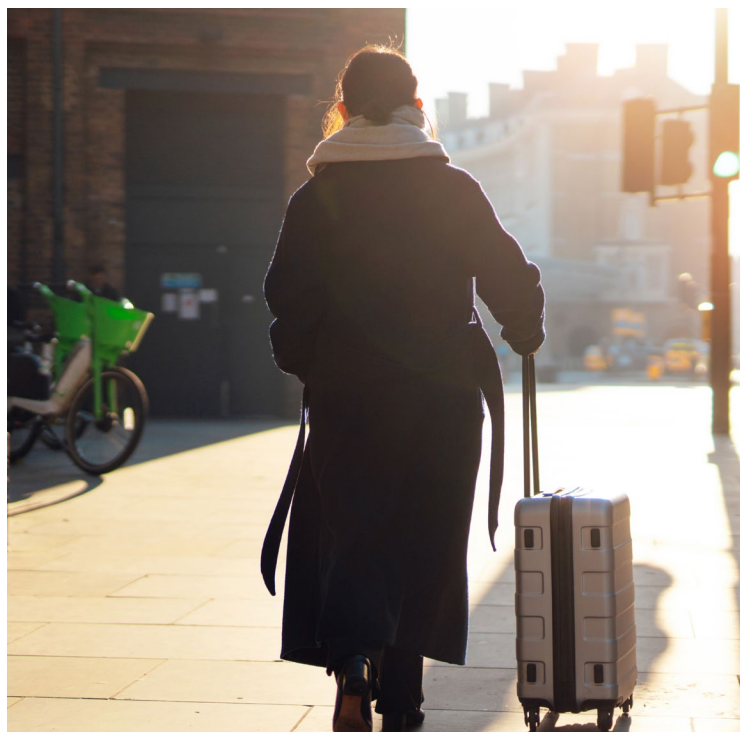
"Never."

"There is no normal anymore. The evolution is the normality," said Jeanne Dion, Vice President of the Value Experience team for SAP Concur. "We've always tended to look at travel through the lens of 'previous,' and, we just can't do that anymore. We're not going back to a particular time or place. We're moving forward, and we need to adapt to that."

That means organizations can no longer rely on the same travel programs, the same policies, and the same processes they've had in place year after year, because the entire landscape has fundamentally changed.

"It's the perfect time to reimagine how business travels," Dion said. "To make it more personal, more flexible, and more aligned with business objectives. We should be thinking more strategically and less tactically, because, in this dynamic environment, travel managers have to think beyond just controlling costs."

This paper explores the trends, opportunities, and strategies to consider as you embark on your journey to evolve your travel program.



A New Generation of Business Traveler

Today's business world is on the verge of a changing of the guard. Baby boomers are retiring, Millennials are moving into leadership roles, and Gen Zs (born between 1997-2012) are entering the workforce in growing numbers, projected to account for 30% of the U.S. civilian labor force by 2030.¹

"We're experiencing what I would describe as one of the greatest paradigm shifts we've seen in the travel and service industry, and it is a generational one," said Ralph Colunga, Thought Leader, Travel and Expense Technology Solutions, for SAP Concur. "This is going to require a modernization of the T&E (travel and expense) mindset, to not only meet current employee experience expectations with the paradigm shift we're in, but also the new ones of the coming generations."

Those new, Gen Z expectations take many forms, including: large, so they adopt a posture of, 'Don't fix it if it's not broken,'" said Grace Swain, Senior Consultant for TCG Consulting. "They don't realize that not being automated is a form of being broken."

Technology

Although Millennials were reared on technology, they weren't completely absorbed in it, as they were born before social media's prevalence. Because digital technology wasn't yet mainstream, they had to navigate their way between the digital and analog worlds.

Gen Zs, on the other hand, were immersed in this technology from day one. They expect workplace technology to function as effectively as consumer


technology, be mobile, and are willing to push back if those expectations aren't met. Some Gen Zers may accept or reject job offers based on the technology tools the employer offers.²

Sustainability and DEI

Gen Zs are crusaders for sustainability, across the entire environmental, societal, and governance (ESG) spectrum. This is a group of employees who have grown up with the knowledge that there problems that need to be solved around climate change, diversity and inclusion, and how organizations work. And, they're willing to fight for those resolutions.

They want the option to stay at eco-friendly hotels, rent electric cars and choose flights that offer the lowest carbon footprint. They want to work for a company that is actively and visibly taking steps to protect the environment. They more exponentially care about issues such as fair pay, hiring, and promotion practices, as well as caring for employees mental and physical well-being – including travelers.

While Gen Z isn't the first generation to care about these issues, this generation actively chooses the companies they buy from, support and work for, based on this criteria.



Gen Z will account for 30% of the U.S. civilian workforce by 2030.¹

Customization and Personalization

The Gen Z traveler also wants a more customized, personalized experience.

“We have to make travel a little more personal, a little more flexible, and give more control and choice to the traveler,” Dion said.

For example, organizations can use employee travel profiles to provide custom dining recommendations, or list loyalty options and amenities at different properties, based on what’s important to that traveler.

It’s also important to give today’s travelers choices, so they can structure their own trip within your corporate guidelines. That could mean allowing employees to choose between a hotel and a VRBO-type property when booking their travel, opt for different types of ground transportation, or add day passes to gyms or airport lounges.

“Travel managers have to move away from the old ‘command and control’ mentality to that of employee empowerment and choice enablement for this generation,” Colunga said.

Learn how the next generation of business travelers are rewriting the rules. [Listen to the podcast.](#)



The New Standard for Duty of Care

Although organizations have long been concerned with traveler safety, today, those duty of care standards have expanded and evolved. It's no longer just about protecting travelers in the event of a natural disaster, but ensuring their individual well-being and mental health in an increasingly turbulent world.

"We've always thought of duty of care from aspect of safety, looking to see if a hurricane was coming or how to help someone who gets sick abroad. But, as we look at the lens of travel now, through equality, diversity, and inclusion, it becomes a much bigger process, with more considerations," Dion said.

For example:

- **The remote work model** has positively impacted individuals with disabilities. In 2021, 19.1% of persons who had some type of disability were employed, versus 17.9% in 2020, with unemployment rates for this group declining by 10.1%.³ An employee in a wheelchair may not be able to fly in basic economy, stay at a three-story hotel without elevators, or use traditional ground transportation options.
- **A more diverse workforce** means more diverse travelers, facing new types of risks. For example, there are currently 64 countries in the world that criminalize LGBTQ+ activities.⁴ Hate crimes against certain marginalized ethnic or religious groups are on the rise, both domestically and abroad. As a result, duty of care now includes a responsibility

to vet and assess destinations based on the risks they pose to these travelers.

- According to a Global Business Travel Association survey, **more than 83% of women** surveyed said they had **experienced one or more safety concerns or incidents** traveling for their company that past year, with 71% believing they face a greater risk on the road than their male counterparts.⁵ Although 68% of those surveyed think their companies should have policies that specifically address the needs of female business travelers, only 18% of companies have these policies in place.⁶

"Instead of focusing on the lowest cost to travel, organizations are going to have to start loosening purse strings a bit," said Oren Geshuri, Senior Manager at Deloitte. "Systematically, we need to reframe that conversation and say, to really be an inclusive travel program, we have to open that up. We have to consider the safety of the neighborhood, the location of the office, as well as other factors that could impact the employees' mental stress around travel."

What is duty of care?

An organization's obligation to ensure the safety and well-being of travelers doing work on behalf of that organization.

It's also important give your employees the information they need to make informed travel decisions.

"It's critical for employers to proactively provide information to help their employees assess risk, including how specific countries handle accessibility or what their thoughts and morays are around different things," Geshuri said.

"Just arming them with the tools, whether that information comes from the State Department website or your own internal resources, so they can assess risk and feel comfortable with the travel — or not — goes a long way."



Learn how protecting your travelers protects your bottom line.

[Listen to the podcast.](#)



The Democratization of the Travel Policy

Although traveler demographics, safety concerns, as well as accommodations and ground transportation options have dramatically changed over the years, some travel policies simply haven't kept up.

"When I ask certain clients or people at conferences, 'when was the last time you dusted off your travel policy,' most will say 'last year' or 'the year before,'" Geshuri said. "But, when I ask them, 'when was the last time you rewrote your entire policy from the ground up,' most say they've been modifying the same policy they've had in place for the past 20 years."

According to Geshuri, those old school policies are inherently non-inclusive, with some giving better benefits to different management levels. Most were written in silos, dictated by a small panel of people, with little — if any — input from the employee population that must comply with its contents.

"It is absolutely in the best interest of the organization to bring in the voice of the employee," Geshuri said.

Make the time to set up focus groups with all types of travelers, of all demographics, not just your power travelers. Listen to their experiences on the road, and policy changes and tools you could provide to help them have a better experience and a better state of mind when they're traveling on your organization's behalf.

"In the past, travel policies were largely tied to cost measures. You can't have a black car, you can't be in business class, you can't order room service or eat from the mini bar," Dion said. "But, that approach is actually costing you — in retention, recruitment, and job satisfaction."

The statistics back this up.

According to new research from SAP Concur and Wakefield, more than two-thirds of global business travelers believe business travel is critical to their careers, with a higher percentage of younger generations giving more it more weight (Gen Z: 72%, Millennial, 68%, Gen X: 64%, Boomer: 58%). Despite this, around 2 in 3 (66%) feel they haven't had an equal opportunity to take business trips compared to their colleagues.⁷

The survey also highlighted the tension between cost cutting and employees' flexibility expectations. Travelers are becoming increasingly frustrated by losing out on personal time and critical career connections, nearly 91% of travelers seen their company pull back on allowing certain options in the past 12 months, including blended business and leisure travel.⁷

So, when rebuilding your travel policy, you simply can't afford to focus on cost over value.

“A few years ago, the great thought leader in the travel area, Scott Gillespie, talked about the “total cost of travel,” which is balancing the cost of travel against the overall well-being of the traveler,” Geshuri said.

that allows all of those individuals to be safe and secure. Make your company a true leader in advancing the agenda of all of your employees.”

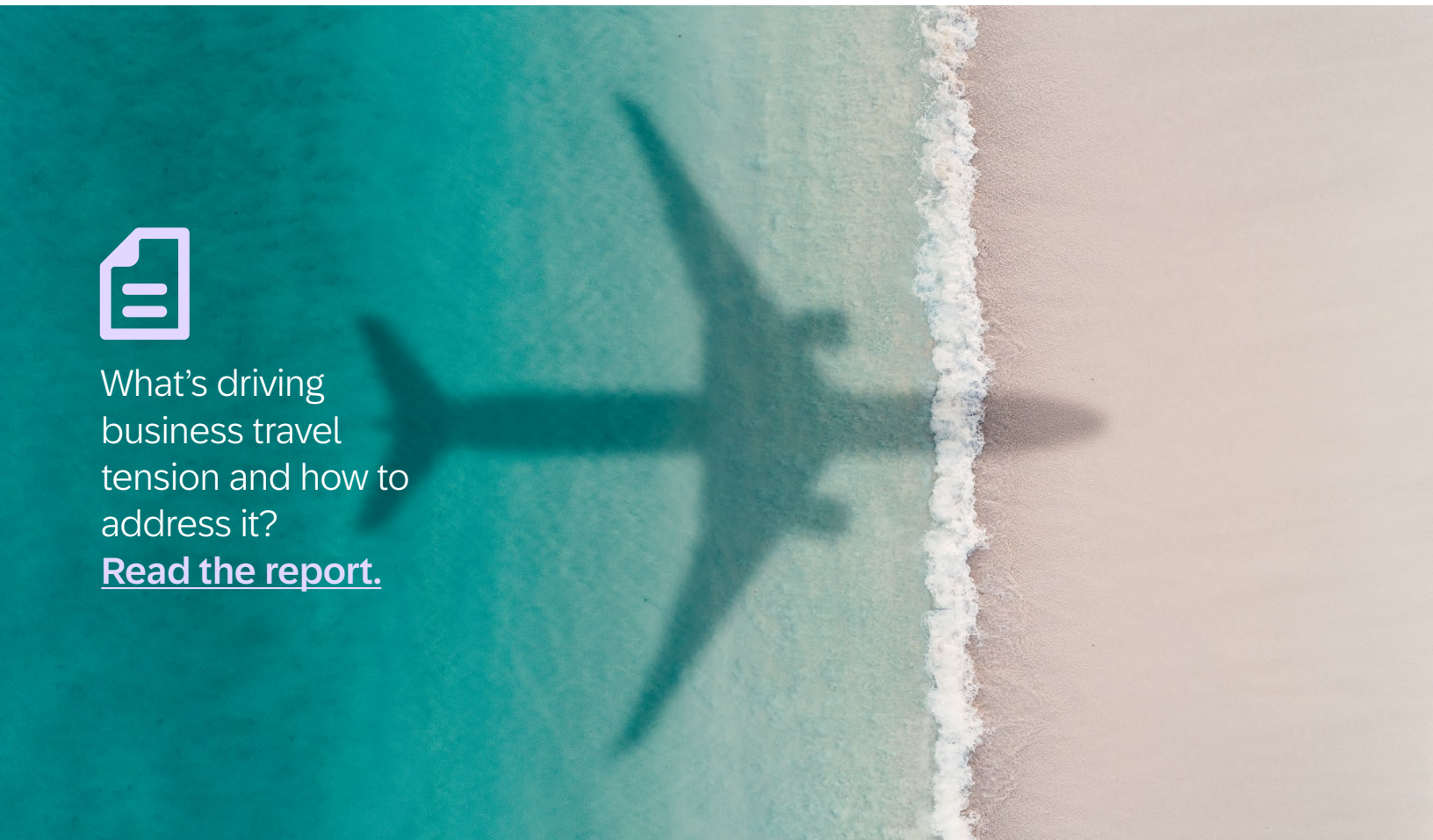
“I would implore travel managers to take a moment and imagine yourself in the shoes of the different types of travelers they support, and create a program

91% of business travelers have seen their company pull back on flexible travel options the last 12 months.⁷



What's driving
business travel
tension and how to
address it?

[Read the report.](#)



8 TIPS FOR CREATING A BEST-IN-CLASS TRAVEL POLICY

In an SAP Concur podcast, Jeff Saydah and Ben Claxton of Fox World Travel shared this advice for organizations that are creating or revising their travel policies:

1

Identify the key constituents of your policy. Who are your travelers? Where are they traveling? Why and how often are they traveling?

5

Introduce big changes incrementally. Don't try to do everything at once.

2

Keep it simple. If a policy is complex, it is difficult to follow, to monitor, and to enforce.

6

Make your policy reflective of your company's culture.

3

Have a clear statement of purpose — the explanation of “why” you're doing things the way you're doing them.

7

Remember that your policy is iterative, and should be reviewed once or twice a year. Or, as Claxton said, “It's not a rotisserie chicken.”

4

If you have specific goals for the policy (for example, reduce carbon footprint, reduce tickets purchased inside of 8 days), benchmark where you are today and use your data to measure your progress.

8

Create a feedback loop with your travelers, so you know what's working and what's not working, and use that input — and your data — to refine as you go.



Need some ideas?
[Travel Policy Template](#)

Kickstart your
eco-strategy.
[Sustainability Template](#)



Using Your Data to Drive Value and Optimize Bookings

In today's rapidly evolving travel landscape, leveraging data, analytics, and reporting is crucial for identifying patterns and opportunities to enhance your travel program's efficiency and value.

For instance, consider a scenario where all travelers adhere to a \$65 daily meal allowance, except for a specific group visiting high-cost cities like New York, Tokyo, and London. By analyzing your data, you can identify this discrepancy and adjust your policy to increase the meal allowance for travel to these expensive destinations, ensuring your travelers are adequately supported.

"Review the types of charges appearing on your hotel bills, such as parking, Wi-Fi, or laundry services, and check if you're incurring recreation or site fees at frequently used properties," advised Dion. "Use this data in your next negotiation to reduce or eliminate these costs."

Equally important is assessing how many travelers are booking outside your preferred online booking tool. Where in the past, to manage travel effectively travel managers took a more hard stance on travel being booked only within the corporate booking tool, more progressive travel managers are considering programs such as BYO (build your own), which allows for more flexibility and use of technology.

"I think it's imperative on every travel manager out there, if you are wanting to take a holistic approach to managing travel and meetings expenditure in your

organization, you need to make sure that somehow you are capturing spend via all sorts of channels, that you have the ability to analyze that spend in order to be able to take action across your policy or the types of products and services that you contract with or you want to promote within your travel program", says Paul Tilstone, former Managing Partner for FESTIVE ROAD.



With technology enabling connectivity among business travel players, travel programs can access a wider variety of content and corral more useful data. While multi-channel offerings aren't exactly new, increasing sophistication of technology in areas like custom APIs has made more travel content available than ever before. Integrating technology to capture supplier direct bookings and enable NDC (New Distribution Capability) connections (which enhances the travel booking experience by enabling more personalized offers, such as seat upgrades, and dynamic pricing directly from airlines connections) can allow organizations to create a data-rich program that captures bookings wherever they occur. It also allows travelers who are accustomed to the consumer experience in their personal lives want that level of user experience in whatever corporate travel tool they're using.

"As more and more of the younger workforce becomes the core of the workforce, they're used to being able to have everything accessible in the way that they want it. I really think that the days of being able to say, "You will book the channel I tell you, the airline I tell you, at the time that I tell you, or you're not going to get reimbursed [are over]." I think there's very few companies that can still get away with doing that, ads Charlie Sultan, President of Concur Travel.

So I think it is imperative for all of us to figure out how do we get the right data so that your travel manager can still administer policy, they can still get their discounts, they can still make sure that they're adhering to their duty of care, and at the end so that they have all of the data that they need to make the decisions and to do their job properly."

Failure to adapt to NDC and technology-forward solutions can lead to significant drawbacks. Without the ability to capture bookings occurring across multiple channels, your organization may lack visibility into the full spectrum of available fares and offers, leading to missed savings opportunities and less effective negotiations. By embracing multi-channel and supplier-direct bookings and harnessing the power of data, organizations can optimize travel spend, enhance negotiating power, and make strategic decisions that drive value and reduce waste.

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Charlie Sultan, President, Concur Travel

Simplify, Streamline, and Automate

Having the right technology in place is key to having a travel program that supports the organization's overall corporate goals and objectives — one that delivers an excellent experience, oversight, and efficiency in every part of the process.

That means supporting travelers on the front end with a mobile tool that lets them book or change flights, or choose their hotels, within policy guidelines, and includes pre-built policy compliance alerts to prevent non-compliant spend.

It means having a solution that automatically reconciles expense receipts with expenses, so managers, as well as the processors on the backend, only look at exceptions, and don't need to waste valuable time culling through every receipt and expense report.

The solution also must be flexible enough to support each organization's unique needs and agile enough to adjust to changing priorities and corporate objectives.

"It's not enough to have spend visibility anymore. Everything is connected," Dion said. "Digital transformation is making it so every program within the organization is tied to corporate goals and objectives. So, if you can build that bridge; when you can tie your corporate objectives to your travelers' objectives, you are always going to be successful."

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Jeanne Dion, VP Value Experience, SAP Concur

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Realize Transformation is a Journey, Not a Destination

No matter how well your new travel policy is working, or how relevant it is to your travelers' needs today, you can't just set it and walk away.

Continue to study your data, collect traveler feedback, and refine your program and policy as

needs and company objectives evolve.

"You have to look at travel as a continuous improvement process, because there is no normal anymore," Dion said. "The only thing that's normal is change."



For more information on how SAP Concur can help you reinvent and streamline your travel program with continuing innovation, [visit us online](#) or contact your Account Executive.



SOURCES:

¹ SAP Concur, [Preparing for Gen Z and Gen Alpha: How Younger Generations Will Change Business Travel and Expense Management](#), 2023

² <https://www.forbes.com/sites/servicenow/2022/11/15/when-it-comes-to-tech-gen-z-workers-have-issues/?sh=76ec5f344b03>

³ <https://www.bls.gov/news.release/pdf/disabl.pdf>

⁴ <https://www.statista.com/statistics/1227390/number-of-countries-that-criminalize-homosexuality/>

⁵⁻⁶ <https://www.gbta.org/podcast-a-global-view-of-female-business-traveler-safety-episode-2/>

⁷ [Global Business Traveler Survey](#), SAP Concur and Wakefield Research, June 2024

Learn more at concur.co.in

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