Global Expansion
Best Practices

Within the Life Sciences Industry

THE BEST RUN **SAP**

Introduction

The landscape for Life Sciences organizations is increasingly becoming global, including the way we interact every day with customers and supply chains – and even employees in our own organization –all over the world.

Organizations continue to increase their global footprints as they look to new horizons. And while the opportunities and rewards through expansion are numerous; so are the associated risks. Is your organization prepared with the right policies, systems, connected data, ability to monitor costs and support infrastructure to enable growth? From the variance in region specific regulations, legal and compliance, tax laws, language support and your duty of care obligations for your employees and travelers –when Life Sciences organizations make the decision to go global, everything gets more complex.

Whether you are looking to expand your travel program globally to new office locations, or are already global and looking to streamline your travel and spend management (T&E) process to make it more scalable, there are many benefits to thinking holistically about your T&E solution on a global level.

In this report, we will examine some of the key challenges that come from the evolution of the global business landscape, discuss some of the benefits of a holistic global solution for T&E management and give you some **best practices for a successful global T&E management program that can grow with your Life Sciences organization.**

> *The advantages of global consolidation for T&E are quite clear. On the one hand, you have cost savings. And on another, you get more efficiency from harmonized, standard processes. But you also get better visibility through uniform reporting.*
>
> *- Global Process Owner, Bayer*

Three Challenges of Going Global

Let's examine pitfalls and barriers-to-entry that must be evaluated and considered before making the leap to expand in an ever-evolving industry.

1.   Inefficient Processes

If you are already global, you may think that it's simply easier to keep all your legacy systems in place because after all, everything is working fine. In addition, your IT teams don't have the time to implement a new solution, adapt it globally and implement a change management plan for end users.

The truth is, **all these legacy systems are costing you time.** With multiple data sources and systems in play, your people are spending valuable time consolidating, normalizing and formatting the data to try to make sense of where the spend is going. Consequently, this is keeping you from strategic initiatives focused on growing your organization.

Multiple processes can also be confusing and time consuming for your end users. If they don't know who to reach out to for T&E support, expense report submissions could be delayed meaning less visibility for you. Creating one streamlined process and consolidating support localized for the employee will make it easier for your end users and get you the data you need faster.

At this point you may be thinking, "But my IT teams don't have time for complex rollouts and the work it takes is not worth the investment." By moving to a singular spend management solution globally and by partnering with a provider that works alongside your expert team, you can ensure best practices from global templates and policies, requirements gathering for regulatory nuances and localization are used at every turn, **alleviating time spent for your IT team.**

2.   Poor Visibility into Data and Spend

Disconnected systems can cause headaches in a variety of ways:

Your global locations more than likely have different policies, vendors and partners which means to understand where spend is happening, finance and accounting teams end up being "enforcers"— chasing down receipts, invoices and employees who book travel or make purchases outside of policy.

Department and budget managers would **rather focus on what the budget can deliver.** Instead, they end up deliberating over where the budget is going.

Travel managers don't have the insight that they need into spend with global suppliers to negotiate the best rates, therefore, are left in the dark. Not only that, but going global undoubtedly means more overseas travel for your people.
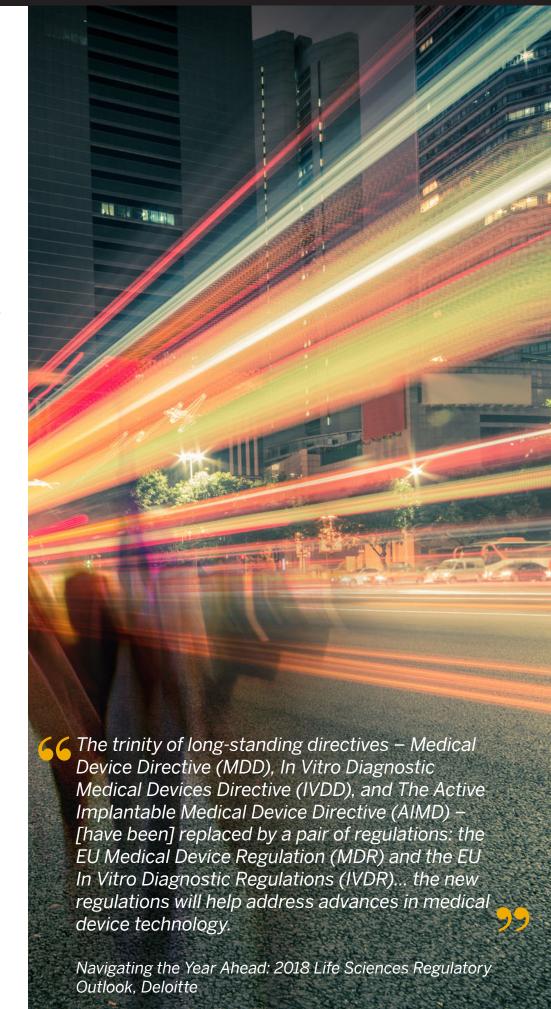
If you don't have a consolidated system you could be losing visibility into where your travelers are, **making it difficult to communicate with them in the event of an emergency.**

At the end of the day, adapting a single technology platform to manage your T&E globally can help you look at spend, processes and policies holistically— improving productivity and sharing consistent data. Leveraging data will help your Life Sciences organization plan for expansion, and utilizing a single technology will pave the way for growth.

> *The trinity of long-standing directives – Medical Device Directive (MDD), In Vitro Diagnostic Medical Devices Directive (IVDD), and The Active Implantable Medical Device Directive (AIMD) – [have been] replaced by a pair of regulations: the EU Medical Device Regulation (MDR) and the EU In Vitro Diagnostic Regulations (IVDR)... the new regulations will help address advances in medical device technology.*

Navigating the Year Ahead: 2018 Life Sciences Regulatory Outlook, Deloitte

3.   Exposure to Potential Risks

When Life Sciences organizations decide to expand their operations, or enter an entirely new market, they could be exposing themselves to potential risks. Each country has its own economic and social climate, and unique set of risks and rewards. To mitigate as much risk as possible, it's important to consider the following:

Regulatory risks. It is a well-known fact that the Life Sciences industry is very regulated, therefore, the costs of non-compliance, including permit processes, possible Foreign Corrupt Practices Act (FCPA) violations, GDPR violations, and regulations around Open Payments/Sunshine Act are unpredictable and business laws might not be clearly defined or consistently enforced in certain markets. In addition, each country has its own set of complex tax laws and HCP region-specific regulations which if not abided by, could result in a considerable monetary loss for your organization due to missed VAT reclaim or large fines. Consider how much time and money could be spent for your teams to evaluate compliance with these individual laws. Would you feel confident that your organization was compliant?

Policy and compliance risks. Your regions around the world likely have different expense and travel policies which can make managing policy across borders complicated. When employees and HCPs accidentally violate the rules, or worse, commit outright fraud, the cost can be substantial. To prevent issues, Life Sciences organizations need to make it easy for employees to make compliant transactions and implement best practices to spot problems before they arise. Streamlining your global travel and expense program can help centralize your data and ensure local audit and policy rules are built in which makes it easier to spot potential fraud before it becomes a larger problem.

Duty of care risks. According to the Global Business Travel Association (GBTA), spending on global business travel continues to rise and is expected to reach $1.6 trillion by 2020, demonstrating that organizations show no signs of slowing down on their investment in doing business globally. When your organization has a global footprint, travel to locations around the world tends to increase.

Your most important asset is your people and it's your job to ensure they are safe. Whether it be tracking employees in global offices or HCPs as they travel for various conferences and business matters – a consolidated solution for your travel program can help you to centralize your traveler data. So no matter where they book, you can quickly locate them and provide localized support in the event of an emergency.

Accommodating for these challenges may seem daunting or expensive, but the cost of global expansion without a complete, unified solution across all geographies will be much greater – in terms of the monetary impact, program effectiveness and employee efficiency.

57%

of Life Sciences organizations answered "yes" or "not sure" when asked if they felt their company could be at potential risk when it comes to global regulations and compliance.

SAP Concur Life Sciences Compliance and Fraud Survey, 2018

31%

of Life Sciences organizations reported "fake expenses" as a common fraud scheme uncovered at their company.

SAP Concur Life Sciences Compliance and Fraud Survey, 2018

#2

issue facing buyers in 2017 was increased focus on duty of care and security.

Business Travel News, 2016

Global Expansion Best Practices

With over two decades of experience, SAP Concur is a trusted spend management expert with solutions used in over 100 countries worldwide, and unrivaled experience and success in global deployments. Based on our learnings, we have complied best practice recommendations for Life Sciences organizations that are considering or have started expanding into other regions:

1. Take a Global Snapshot

Understanding where your Life Sciences organization stands globally before you begin expansion efforts will help to maximize your time and investment.

Start with location. Determine how many office locations you have across the globe, common traveler destinations and locations with the most expense reports. Additionally, identify what systems are currently used in those locations. If you have a good sense of where you stand already, your organization can strategically plan where expansion makes the most sense.

Understand the current end user experience. If you understand how HCPs and employees are already spending, you have a better idea of how to make the transition more seamless. How much are employees traveling in relation to what they are expensing? By what method do employees commonly travel–air, car or rail?

It also helps to understand the processes and policy the end users are accustomed too. For the policies in place, are they region-specific or already global?

Econmic overview and outlook: Pharma forecast to reach $1.06 trillion worldwide by 2022.[1]

Approach the project strategically. Determine the logical deployment of solutions based on country groupings. These groups could be based on currency, customs, language, regulations or product availability. It is also helpful to know how the process is currently managed in those countries. Once you have answers to these questions, you'll have the right foundation to build an engaging cross-functional team to lead the project.

[1]Deloitte 2018 Global Life Sciences Outlook Report

"AI, cognitive technologies, automation and computing power are creating a transformation opportunity [for] the industrialization of Life Sciences."

Deloitte 2018 Global Life Sciences Outlook Report

2.   Create a Global Model Template

Once you understand your global snapshot, create a global template for your organization's spend management program. This template will help to better align your teams, policies and processes across the globe. It will also help set the groundwork for future expansions. Some considerations when developing your template:

- Consider workflow, accounting structure, audit rules, groups, expense types, custom fields and reporting

- Provide a list of expense types/audit rules to pick from and workflow options

- Create clear guidelines on language customization

- Determine when VAT/ travel allowances are appropriate

3.   Ensure Local Market Readiness

Conducting a readiness assessment in local markets helps to confirm a market is ready for the transition and foresee any possible project delays or potential challenges. The learnings from your assessment can help inform your organization on how to best approach the expansion. Questions to ask in your assessment include:

- Has local leadership bought into the project (i.e., country manager, local senior executives)?

- Are the right people involved in the project?

- Are local resources available and able to commit to the project?

- What will the end user support model be? Will a support system need to be established locally to handle local language requirements?

- What is the current status of the corporate credit card program? Are cards already in place or will a new bank relationship need to be established?

- Have you considered any foreign market cultural differences (i.e. credit card acceptance/adoption, works council agreement, etc.)?

For more tips on a global implementation, read our blog post.

4.   Provide a Change Management Tool Kit

When considering expanding your operations, make sure your organization is thinking about change management. A good change management and transition plan influences how your expansion affects people and sets up your organization and your users for success.
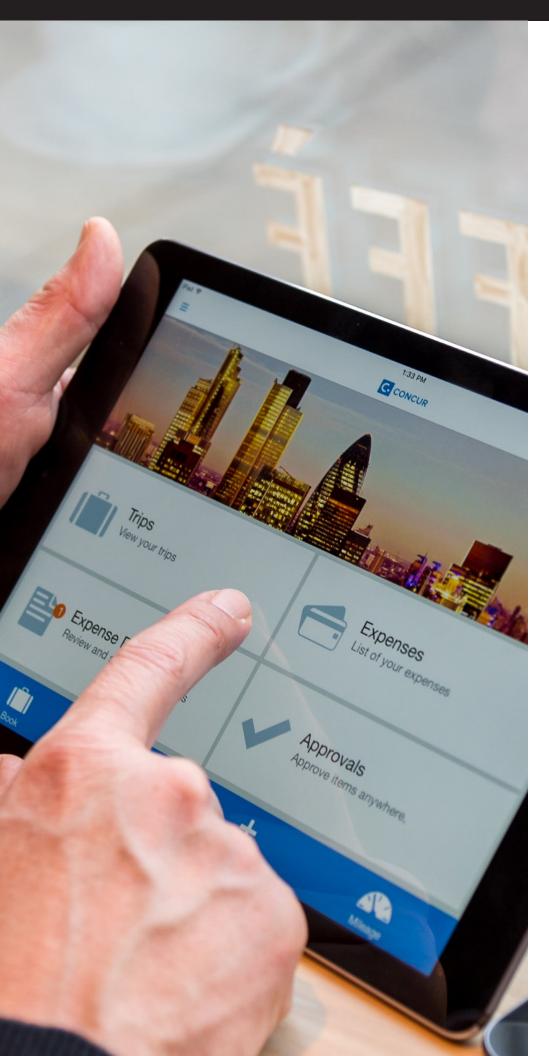
As you look to build a plan, think about your company's current change management philosophy. Is your style more collaborative or directive? What will the extent of your communications about the change be? Additionally, consider how you introduce change–incrementally or all at once–and whether your training approach should be self-directed or instructor led.

Once your philosophy is established, get the guidance you need by leveraging our change management activities guide, which outlines the steps and resources to build a strategy, communicate with and train your users –all while measuring your progress.

"**Collaborations with tech partners** will become increasingly important to optimize patient treatment regimens, manage and analyze increasing amounts of data, [and] improve internal data accessibility to **drive better informed decision making**."

Deloitte 2018 Global Life Sciences Outlook Report

Choosing the Right Tools

Using the best practices outlined here can help establish a clear plan for managing global growth with confidence. But these practices are just the beginning.

By partnering with SAP Concur in your home country, you have already made the wise investment in an integrated spend management solution to prepare you for the future. Continuing to leverage the power of SAP Concur as you expand ensures you are supported at every stage of growth and evolution.

Not only can you take your current visibility into T&E spend and expand it globally for greater insights, you will also have one instance for employees that is localized for **language, currency, and policy**.

Our additional solutions, including **Service Administration**, **Intelligence**, **Policy Audit and User Support Desk**, give you support for the complexities that come along with global expansion—helping you to scale by providing direct user support, robust reporting, and auditing down to the receipt and policy level. Whether you operate in one country, or dozens, we help you navigate the networks of regional regulations so you can stay compliant.

The benefits of a global approach are endless. And if expansion is on your roadmap, now is the prime opportunity to enhance and optimize your solution to make it work for you in planning and executing your expansion strategy.

Learn more by visiting us on the web or the SAP Concur blog.

About SAP Concur

For more than two decades, SAP Concur has taken companies of all sizes and stages beyond automation to a completely connected spend management solution encompassing travel, expense, invoice, compliance and risk. Our global expertise and industry-leading innovation keep our customers a step ahead with time-saving tools, leading-edge technology and connected data, in a dynamic ecosystem of diverse partners and applications. User-friendly and business-ready, SAP Concur unlocks powerful insights that help businesses reduce complexity and see spending clearly, so they can manage it proactively.

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