



SAP Concur 

## The Hidden Costs of Travel and Expense

Managing the Spend You See - and the Spend You Don't





## Taking a Closer Look at Travel and Expense

If you're an organisation with people on the move, automating travel and expenses can make a complex, time-consuming process much more efficient, and bring visibility to the majority of your travel and expense budget.

### BUT WHAT ABOUT THE BLIND SPOTS?

Automation is only part of the solution. While most systems track clear-cut travel and expense purchases, the reality is that **some travel and expense costs simply can't be captured by traditional solutions**. And they impact your bottom line whether you track them or not.

**To truly manage spending, you have to know what to look for and where to look. This guide is a great place to start.**





# Not All Employee Spending Is the Same. Let's Break Down the Differences.

## WHAT IS ACTIVE SPENDING?

Expenses made through proactive purchasing decisions: a flight, a piece of technology, raw materials. Employees know the costs and choose to spend intentionally. **Status: Relatively easy to track.**

## WHAT IS PASSIVE SPENDING?

Expenses resulting from unintentional decisions, including fees, taxes, contract charges and other costs that “just happen” as a result of employees simply doing their jobs. **Status: Difficult to track and manage.**

If you aren't looking at passive spending as well as active spending, you may be incurring unnecessary costs and missing out on savings. What's more, you could be exposing your business to risks.

You need to manage both.





## Let's Look at an Example

Meet Emily. She works for a UK company that has customers all over the world. She travels more than 80% of the time to manage long-term projects with clients.







## Managing Active Spending: Making It Easier to See the Right Choices and All Your Transactions

### EMILY ACTIVELY BOOKS HER BUSINESS TRAVEL

She schedules a trip to the US to wrap up a year-long project. She books her flight and hire car using her company's booking tool to find convenient, cost-effective choices that follow company policy.

Are you helping employees like Emily stay within policy? This is where your travel and expense system comes in. Does the system give employees easy, visual reminders so they know the rules and act accordingly? Does it have checks in place to stop bad spending before it happens?



If your system doesn't give employees clear guidance, their active spending can easily become non-compliant.



**Out-of-system booking.** Emily didn't book her hotel through the company booking tool, because the client she is working with gets a better discount at a hotel across the street from their office. So she booked her room directly—a very common occurrence in today's corporate travel programmes. The question is: can your system capture this active spending?

#### IS OUT-OF-SYSTEM OUT OF YOUR CONTROL?

**Duty of care.** How can you ensure the safety and security of employees when they book travel outside of your approved system? Should a crisis arise, how do you know where they're staying and how to reach them?

**Cost control.** If you aren't capturing data from direct bookings, how can you be sure spending policies are met? How do you know you're getting your negotiated rates?

**Supplier management.** Without a detailed record of out-of-system bookings, how will you track what you've spent with each supplier to negotiate future discounts?



If your system can't capture spending wherever or whenever it happens, you're not managing all your spending.



## Passive Spending Comes in Many Forms and with Its Own Set of Risks

**International sales taxes.** While Emily is in the US, she's incurring sales tax on purchases like trade show supplies and some travel and expense charges.

**Taxes like sales tax and VAT can be reclaimed for some purchases. But if your system doesn't track it, you are leaving money on the table.**

**Out-of-contract mobile fees.** When Emily travels, she uses her smartphone. If her plan doesn't adequately cover usage in the US, she may incur huge mobile data and calling charges over the course of a year. These fees can be significant. Business travellers spend £855 million each year on roaming and Wi-Fi charges—and you may not catch this cost until it's too late.

**If you can't predict and control mobile expenses, you could be overpaying by as much as 30%.**

**Payroll Taxes.** Employees like Emily who travel for long periods often create payroll tax liabilities in different countries. That's yet more passive spending. Are you tracking that information? Do you know what the thresholds are?

**If your system doesn't track payroll tax rules for all countries where employees work, you can't avoid these "hidden" costs.**





## Bringing It Home: The Audit

Emily arrives back to the UK and completes her expense claims from her trip. She's diligent. She uses her corporate card whenever possible while travelling, and her expenses are within policy and easy to audit. Good for Emily and her employer. But are all travellers in your organisation like her?

### To Manage Spending, You Have to Monitor and Audit Spending

- Track all purchases travellers make, in and outside the company system, to ensure they're within policy.
- Identify employees who may be at risk of fraud and double-check potentially costly mistakes.
- Predict, collect and track passive expenses that can fly under the radar.

**Auditing is a critical part of ensuring all types of spending are following policy.**







## SAP Concur Can Help

Our solutions help you see and manage both active and passive spending with total efficiency. So your spending is under your control.





# Manage **Active** Spending

SAP Concur makes it easy for your people to make the best spending decisions for the business, and makes it easier for you to capture and manage your spending—no matter where or when it happens.



## **Simplify Searching and Booking**

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Concur Travel offers multiple ways to search for flight, hotel, hire car and more from a smartphone, tablet or any web browser. Guide your travellers' decisions with visual cues and colour-coded aids to help them stay within policy.

## **Say Goodbye to Paper and Hello to Better Data**

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SAP Concur virtually eliminates manually intensive paperwork from your travel and expense process. Electronic receipts integrate directly with Concur Expense to create itemised expense claims and easily track spending.

## **Track Itineraries, No Matter Where They're Booked**

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No one encourages employees to book directly with suppliers, but it does happen. If you don't capture this data, your visibility is compromised. Concur TripLink allows your business travellers to forward travel itineraries from outside the booking tool directly into your SAP Concur system, so you'll still get spend visibility, policy checks and opportunities for VAT reclaim no matter where travel is booked.

## **Ensure Your Business Travellers Are Safe**

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Concur Locate gives you an overview of travellers' locations and country-specific risk levels in one place. It's easy to initiate two-way communication via phone, text or email and track responses. This can be enhanced further with our Active Monitoring solution. You'll be able to track global events that might affect employees and take appropriate action.



# Manage **Passive** Spending

With SAP Concur, you can tap into a network of app partners whose solutions use SAP Concur data to ensure you're getting the most out of your budget and accounting for every pound.



## Unlock Savings Hidden in Your Travel and Expense Data

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Our partners integrate with SAP Concur solutions to proactively identify booked trips that may incur roaming or additional mobile charges, so you can adjust mobile contracts before travellers leave and avoid overages.

## Proactively Manage Tax Liabilities

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Using SAP Concur data, partners can create an all-in-one dashboard detailing tax implications for each employee and country, so you have full knowledge of your liability and can adjust plans accordingly.

## Get More VAT Back

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Tax partners can automatically review travel and expense data to help you identify and reclaim both international and domestic VAT efficiently and within compliance guidelines.

## Reduce Your Risk of Fraud

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We can work with partners to help your business prevent expense fraud. By analysing employee habits and patterns over time, you can identify risks and easily reinforce the right behaviours.

Visit the [App Centre](#) to learn more about our partners.



With SAP Concur, you can accurately track – and proactively manage – all kinds of travel and expense spend. Now, budget control is back in your hands. [Contact us](#) for more information.

### ABOUT SAP CONCUR

SAP® Concur® solutions take companies of all sizes and stages beyond automation to a completely connected spend management solution encompassing travel, expense, invoice, compliance, and risk. For more than 20 years, these leading, innovative solutions have kept customers a step ahead by delivering time-saving tools, connected spending data, and a dynamic ecosystem of diverse partners and apps. User-friendly and business-ready, SAP Concur solutions unlock powerful insights that help businesses reduce complexity and see spending clearly, so they can manage it proactively. For more information, visit [concur.co.uk](https://concur.co.uk).



**HIDDEN COSTS OF TRAVEL AND EXPENSE EBOOK enUK (17/12)**

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