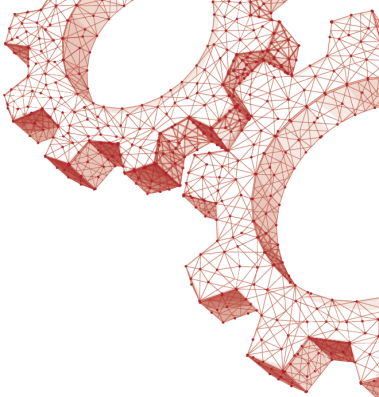




CPOs AND PROCUREMENT EXECES WANT TO PLAY A MORE **STRATEGIC ROLE IN MANAGED TRAVEL**



PRODUCED BY:
BTNGROUP
CONTENT SOLUTIONS

Diane Merlino
Writer

Mary Ann McNulty
Executive Director, Content Solutions
mmcnulty@thebtngroup.com

Louis Magliaro
Senior Vice President & Group Publisher
lmagliaro@thebtngroup.com

Lindsay Straub
Associate Publisher
lstraub@thebtngroup.com

Mariza Moreira
Group Design Manager

Angelica Mundrick
Graphic Designer

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Chief Procurement Officers (CPOs) and procurement executives would like to have more impact on shaping their organization's managed travel policies and programs.

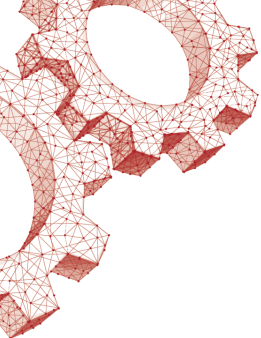
In an online survey conducted by BTN Group Content Solutions and sponsored by SAP Concur, half of the CPO and procurement executives surveyed said they were satisfied only "to some extent" with their involvement with, and impact on, their travel management program. Just under half (48%) said they were "definitely" satisfied with the role they played in managed travel and their impact on travel policy and programs.

CPOs APPEAR TO BE BALANCING CONCERNS ABOUT CONTROLLING COSTS AND TRAVELER SAFETY AND WELL-BEING

»» TOP CONCERNS

The greatest percentage of survey participants put controlling costs to align with budgets, and traveler safety and well-being, at the top of the list of their most pressing concerns as key stakeholders in managed travel. About one-third also cited accurate and timely reporting on travel spend and alignment of travel policy and management with company strategy and objectives as one of their top three concerns.

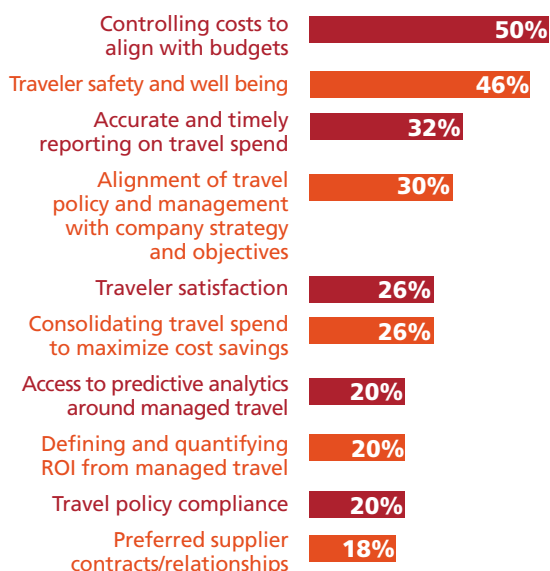
A minority of survey participants identified preferred supplier contracts and relationships as a top concern, possibly reflecting confidence in the effectiveness of their work with travel suppliers.



CPOS AND PROCUREMENT EXECS WANT TO PLAY A MORE STRATEGIC ROLE IN MANAGED TRAVEL

TOP CONCERNS OF PROCUREMENT EXECUTIVES AS KEY STAKEHOLDERS IN MANAGED TRAVEL PROGRAMS

Figures show percentage of respondents who identified that element as one of their top 3 concerns.



SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

>> METRICS THAT MATTER

The reports and data sets that matter most to procurement executives directly reflect their top concerns. A significant majority (88%) said reports on traveler safety and cost savings are extremely or very important to them in fulfilling their role as a managed travel stakeholder.

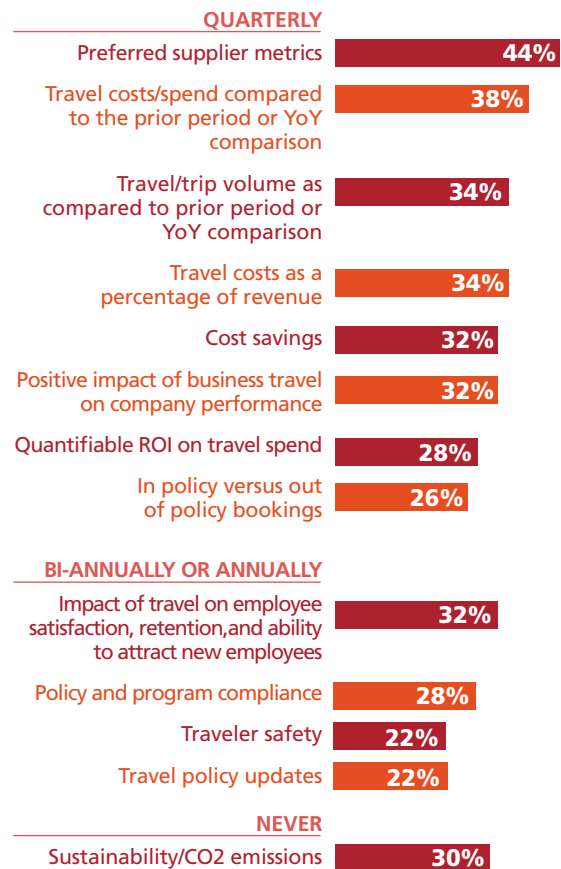
Other reports a majority of respondents identified as highly important include:

- Positive impact of business travel on company performance **(74%)**
- Policy and program compliance **(70%)**
- Quantifiable ROI on travel spend **(68%)**
- Travel/ trip volume as compared to prior period **(66%)**
- Travel policy updates **(64%)**
- Travel costs as a percentage of revenue **(64%)**
- Travel costs/spend compared to the prior period **(62%)**

Half identified preferred supplier metrics and 46% cited reports on sustainability/CO2 emissions as highly important.

A strong minority of procurement executives (16%) reported that they do not receive any reports in several key areas of a managed travel program, including traveler safety; the impact of travel on employee satisfaction, retention, and the ability to attract new employees; and the positive impact of business travel on company performance. Smaller minori-

HOW FREQUENTLY DO YOU RECEIVE THE FOLLOWING REPORTS AS A KEY STAKEHOLDER IN YOUR MANAGED TRAVEL PROGRAM?



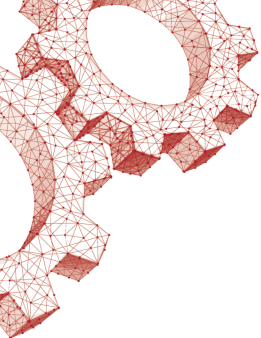
SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

ties do not receive reports on travel costs as a percentage of revenue (14%) and quantifiable ROI on travel spend (12%).

>> TRACKING RETURN ON INVESTMENT

About two-fifths of respondents (44%) work in companies that track ROI on business travel to some extent, including 22% that have measurements in place to track ROI on all business travel, and 22% that track ROI on trips taken specifically to drive sales growth.

Just under one third of procurement executives surveyed said their companies are unlikely to pursue tracking ROI on any business travel. That includes 24% who believe business trips have too many different objectives to effectively measure, including some which are not directly measurable, and 8% that see no significant bottom-line benefit from reviewing an ROI metric. The largest percentage of those surveyed believe the finance department (48%), their organization's internal travel management team (44%) and their own procurement department (34%) should be responsible for defining what constitutes ROI.



CPOS AND PROCUREMENT EXECS WANT TO PLAY A MORE STRATEGIC ROLE IN MANAGED TRAVEL

>> CUTTING AND CONTROLLING COSTS

The biggest percentage of procurement executives surveyed (72%) said providing department managers with a specific travel budget that they manage and establishing new rules on when and why employees should be traveling is a highly effective component of a cost-containment strategy. A strong majority (68%) also said reviewing regular reports and analysis of travel budget and program adherence is a highly effective cost-containment component.

Proactively educating travelers about booking preferred suppliers and about the importance of following corporate travel policies were both cited by more than two-thirds of respondents as extremely or very effective elements of a cost-containment strategy.

>> EXTERNAL FACTORS IMPACTING BUSINESS TRAVEL

Cyber threats top the list of developments that most procurement executives (74%) are highly concerned will impede domestic business travel in the next year. A majority are also extremely or very concerned about the negative impact on domestic travel of a recession or slowdown in global economic growth (58%), terrorism (56%), trade conflicts (54%), and a recession or slowdown in domestic economic growth (52%).

In the event of a pending recession or significant slowdown in economic growth, 66% of respondents said their first response would be to gather key managed travel stakeholders to discuss and determine the most appropriate course of action around travel spending. Just one-fifth said they would immediately reduce their travel budget and/or cut back on non-essential travel and entertainment spending.

During the last economic downturn, or slowdown in their own business, just over half of respondents (54%) said they responded by monitoring travel costs more closely to eliminate non-essential travel.

Terrorism, cited by 72% of respondents, tops the list of events that finance executives are highly concerned could impede international business travel in the next 12 months. A majority are also extremely or very concerned about the negative impact on international travel of cyber threats (62%), protectionist and populist movements (58%), geopolitical uncertainty (56%), recession or slowdown in global economic growth (56%), and trade conflicts (54%).

>> KEY FINDINGS

Although most maintain a relatively tight focus on initiatives that involve monitoring and controlling travel spend, many CPOs and other procurement executives want to play a bigger role in shaping their organizations' managed travel programs.

- To fulfill their current role as a managed traveler stakeholder, most rely on reports and data sets around cost savings, traveler safety, the positive impact of business travel on company performance, policy and program compliance, quantifiable ROI on travel spend, and more.
- A notable minority of CPOs said they do not receive all the reports they need to effectively fulfill their role in managed travel and ROI reporting is at the top of the wish list for some.
- Despite the critical role they play in key aspects of managed travel, many procurement executives are dissatisfied with the extent of the role they play and would like to have more impact on shaping their organization's managed travel policies and programs. ■

>> ABOUT THIS SURVEY

The BTN survey, which included 50 CPOs or other procurement executives, was conducted in October 2019 as part of an Executive Stakeholder View of Corporate Travel study of more than 200 company executives. Most survey respondents (58%) work in small and mid-sized companies with fewer than 4,000 employees. About a third (30%) head procurement in companies with between 4,000 and 24,999 employees and the remaining 12% lead procurement in companies with 25,000 or more workers.

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