

WHAT IS YOUR SPENDING TRYING TO TELL YOU?



When it comes to employee spend, you know it can happen anywhere and everywhere. Corporate credit cards, invoices, personal cards, virtual cards, and cash are all sources of employee spend – and potential insight into how to manage it.

As a customer leveraging SAP® Concur® solutions, your organization is already doing a lot to maximize its spend management. But with more of your employees working remotely, you may face new challenges in how you guide and control expenses.

The more you can use SAP Concur solutions to uncover hidden spending throughout your organization, the more you can increase your confidence that you're applying the right policies, getting the best prices, collecting all the spend data, and helping your company make choices that better control budgets and cashflow.

Following are four tips you can use to maximize your spend management using your SAP Concur solutions.





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Tip #1: Eliminate Blind Spots

The best way to improve your spend management is to eliminate blind spots. A blind spot is any area where you don't know what you don't know. For example, two categories at high risk of creating blind spots are meals and mileage. In addition, receipt thresholds for expense reports can hide unnecessary spending.

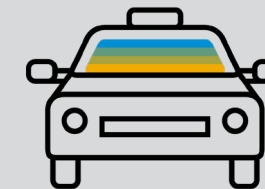
Here are three reports you can run to identify blind spots:

- **Executive Briefing Spending:** Use this to review expense types, assess spend limits, and ensure you're capturing the data you need while enforcing appropriate spend limits.
- **Expense Entry Analysis by Expense Type:** Use this to discover new expense types due to remote work, plus stay on top of your common expenses.
- **Billed Transaction Reconciliation:** Use this to see who is submitting expense reports to identify if some employees are submitting more frequently than others.

After running these reports, examine your spend management process to find ways to eliminate any costly blind spots. Preapprovals can help you prevent blind spots in the first place. By adding a simple request to your workflow, managers can proactively review spend before it happens.

Overcoming ground transportation blind spots

Another common blind spot is the cost of ground transportation. According to our enterprise benchmark data, it accounts for an average of 5.47% of our customers' spend. To determine if you can find cost savings in this category, use this equation to learn how much you could save if employees switch from taxis to ride shares.



Assuming a per-ride median cost of \$27 for a taxi and \$16 for Uber, you can use this formula to project savings. If employees prefer Lyft, use its per-ride median cost of \$22.

**[\$27 – \$16] x [25% of total taxi transactions] =
Projected savings**

To more easily enable employees to track these expenses, look for **ride share services in our SAP Concur App Center**.

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Tip #2: Reduce Miscellaneous Spend

Just like a junk drawer in your kitchen at home, almost every SAP Concur solutions' user has a miscellaneous/other category where they put expenses that don't seem to fit anywhere else. But if too much spend is filed as miscellaneous, it can lead to misconceptions about how your organization is really spending money. For example, if a hotel charge is categorized as "miscellaneous," you will be unable to see your true hotel spend.

Audit miscellaneous items to see if any of them can be better categorized using existing categories or if new categories need to be created. Determine the appropriate size of your miscellaneous category for your organization; for some companies, there are things that aren't worth the effort to categorize, while other things can provide quick wins. This can help you determine the best strategy for reducing or eliminating your miscellaneous spend completely, depending on your goal.



In Q2 2020, anonymized SAP Concur solutions spending data showed an increase of **17%** in the "other" category, i.e., miscellaneous spend.



Better automate spend categorization

The more you can drive usage of **Expenselt**, which creates expense report line items from photos of receipts, the more you can automatically categorize miscellaneous spend.





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Tip #3: Update and Analyze Your Spend Categories

As more employees work from home, they are spending. Employees are likely buying home office equipment, like office supplies, printers, ink, furniture, and new devices, and incurring new monthly expenses, such as internet hotspots.

Now is the time to create categories to track this new spend to ensure you have proper insight into where your money is going. Also, you may want to analyze your spend category trends to determine if there are opportunities to improve management.

For example, if employees are now driving more instead of flying, this can create opportunities for mileage padding or erroneous estimates. In that case, you can require employees to use Google Maps to capture route data, configure auto deduct for commuters, or consider promoting rideshare when appropriate.

Reducing time spent on mileage transactions



The more you can automate mileage transactions, the more employee time you can save. **Concur Drive** saves an average of one minute per transaction. Over time, this can add up to significant labor savings.

Here's how to determine if it makes financial sense to automate mileage expense tracking:

(Average hourly rate for employees who submit mileage)/60) x (Number of mileage transactions you receive per year) = Projected savings

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Tip #4: Optimize Cash vs. Card

When it comes to improving your spend management, not all spend channels are created equal. The more you can encourage employees to use spend channels that automate data collecting – such as corporate cards vs. cash – the easier it is to gain the full insights you need to bring more order and oversight.

Analyze where employees are spending cash to identify areas where you can promote corporate card use and gain more control. This doesn't just help with visibility; it also helps your business bring in more rebates or discounts.

If you have employees who prefer to pay with their personal credit cards so that they can earn points, you may consider sacrificing some measure of spend management to ensure happy employees. In general, the best practice is to aim for at least 80% of spend on the corporate card so that you can maximize its value.

Maximize your corporate card rebate

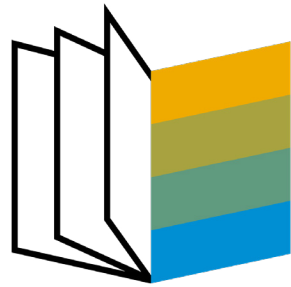


Use this formula to determine how much it is worth to encourage more corporate card use:

$$\begin{aligned} &(\text{Total cash spend}) \times (\% \text{ of cash you can move} \\ &\text{to corporate card}) \times (\text{Average rebate rate}) \\ &= \text{Projected savings} \end{aligned}$$



See Where the Hidden Story of Your Spend Takes You



By taking the time to uncover the hidden story of your spend, you can set your business up for success now and in the future. To follow up on any of these best practices or learn more ways your business can get the most from its investment in SAP Concur solutions, **contact your Client Engagement Executive.**

About SAP Concur

SAP® Concur® is the world's leading brand for integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. The top-rated SAP Concur mobile app guides employees through every trip, charges are effortlessly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to audit 100% of transactions, businesses can see exactly what they're spending without worrying about blind spots in the budget. SAP Concur solutions eliminate yesterday's tedious tasks, make today's work easier, and help businesses run at their best every day. Learn more at concur.com or the SAP Concur [blog](#).