

Travel and Expense Trends That Will Impact Your Business in 2019

2019 Travel and Expense Trends Webinar



- 4 Increasing Complexity in Government Regulations and Taxes
- 6 Consumerization of Business Travel
- 8 Machine Learning Goes Mainstream
- 10 Era of the “Employee Experience”
- 12 Increased Focus on Risks Facing Female Travelers
- 14 Which of the Key Trends for 2019 Is the Most Important for Driving Decision-Making?
- 15 Learn More

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To manage travel and expense (T&E) processes effectively, companies must consider the impacts of increasing complexity in regulatory requirements, technological advances, and growing employee expectations. Here, we look at five key travel trends that will impact your business in 2019, and we provide recommendations on how you can respond in a way that **improves employee satisfaction and reduces costs**.



Increasing Complexity in Government Regulations and Taxes

This year, there will be a bigger need than ever before for companies to navigate shifting immigration and tax regulations to make sure they and their employees remain compliant. Employees who exceed a regulatory limit of days spent in another country or state risk legal action and tax liabilities, while their company may be prevented from doing business in that location. Furthermore, organizations can face fines of tens of millions of dollars for violating visa rules. For example, the largest payroll audit ever to take place in China resulted in a manufacturer paying approximately US\$25 million in back taxes and \$8 million in penalties.¹

Our recommendation >>

1. "Addressing Business Traveler Risk," Ernst & Young Global Limited, October 2013.



“Being able to access historical travel and expense data for various tax audits has proven to be invaluable to our business.”

Webinar presenter



OUR RECOMMENDATION

Help mitigate tax noncompliance risk by sharing traveler or expense data and any special reporting requirements, policies, or processes with internal stakeholders. Departments with responsibilities for tax, HR, or global mobility often proactively manage this risk. However, they may not be aware of how reliable, consistent travel and expense data in a cloud solution can mitigate this issue. Every organization manages compliance issues differently, with some using partners that offer specialist advice on immigration and tax rules.



Consumerization of Business Travel

Over the last 40 years, corporate travel has largely become synonymous with booking programs administered by travel management companies. These were reliant on a limited number of global distribution systems, enabling transactions between travel industry service providers. As travel tools, options, and technologies continue to rapidly evolve for leisure travelers, employees increasingly expect business travel tools to follow suit.

To drive adoption, online booking tools such as those offered by hotel aggregators Airbnb Inc. and HRS (Hotel Reservation Service) will embrace new content sources. In addition, the new distribution capability (NDC) introduced by the International Air Transport Association (IATA) will be used by a range of Web sites to communicate the availability of airline tickets. The companies running these Web sites must fundamentally evolve platforms to allow travel managers to capture all bookings, regardless of where they occur, to manage compliance and help ensure that travelers are safe.

Our recommendation >>



“It’s the new normal that companies have to explore how best to capture all travel data from suppliers and content aggregators to help with supplier negotiations, as well as meet duty-of-care obligations.”

Webinar presenter



OUR RECOMMENDATION

Harness technology to help gain transparency of supplier direct bookings while managing budget constraints, policy compliance, and duty-of-care considerations. It is critical to explain the impact of NDC and third-party content aggregators to expense administrators and finance staff to help drive necessary process changes that will enable your company to achieve this transparency.





Machine Learning Goes Mainstream

Machine learning models that read handwritten tips and totals on receipts are replacing technologies such as optical character recognition, enabling companies to analyze and audit spend at unprecedented scale and speed. With the ability to identify patterns and anomalies across millions of data records in near-real time, businesses are gaining the insight and agility needed to improve business processes, reduce costs, and deter fraud. In addition, improved visibility and automated processing are helping businesses pay invoices more quickly, keep transactions compliant, and improve end-user experiences.

Our recommendation >>



“Machine learning has proven invaluable as part of our fraud prevention and detection programs. We’ve saved thousands of dollars and changed auditing priorities.”

Webinar presenter



OUR RECOMMENDATION

Choose a service provider that has experience with innovation and smarter technology, in addition to machine learning analysis. This enables you to use data from all your business travelers to help gain deeper insights into spend management across your company. For example, many companies are auditing 100% of their expense reports using machine learning technology.





Era of the “Employee Experience”

Employees now expect corporate travel and expense programs to make business travel as smooth and hassle free as possible. To this end, companies are using digital technology to improve processes and workflows, as well as upgrading tools that staff use daily for travel and spend management. “Good enough” experiences are no longer acceptable, and companies risk incurring employee dissatisfaction or becoming less desirable to top talent if they do not provide an optimal experience for employees. About a third (34%) of experienced travel managers spend more time communicating with travelers or addressing their concerns, compared to five years ago.²

Our recommendation >>

2. [“Lost in Translation: Changing Landscape, Familiar Challenges.”](#)
Global Business Travel Association (GBTA), 2018.



“I was able to sit down with my CFO and show over US\$1 million in savings in employee productivity alone by switching to a cloud solution for T&E and abandoning our legacy on-premise solution.”

Webinar presenter



OUR RECOMMENDATION

Use a single, integrated T&E platform with preconfigured APIs to provide employees with access to internal and third-party tools, including a robust ecosystem of supplier software applications and services. Use a provider that has a highly rated application and other digital tools. This helps you increase compliance across all T&E channels and provides an enhanced end-user experience. You can also establish comprehensive T&E processes that are simple to use, automated, and that deliver advanced reporting to highlight actual and anticipated spend.





Increased **Focus on Risks** Facing Female Travelers

In 2019 the risks female travelers face will rise to the top of the corporate agenda. The share of female business travelers is growing, with more than half of travel managers saying that women represent a higher percentage of travelers today, compared to three to five years ago.³ However, while 71% of female business travelers believe they face greater risk than their male counterparts,⁴ only 18% of travel policies specifically address the safety and security of female business travelers.⁵ Furthermore, 84% of women in the U.S. report that their company does not provide female travelers with safety tips or resources.⁶

Our recommendation >>

3., 5. ["Majority of Travel Buyers Believe Female Business Travelers Face Greater Risk on the Road."](#) GBTA, June 28, 2018.

4. [2018 online survey](#) conducted by AIG Travel Inc. and GBTA.

6. [Women's Safety Survey](#) commissioned by AIG Travel Inc., accessed March 4, 2019.





OUR RECOMMENDATION

Take proactive steps to help your female employees understand legal, cultural, or even religious restrictions they may face, and share critical behavioral safety tips such as what not to wear in certain countries. You can also offer information on emergency resources, such as the U.S. Department of State and Centers for Disease Control and Prevention, and technology assistance in the form of software applications and alerts.



Which of the **Key Trends for 2019** Is the Most Important for Driving Decision-Making?

Webinar attendees voted as follows:

14%

Increased pressure on compliance, and government regulations and taxes⁷

14%

Consumerization of business travel (NDC) and direct connections⁸

72%

Digital transformation and continued pressure for a better employee experience⁹

7.-9. T&E trends Webinar poll results, March 6, 2019.



Learn More



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