Reset for Growth:
Financial Leaders Chart a Course Into the Future

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It is often in overcoming the greatest struggles that we achieve the greatest growth. This is true for both the human spirit and for enterprises. The global response to COVID-19 in 2020 presented some of the biggest challenges business had to face in modern times. It was a time of retrenching: reducing costs, adapting to rapidly shifting work patterns, reworking processes to function in a decentralized work environment, and so many other unexpected situations.

Because of these challenges, enterprises have, by necessity, become more agile and better able to respond to business conditions. Indeed, 86% of executive leaders agree that the pandemic has forced their organizations to become more open to experimentation and quick shifts in strategy.[1] This adaptability and agility, in turn, helps position them for future growth.

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As new types of spending, different travel patterns, remote work, and other changes forced rapid adaptations, enterprises have looked to technology solutions that provide transparency, insights, and enhanced control. Many organizations seized the opportunity to reassess financial processes and adopt new solutions.

Here, Deloitte and the SAP Concur organization share their perspectives on the major forces continuing to influence business, how financial leaders are coping with these new realities, and the strategies they are adopting to help their organizations move forward stronger than ever.

Major Global Forces Continue to Reshape the Business Landscape

While the global economy is continuing to recover, it is still influenced by pandemic containment and vaccine roll-outs. With a new White House administration, shifting regulatory requirements, global trade deals, and other unforeseeable geopolitical events, uncertainty would exist even without the pandemic. One thing is certain: businesses will never return to the "old way" of doing things.

One major effect of these disruptions is that many employees continue to work remotely. This has led to a more dispersed workforce, shifting expense types in this work-from-anywhere environment, and decentralized processes. In fact, we're seeing that a majority of workers do not want to go back to the old way of doing things. They want the option to work remotely, at least some of the time.[2]

And while business travel slowed significantly in 2020, we do expect to see an increase this year. In a recent survey, more than half of executives said they expect to rely on business travel during the recovery as much as, or even more than, they did before the pandemic.[3]

While business travel will come back, business travel patterns will change as organizations redefine the value of a business trip. Employees will help determine the value of a trip versus the impact on productivity; it will be a cultural shift that balances the value of business travel against the human and financial costs.[4] Additionally, employers will need to enhance existing processes to effectively deliver on duty of care to their employees.

While these disruptions have compelled businesses to adapt quickly, there's a danger of employee resistance. When too much change happens too fast, it can lead to "transformation gaps." Enterprises must move ahead cautiously by implementing change management strategies to help employees adapt alongside the organization.

Moving Forward: 2021 as a Foundation for the Future

Given the unknowns, 2021 is likely to be a year of transition for enterprise organizations. Rather than simply coping day-to-day, business leaders will begin to reshape their futures and prepare the groundwork for growth.

Research indicates that enterprises are re-examining existing processes to identify areas for improvement, starting with small adjustments that have a large impact across the organization.[5] One major trend is that they are leveraging intelligent technology to help increase productivity, efficiency, and speed — positioning the organization to remain profitable while moving forward faster.

Top Business Challenges
Executives across the Americas, Europe, and the Asia-Pacific region see these as their top four challenges in the next 12 months:[6]

35%: Employee safety and well-being

**32%:** Speed of technological change

35%: Slowing economic growth

30%: Supporting a remote work model

Finance Executives Take the Lead in Resetting for Growth

In many enterprise organizations, reducing costs and gaining greater control over spending were areas of emphasis in 2020. Now, financial leaders are taking these same strategies and using them to fuel stronger and faster growth. In fact, 88% of executives surveyed agree that "finding new ways to increase speed and flexibility in the management of travel, expenses, and invoices is critical for my organization to stay profitable and continue to grow."[7]
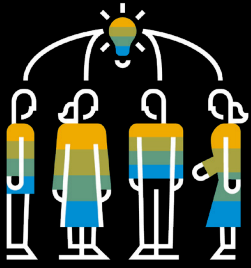
Financial leaders themselves are taking a lead in implementing technology for better travel, expense, compliance, and invoice management. They are focused on gaining better control over all financial activities by investing in technology that:

- helps the organization re-imagine work processes for a decentralized workforce,

- provides tools to gain visibility into current spending and helps forecast future activity more accurately,

- improves auditing efficiency and tax reporting to uncover savings,

- and adapts more quickly to changing regulation, vendor relationships, and business travel patterns.

Targeted Technology Investments Promise Strong ROI

Technology modernization initiatives were vitally important pre-pandemic, but many plans were put into overdrive in 2020. Today, enterprises are taking a highly strategic approach to modernization, focusing on those technology investments that promise to have the fastest, biggest return.

Cloud-Based Solutions Answer the Need for Anywhere-Access
At the core of many technology-modernization initiatives is a greater emphasis on cloud-based solutions. With easy anytime, anywhere access for all staff, cloud-based applications provide an ideal model to help employees do their work effectively and collaborate without face-to-face meetings. With streamlined workflows and access to the same, near-real-time data and applications from which everyone can work, cloud-based applications help increase efficiency, productivity, and accuracy.

Artificial Intelligence and Machine Learning Will Play an Increasingly Large Role
Artificial intelligence (AI) and machine learning (ML) can broadly impact financial operations, adding value wherever they are implemented. Here are just some of the ways businesses are adopting AI/ML solutions:[8]

Automation

- **Process improvements** that include eliminating manual processes, faster reimbursement, reduction of manual reviews and approvals, and identification of fraudulent claims that can be missed by humans

- **Infrastructure optimization** via automated integration and interoperability for simplified management and consistent processes

Insights

- **Added intelligence** that provides employee travel and accommodation recommendations, improves policy compliance, and guides expense management adjustments based on AI-analyzed data

- **Data analyzation and insights** that help organizations gain key insights on inefficient and costly processes, improve risk assessment, eliminate errors, and increase compliance

Enterprises Look to Gain Greater Value From Existing Solutions

Making small adjustments to existing processes using technology delivers tremendous value at a low cost. Here are a few of the ways finance leaders are using their existing solutions to realize significant savings, greater control over spend, and ensure compliance.

- **Pre-approvals.** Adding a quick pre-approval step for proposed spend is helping enterprises proactively manage expenses. Managers and finance teams can review costs to make sure that they're on policy and evaluate travel options to make sure that the spend is essential to the business, and the trip is safe for employees and utilizes the most sustainable options.

- **Auditing efficiency.** AI/ML technology can ensure all the most important charges from expense reports get the right level of scrutiny – from the first round of approvers to audit. If the audit process is conducted by a team of experts backed by AI tools, rather than internally, the finance team can turn its attention to managing financial fundamentals and analyzing where policies are working and where they can be improved. This ensures the compliance strategy is being applied consistently across the company.

- **Tax management.** Spending has tax and regulatory implications. Travel, expense, and invoice management solutions can help protect the enterprise from liability and identify reclaimable Value Added Tax (VAT) that can be brought back into budgets where it can be put to work.[9]

- **Employee experience.** Employees are often unaware of the documentation requirements of a international business trip, such as the need for a business visa or work permit. The complexity of the requirements is likely to be further amplified once business travel returns with the potential need for health passports and vaccine registrations.

42%

of employee expense transactions do not meet compliance requirements for VAT/GST reclaim due to incorrect information and missing data.[10]

Evolving for the Future With the Help of Technology

Enterprise organizations learned many hard lessons during the past year and were forced to make sudden shifts in direction practically overnight. But the lessons learned have not been lost. Financial leaders are applying those lessons to position their organizations to be able to adapt to evolving situations more easily and quickly, free their teams from burdensome busy-work, empower their employees and ensure their well-being, as well as create the conditions for expanding profitably.

Top financial leaders realize that standing still will only get them left behind, and that's not an acceptable option. With strategic technology investments, they are resetting their organizations for growth.

To learn more about how to reset your enterprise for growth, visit Concur.com

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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 highly-rated SAP Concur mobile app guides employees through business trips, charges are directly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to analyze transactions, businesses can see what they're spending and avoid possible blind spots in the budget. SAP Concur solutions help eliminate yesterday's tedious tasks, make today's work easier, and support businesses to run at their best. Learn more at **concur.com** or the SAP Concur **blog**.

[1]The Economist Group and SAP, **Ready, Reset, Grow**, April 2021
[2]Deloitte, "**The Kinetic Enterprise: Where do we go from here? The Year Ahead**," January 22, 2021
[3]The Economist Group and SAP, **Ready, Reset, Grow**, April 2021
[4]Deloitte, "**The Kinetic Enterprise: Where do we go from here? The Year Ahead**," January 22, 2021
[5]The Economist Group and SAP, **Ready, Reset, Grow**, April 2021
[6]The Economist Group and SAP, **Ready, Reset, Grow**, April 2021
[7]The Economist Group and SAP, **Ready, Reset, Grow**, April 2021
[8]TTGmice, "**AI Adoption in workplaces will accelerate in 2021**," January 11, 2021
[9]Deloitte and SAP Concur, "**Simplifying Your VAT Reclaim for T&E Program Resilience**," October 9, 2020
[10]VATBox data benchmark, 2018

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