

A Forrester Consulting
Thought Leadership Spotlight
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The Journey To Better Travel, Expense, And Invoice Management: A Spotlight On APAC

APAC Results From The 2018 Thought
Leadership Paper, “Getting Better Mileage Out
Of Your Travel, Expense, And Invoice Solutions”

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Introduction

Travel, expense, and invoice management are important components of every business, however, managing them can be challenging as manual processes and limited tools often bog down the process and inhibit efficiency. It's important that companies can manage and process expenses in a timely manner to keep both the budget on track and your employees happy.

In September 2017, SAP Concur commissioned Forrester Consulting to evaluate how companies in APAC (Australia, Mainland China, Japan, and Singapore) are making decisions about travel and expenses (T&E) and invoice solutions. Forrester conducted an online survey of 122 respondents from APAC-based companies and conducted six qualitative interviews with IT and finance decision makers from global companies to explore this topic.

KEY FINDINGS

- › Thirty-four percent of APAC companies cite conflicting strategies between IT and finance as a top challenge for travel and expense management.
- › APAC companies find the high number of inaccuracies caused by the human element of paper-based processes to be a top challenge with invoice management.
- › Employees and managers agree: travel, expense, and invoice management processes are far too time-consuming. The top challenge for APAC employees was the difficulty and timeliness in approving invoices.
- › Automation is the future: respondents cite automating processes as a top priority for the next one to two years.

Methodology

In this study, Forrester surveyed 122 enterprise organizations split across Australia, Mainland China, Japan, and Singapore to evaluate how they are currently leveraging T&E and invoice management tools. Companies were from a variety of different industries, and the survey participants included decision makers in IT and finance roles who were responsible for making decisions around new T&E and invoice management technology solutions. Respondents were offered a small incentive as a thank you for time spent on the survey. Forrester also conducted a series of in-depth phone interviews with six global companies to further discuss the topic.

Spend Management Tools Are Plagued By Inefficiency

Legacy spend management tools fail to keep pace with today's business traveler whose on-the-go work style demands simple, mobile, and reliable solutions. Despite these demands, many companies struggle to provide employees with the latest features and capabilities for managing expenses, resulting in inefficiency. Top challenges that APAC companies face include:

- › **Outdated and inefficient processes.** Complex, antiquated processes are incompatible with the demands of fast-paced global businesses. Manual data entry methods contribute to prolonged timelines — for both managers and employees — not to mention an increase in the risk of errors. In fact, four of the top six challenges are caused by drawn out timelines (see Figure 1).
- › **Data disconnect.** Siloed sources of data make it nearly impossible for managers to have accurate and timely snapshots into current expenses and projections. This makes managing and viewing expenses better across departments a top priority for 36% of APAC respondents because, stated a business process manager for a global manufacturing company, “. . . from a finance point of view, it is important to have correct, reliable data.”
- › **Poor employee experience.** Cumbersome spend management tools are ill-suited for today's business traveler. A third of APAC-based respondents find the mobile functionalities they enjoy as consumers are severely lacking when tracking and submitting invoices as employees.

“If we continue doing things manually the way we are doing now, we will not be able to support (our company's) growth requirements.”

APAC business process manager, global medical device manufacturing company



NON-ALIGNED IT AND FINANCE TEAMS HAMPER SUCCESS

Companies need to have a clear investment and technology strategy in order to deliver on their top improvement priorities for T&E and accounts payable (AP). But 53% of APAC-based respondents agree that IT and finance don't see eye to eye on T&E and invoicing priorities.

Figure 1

Key challenges with travel, expense, and invoice management

From an end user/employee perspective

36% Difficulty/timeliness in approving invoices

33% Manual entry of invoices is time consuming and error prone

29% Lack of mobile functionality for expenses

From a management perspective

33% Team managers want more visibility into expenses and projections

32% Manual processing of invoices is time consuming and error prone

30% It takes too long to approve expenses

Over 60% of companies face at least one of these top issues

Base: 122 IT and financial decision makers in APAC based companies
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

A Unified Strategy Will Drive Lasting Success

Achieving the desired outcomes with T&E and invoice management improvements requires companies to have a clear strategy — and unified tooling — that brings together both IT and finance objectives. That is why 73% of APAC companies agree that IT and finance leaders need to better communicate and collaborate on T&E and invoice priorities. Companies with a unified strategy report much higher levels of satisfaction with T&E and invoice management tools than those without.

For example, 78% of APAC companies with a unified strategy reported high satisfaction with T&E tools, compared to only 37% with a non-unified strategy (see Figure 2). A similar outcome emerged when asked about invoice management: 72% of APAC companies with a unified strategy reported high satisfaction compared to the 32% of APAC companies without a unified strategy.

What does a unified strategy entail? In our interviews we found that a unified strategy satisfies the needs of both IT and finance stakeholders but doesn't force either to sacrifice their requirements. Instead it requires teams to prioritize business objectives on shared outcomes, such as eliminating manual processes, finding solutions that can be implemented globally, and/or a desire for greater control and transparency of expenses.

“Particularly in the APAC region . . . we need to have (tools) that keep things standardized besides the fact we have different languages, cultures, etc., that we need to amalgamate into one system.”

APAC business process manager, global medical device manufacturing company

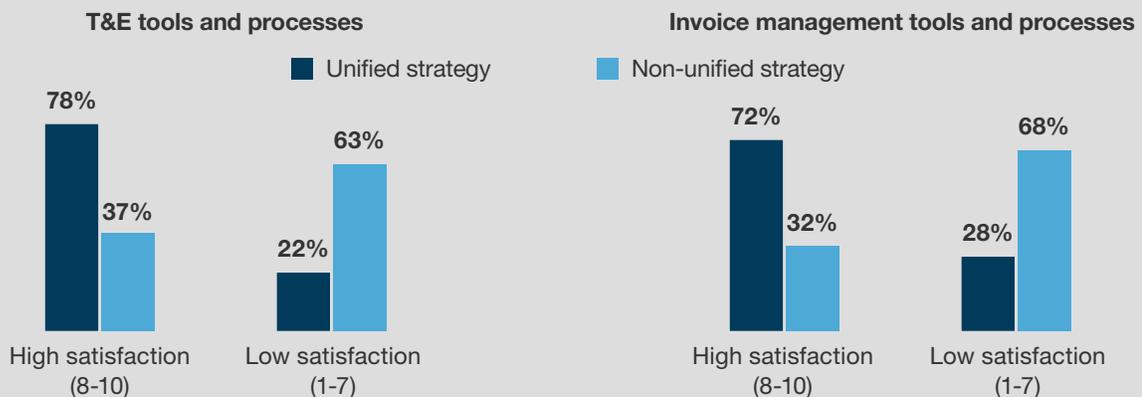


NEW TECHNOLOGY CAN HELP

The proper technology can help companies reach these objectives as well. Existing technologies have robust feature sets that can help companies deliver on their objectives. Capabilities can include: cloud and mobile access, integration with existing systems, great UI for employees, etc. Our survey found that companies that demand more of these capabilities from their solutions experience greater satisfaction with their T&E and invoicing tools.

Figure 2

“On a scale of 1 to 10, how satisfied are you with your current T&E and invoice management tools?”



Base: 121 IT and financial decision makers in APAC based companies

Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

Companies Look To Automate And Simplify Their Travel, Expense, And AP Processes

Companies — and in particular, finance professionals — know that modern technology can help alleviate many of the current problems they face with T&E and invoice management. New tools can streamline and simplify slow, multi-step processes through increased automation, mobile capabilities, and a unified interface. As companies consider greater investments in spend management tools, they have a specific priority to support both T&E and invoice management objectives.

DESIRED OUTCOMES OF IMPROVING T&E

Updated processes and unified strategies are only part of the solution: companies must upgrade their technology to bring T&E management up to speed and unite siloed departments. The top desired outcomes from improved tooling include:

- › Increased automation.
- › Improved ability to manage and view expenses across departments.
- › Improved visibility of existing and expected spending against departmental budgets.

DESIRED OUTCOMES OF IMPROVING INVOICE MANAGEMENT

Better invoice management tools can alleviate the burden of complex submission processes and time-consuming manual entry, leaving employees to more productive tasks. Improved tools have strategic benefits as well, such as better visibility into compliance and forecasting. Respondents cite their top desired outcomes to be:

- › Increased automation.
- › Improved visibility of existing and expected spending against departmental budgets.
- › Simplified invoice submission process.

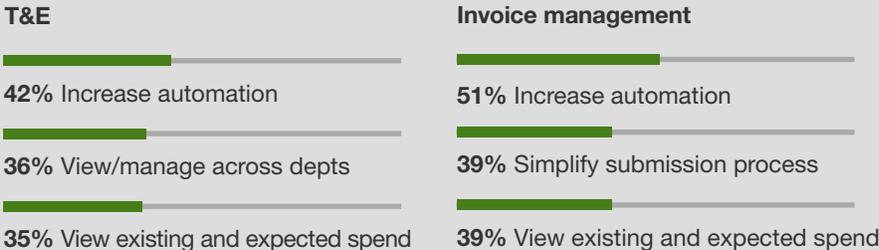
“You want users to have a simple tool that makes them happy to use it on a regular basis, rather than making it a chore for them.”

APAC business process manager, global medical device manufacturing company



Figure 3

Key outcomes to support T&E/invoice management investments (% ranked in top 3)



Base: 122 IT and financial decision makers in APAC
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

Key Recommendations

Companies who improve their T&E and invoice solutions have much to gain: higher employee satisfaction and, in turn, higher compliance; shorter disbursement timelines; better budgeting insights; and for some, better scalability. One medical company told us:

“If we hadn’t implemented [our new T&E solution], and instead had continued with manual processes as we had before, we would not have been able to cater for the volume increase, for the growth that we have already experienced over the last five years. We would not have been able to do that.”

Spend management tools must evolve to meet the needs of today’s businesses and business travelers. To achieve these benefits of automation, mobility, and improved travel, expense, and invoice management, companies should:



Align finance and IT to work effectively on a unified spend management strategy.

Before companies can begin making improvements, they need a plan to do so. Pursuing separate IT and finance agendas will inevitably inhibit any resolution of current challenges as resources will be split. A unified strategy can allow all parts of a company to focus time and resources on a mutually beneficial goal, ultimately yielding better outcomes.



Eliminate paper-based processes.

Both IT and finance professionals agree that removing paper-based processes is critical for making T&E and AP more efficient (44%). It will eliminate errors, reduce overall time spent by employees, and reduce burdens in support staff. One company found that implementing automated tools allowed them to eliminate around 42% of their human-engaged tasks, thereby enabling the AI solution to process tasks within the ERP itself. The result was a 46% efficiency gain.



Invest in new T&E and AP technology.

Sixty-two percent of companies expect tech budgets for T&E and AP to grow over the next two years. Not surprisingly, companies with a unified T&E and AP strategy are investing more because they have a more holistic view of the potential outcomes — 26% expect high growth (20%-plus) compared to just 17% for those without a unified strategy.