

A Forrester Consulting  
Thought Leadership Paper  
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# Getting Better Mileage Out Of Your Travel, Expense, And Invoice Solutions

When Finance And IT Collaborate On New  
Solutions And Processes, Companies Win

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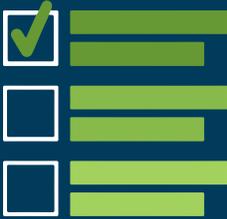
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# Executive Summary



Travel, expense, and invoice management is something that every company must manage. Whether it's employees' travel and expenses (T&E) or invoices, it's important that companies can manage and process expenses in a timely manner. However, this can be difficult as manual processes and limited tools often bog down the process and inhibit efficiency. The root causes for poor travel, expense, and invoice management are legacy technology and the lack of alignment between IT and finance to implement better solutions.

In September 2017, SAP Concur commissioned Forrester Consulting to evaluate how companies are making decisions about travel and expenses and invoice solutions. Forrester conducted an online survey with 378 respondents and conduct six qualitative interviews with IT and finance decision makers to explore this topic.

## KEY FINDINGS

- › Sixty percent-plus of companies face issues with manual process and timeliness with current tools/processes.
- › Lack of visibility with expenses is a key challenge for better managing T&E and invoicing.
- › Companies are looking to automate and simplify T&E and invoicing processes.
- › For roughly 40% of companies, IT and finance are not working closely with a unified T&E and invoice management strategy.
- › A unified T&E and invoice management strategy drives higher satisfaction with T&E and invoicing tools.
- › Companies who are focused on empowering digital operations with the right travel, expense, and invoice management tools/capabilities see three benefits:
  - Greater employee satisfaction, hence higher compliance.
  - Better travel, expense, and invoice management and sometimes expense reduction.
  - Laying the automation foundation for revenue growth.

# Digital Technologies Can Power Better Travel, Expense, And Invoice Management

From ride-hailing to movie streaming, no industry is safe from disruption and rising user expectations. However, the technological advances consumers enjoy in their personal lives stand in stark contrast with the fragmented digital experience they encounter as employees. The need for an improved mobile employee experience is particularly acute for business travelers, whose productivity depends on reliable, easy-to-use solutions that are available on the go.

Two of these critical on-the-go solutions are travel and expenses (T&E) and invoice management). Only a paltry 13% of companies we surveyed are extremely satisfied with their company's solutions in these areas. There's much room for improvement in overcoming the following:

- › **Manual processes lead to protracted timelines and inaccuracies.** Not only are manual expense and payment processes clunky and time consuming; they are also vulnerable to human error. Inaccuracies in expense reports can lead to auditing headaches and many additional hours of work. Both managers and employees rank manual processes as a top challenge when managing expenses. The pain of manual process is particularly apparent for those in finance roles who have to manage expense processes, accounting standards, and compliance via a mix of digital and hard-copy documents. "Finance's main interest is less manual effort," commented a travel manager from a global manufacturing company.
- › **Managers' confidence is stymied by poor visibility.** The managers' greatest challenge with current T&E and invoice management solutions is the lack of visibility into expenses and expense projections. Only 38% of companies are very satisfied with their T&E reporting and analytical capabilities. The rest are not. Without better tools to manage expenses, managers struggle to keep a handle on costs and forecast budgets.

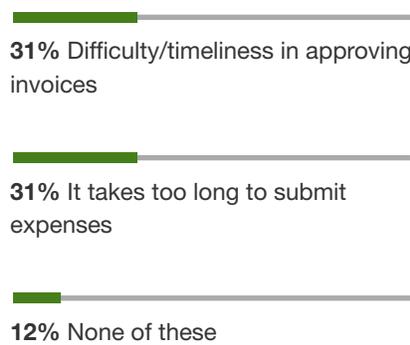
The need for an improved mobile employee experience is particularly acute for business travelers, whose productivity depends on reliable, easy-to-use solutions that are available on the go.

› **Spend management tools are plagued by inefficiency.** Fewer than 50% of companies are very satisfied with the ease of use and accessibility of their T&E tools and processes, and even fewer (40%) are very satisfied with their tools and processes for invoice management. So, what are the top challenges for employees? Respondents cite the difficulty of getting their expenses approved invoices in a timely fashion as well as the inefficiencies when submitting expenses. The manager’s point of view scarcely differs: 29% find the expense approval process unnecessarily long (see Figure 1).

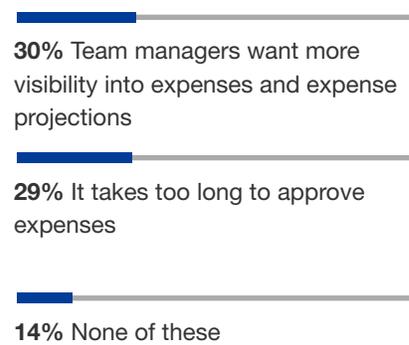
**Figure 1**

**Key challenges with travel, expense, and invoice management**

**From an end user/employee perspective**



**From a management perspective**



Base: 378 IT and financial decision makers across the globe  
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

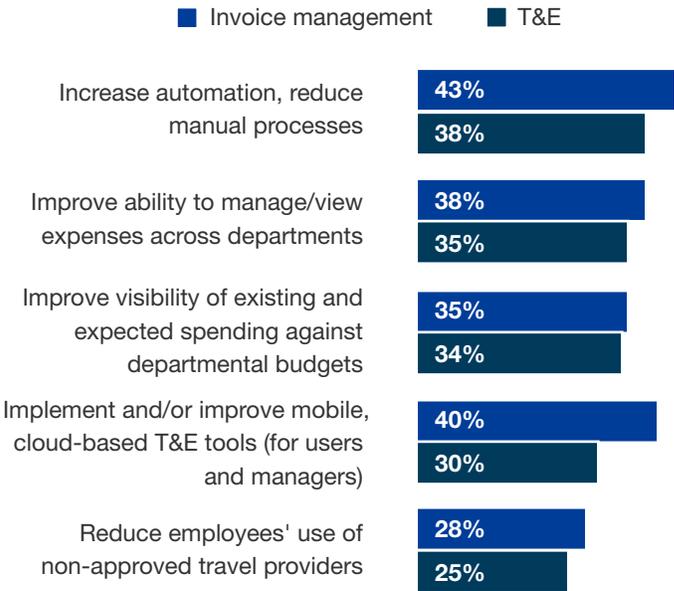


# Companies Look To Automate And Simplify Their Travel, Expense, And Invoice Processes

Companies — and in particular, finance professionals — know that modern technology can provide a better way. They know they can streamline and simplify lengthy T&E and invoice management user journeys through (see Figure 2):

- › **Increased automation.** Taking aim at cumbersome manual processes, 38% of IT and finance decision makers cite increasing automation as a top T&E priority over the next 12 to 24 months. Similarly, 43% of respondents see automation as a top priority for improving invoice management. While only a third of respondents are very satisfied with current levels of automation, the future benefits are clear: minimized input errors, less time wasted on manual entry, and standardized information entry. For one company, automation was the top priority for their invoice management improvements: “We had about 30% to 40% utilization [for our invoice process] when we started exploring automated tools and processes. Finance teams wanted it to be 100% automated. We brought a solution that used artificial intelligence to help.”

**Figure 2**  
**Financial processes priorities for the next 12 to 24 months**



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- › **Mobile and cloud-based tools.** For invoice management particularly, 40% of employees and managers aim to implement or improve cloud-based tools. Cloud-based tools are critical for enabling the efficiency that companies lack. It also lessens the burden on the internal IT support team, allowing them to focus their attention on supporting employees in other ways.
- › **A single solution for all departments.** In addition to optimizing the T&E/invoice management lifecycle for employees and managers, respondents seek to improve travel, expense, and invoice management across departments. A cross-departmental view of T&E/invoice management coupled with standardized information entry (thanks to increased automation) provides senior managers with high-level views of trends. It enables firms to facilitate better budgeting and projections, which addresses managers' top T&E and invoice management challenges. This helps with compliance as well. One finance director remarked, "In terms of the compliance, we are able to run a report and quantify how much was processed and share that with the service lines." By doing this, they were better able to determine where adjustments or changes with the policy were needed.

## IMPROVING T&E IS ABOUT PROCESS EFFICIENCY AND SATISFACTION

IT and finance decision makers invest in T&E solutions with very specific outcomes in mind. Being able to identify and showcase these potential outcomes is critical for them to get the funding to implement the solution. When we asked what outcomes would be most persuasive regarding T&E investments, respondents' top ranked outcomes are to (see Figure 3):

- › **Improve process efficiency.** There are many steps in the T&E process. Each step can be hindered by manual process and paper-based processes, which is why 40% of companies see automation as a key way to improve process efficiency.
- › **Increase employee productivity, adoption, and satisfaction.** Managing expenses can be cumbersome for traveling employees. Enabling them with cloud-based tools available on mobile devices will encourage adoption of those tools and reduce employee frustration with the overall process. Any new solution is destined to fail without intuitive, easy-to-use tools. One business process manager said: "The biggest hurdle with T&E is that no one likes it. T&E is a pain for everyone involved so our objective is to make it as painless as possible."
- › **Save money.** Better tools to track expenses and clearer policies can help make employees more responsible about their spending choices. As well, productivity improvements enable employees to do more with their time, which indirectly saves money.

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*Business process manager*



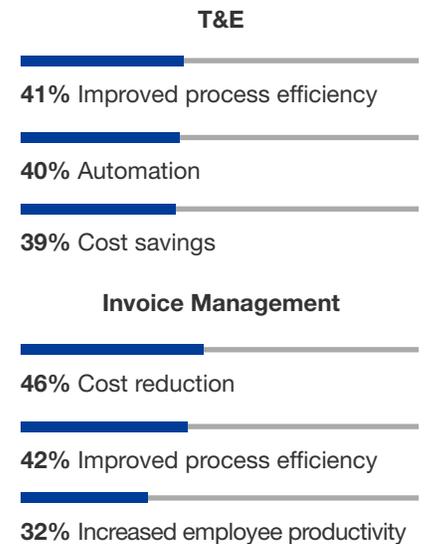
## INVOICE MANAGEMENT IMPROVEMENTS FOCUS ON COST REDUCTION

Desired outcomes for invoice management were generally similar to T&E, but with a greater emphasis on cost reduction and reporting. When asked what outcomes would be most persuasive regarding invoice management investments, respondents' top ranked outcomes are (see Figure 3):

- › **Cost reduction.** Every company wants to lower expenses. New invoice management tools can't lower your bills necessarily, but they can ensure bills are paid on time (avoiding late fees), and reduce the time spent managing invoices.
- › **Improved process efficiency.** The invoice management process can be complicated, especially when managing invoices across a number of different vendors and business units. Streamlining how invoices are submitted, reviewed, and ultimately approved can result in substantial efficiency gains. This is especially important for global companies. One interviewee from a global medical company reported that: "[Invoice management] will be a lot easier if we have one standardized system across the company that can be controlled, centralized easily by one person, and available in all our languages. At the moment, the one [invoice management] coordinator needs to go into all the various finance systems to be able to control the [invoice management] side of the cake."
- › **Improved analytics and reporting.** Companies need visibility into what is being paid, from what budgets, and to whom. This type of reporting is critical for managing the budget and for supporting future business spending decisions. Visibility is also important for auditing purposes. As one risk and compliance lead from a global tech company stated: "For a NASDAQ-listed company, you have to be audit savvy, for example to be able to know what percentage of revenue is going to travel and expense. [With the right solution] it becomes easy with just one click of the button."

Figure 3

### Key Outcomes To Support Expenses Investments (% ranked in top 3)



Base: 378 IT and financial decision makers across the globe

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

# Unfortunately, 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 invoice management. But 50% of companies agree that IT and finance don't see eye to eye on T&E and invoice management priorities. They have different priorities for T&E and invoice management:

- › Sixty-one percent of firms say that IT is focused more on the usability and employee experience, and less on spend reductions.
- › Sixty-four percent of firms say that finance is focused more on reducing spending, and less on usability and employee experience.

## A Unified Strategy Drives Higher Satisfaction And Effectiveness

However, when we combine these goals, the best answer emerges: Adopt T&E and invoice management solutions and implement automated processes to improve employees' experiences and reduce spending. Accomplishing both goals just requires alignment between IT and finance. In fact, 69% of companies agree that IT and finance leaders need to better communicate and collaborate on T&E and invoice management priorities.

The benefits of a strategic alignment between IT and finance are significant: Companies with a unified strategy report much higher levels of satisfaction with T&E and invoice management tools than those who don't. For example, 75% of companies with a unified strategy reported high satisfaction with T&E tools, compared to only 35% with a non-unified strategy (see Figure 4). The alignment between IT and finance teams, or lack thereof, has profound effects on overall T&E and invoice management process satisfaction.

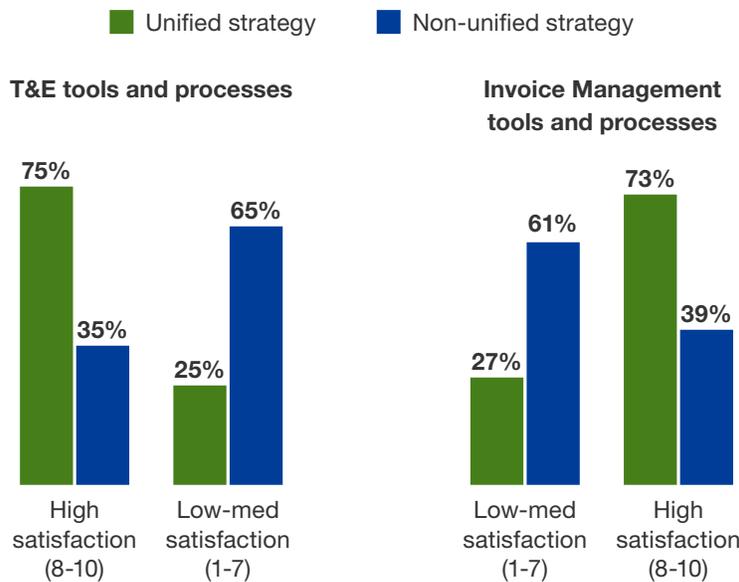
What does a unified strategy entail? In our interviews we found that a unified strategy satisfies the needs of both IT and finance stakeholders, but doesn't force IT or finance to sacrifice their requirements. Instead it requires teams to prioritize business objectives on shared outcomes, including:

- › **A goal to eliminate manual processes entirely.** Commented a global IT lead, "We're cutting down on [tasks] where human judgment is not required, we are automating it. We are letting you do quality jobs. Your workload will be lighter. You'll focus much better. You'll go on the trainings, which you've not been able to do previously. You'll have more quality jobs."

- › **A desire to find a solution that can be implemented globally.**  
Said a APAC business process manager for a global manufacturing company, “Looking at all the similar international systems, policies, and different approaches to travel, that’s where the process started to make a standardized global approach to travel...The initial drive, as I mentioned, came from the desire to manage travel more in a standardized manner globally.”
- › **A desire for greater control and transparency of expenses overall.**  
An IT risk and compliance lead for a global analytics company explained the need for more transparency saying, “Another part of the business case is about control in terms of reporting, transparency of the overall process to be supported by reporting, and availability to use those data either within the organization for management decisions or management guidance in the organization. Also more data transparency, for example, for purchasing activities when it comes to travel management purchasing contracts.”

**Figure 4**

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



Base: 378 IT and financial decision makers across the globe  
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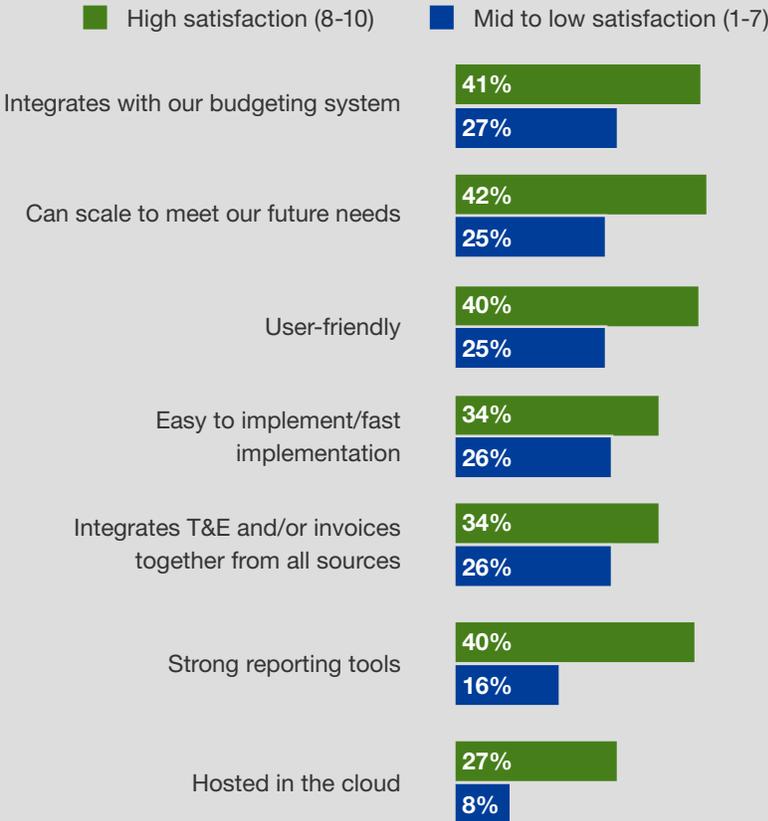
# New Technology Can Help

When we asked survey respondents to rate the importance of different criteria for next-generation T&E and invoice management solutions, and mapped it against levels of satisfaction with current solutions, we found a strong correlation: Companies that demand more from new solutions find greater satisfaction with their T&E/invoice management tools (see Figure 5). Look for technology solutions that:

- › Integrate with existing systems.
- › Run in the cloud.
- › Offer mobile access.
- › Offer employees a great experience.

**Figure 5**

**Companies that demand more from new financial tools find greater satisfaction**  
 (% is responses who view these capabilities as critically important, i.e., would not buy without it)



Base: 378 IT and financial decision makers across the globe  
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017

# Key Recommendations

Armed with new T&E and invoice management solutions and processes, the benefits will be significant: higher satisfaction, hence compliance; better travel, expense, and invoice management and sometimes reduction; and as it turns out, a foundation for revenue growth. 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.”

Modernizing travel, expense, and invoice systems by going digital is a quick win for finance and IT leaders as those improvements can make a real difference for all your employees by driving efficiency. 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 invoice management 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.

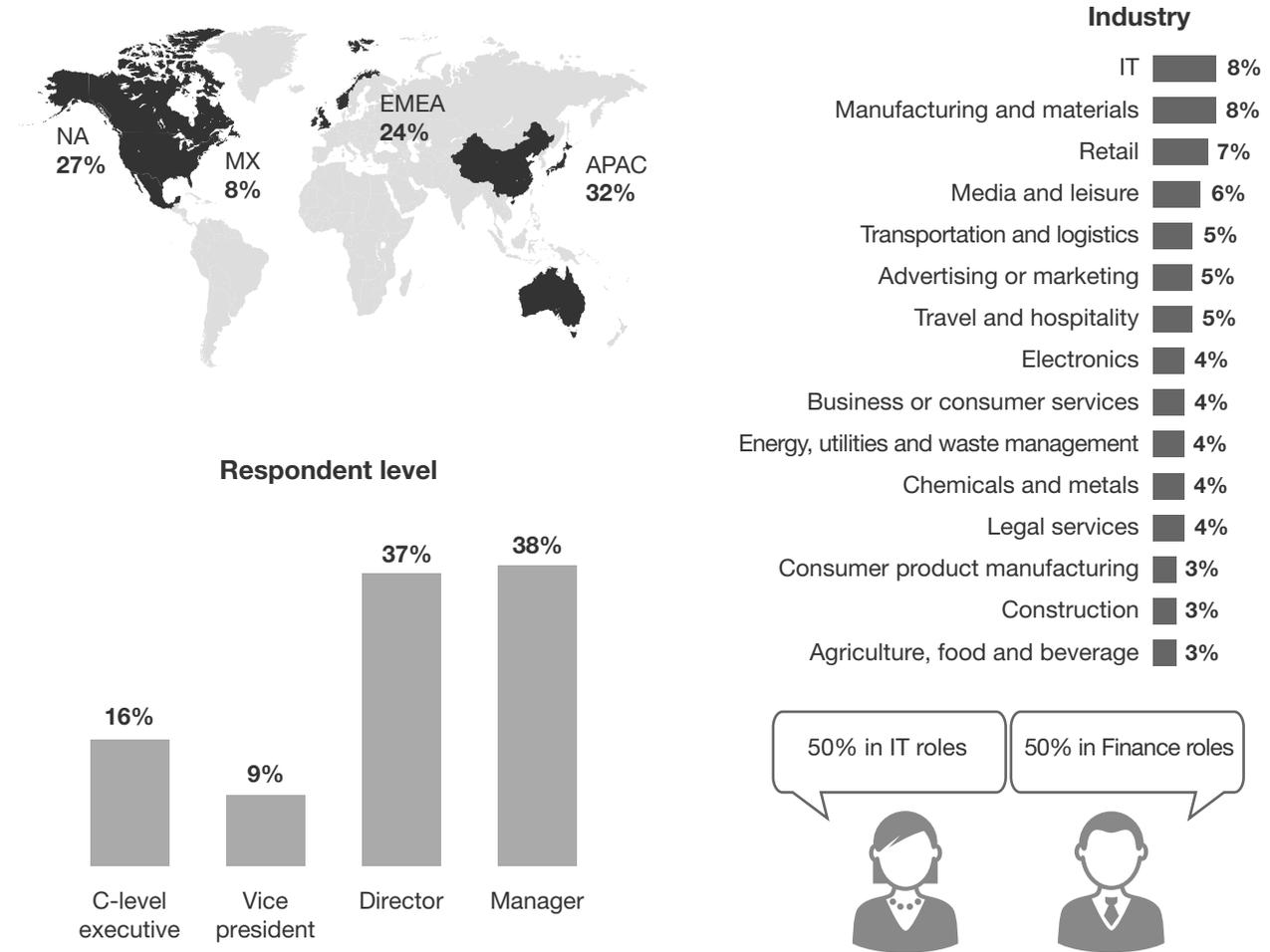


**Invest in new T&E and invoice management technology.** Sixty-two percent of companies expect tech budgets for T&E and invoice management to grow over the next two years. Not surprisingly, companies with a unified T&E and invoice management strategy are investing more because they have a more holistic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

# Appendix A: Methodology

In this study, Forrester interviewed 378 IT and financial decision makers involved with their companies' T&E and invoice management investments. Companies surveyed were in North America, EMEA, APAC, and Mexico, and had employee counts of 1,000 or more. Respondents were offered a small incentive as a thank you for time spent on the survey. The study was completed in September 2017.

# Appendix B: Demographics/Data



Base: 378 IT and financial decision makers across the globe  
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP Concur, September 2017