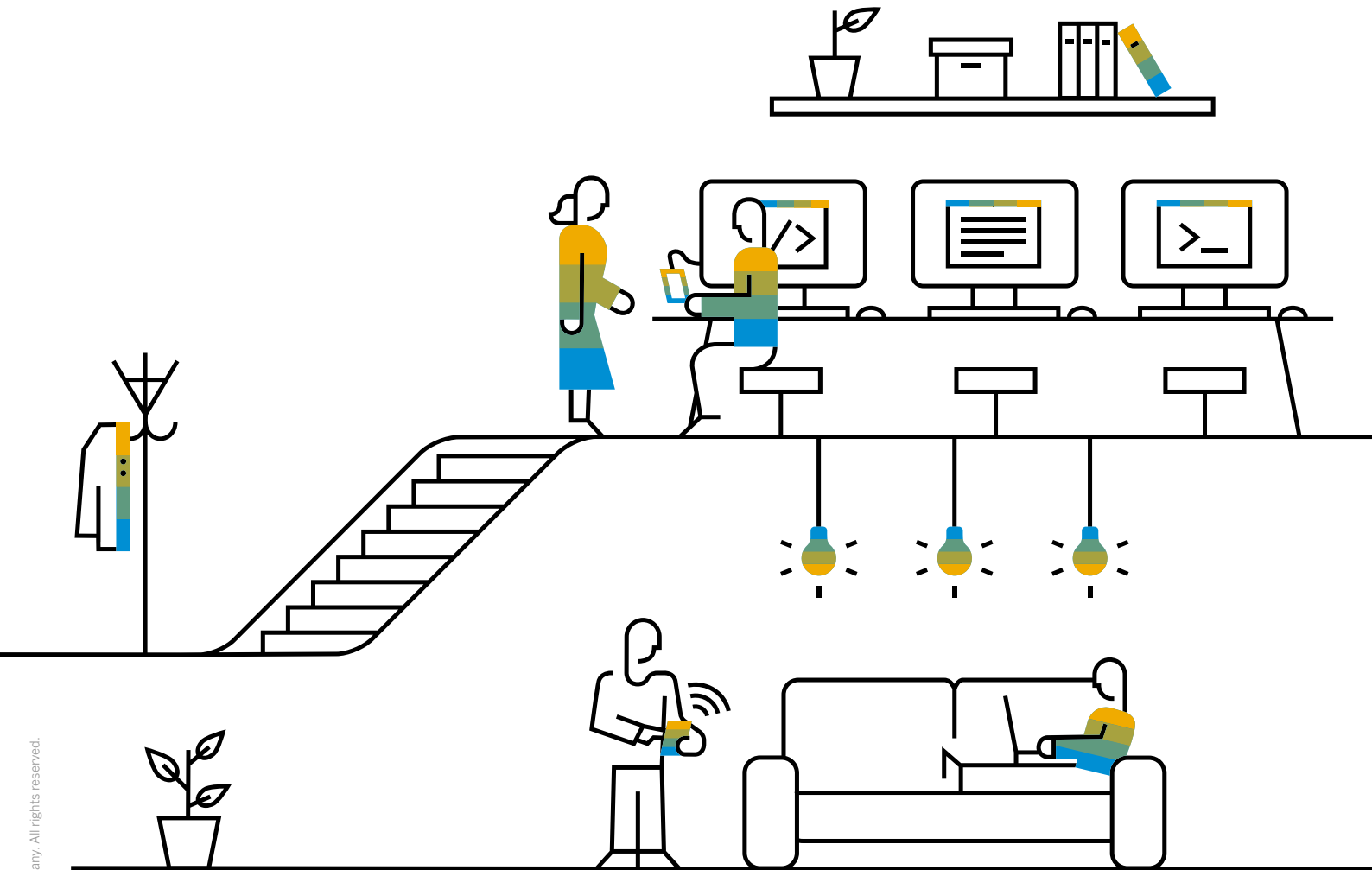


# Finance in the New World of Work

## Southeast Asia

Supported by Asia Insight



# Executive Summary

With the unprecedented number of people working from home, 2020 has turned out to be a watershed year for organisations to manage employee productivity. While remote workers are well-supported digitally in many areas, crucial yet often overlooked finance and administrative processes remain painfully manual.

The survey found that close to 40% of Southeast Asian organisations still run manual finance and administrative processes.

This takes up much employee time that can otherwise be used for productive work, a situation that may be costing the Southeast Asia region a potential US\$2.1 billion in GDP revenue annually (see page 5 for details). In the current economic climate, such productivity loss is unwarranted and even dangerous to business survival.

Workers and managers are spending an average of 5.2 hours every month handling their own expense claims. Managers spend an average of 6.4 hours a month reviewing and approving their subordinates' claims. This is a clear drag on business output, given that managers are organisations' most valuable and strategic workers.

In addition, the manual process is contributing to employee frustration. Many employees are vexed at having to spend so much time every month handling expense claims. The survey found that more than two in three staff (69%) feel a strong link between their finance and administrative experience and their overall satisfaction of working for their organisations.

This means the situation is possibly jeopardising staff retention, and organisations should act to address it urgently.

Survey respondents also expressed a desire for expense software functionality that better support their digital work and

lifestyles, such as mobile wallet transactions, the ability to submit expense claims 24/7 via mobile, and integration with third party apps including super apps (umbrella apps containing other apps).

Where business travel is concerned, in addition to being able to reduce time spent on trip management, employees want to be able to personalise all elements of their trip and manage bookings from their mobile phones.

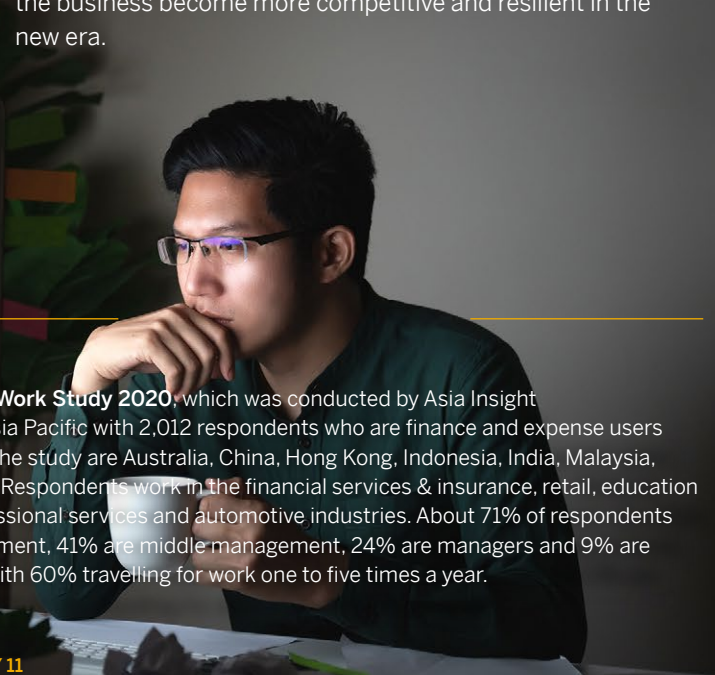
With regards to their current remote work arrangements, employees said they want stronger infrastructural and financial support from their companies to not just manage expense claims and business travel online, but also to collaborate with stakeholders. Their desire to be supported financially for infrastructural tools – such as internet access, mobile subscription plans and IT equipment – also suggest that firms need to review their expense policies to better support remote work.

To tackle the various issues uncovered in this study, SAP Concur recommends that organisations eliminate as many manual steps as possible from their expense and business travel management processes; improve their travel control, visibility and duty-of-care readiness, in addition to enabling trip personalisation; and align systems and tools to optimally support a remote work environment.

All these steps will let finance organisations build efficiency, agility and innovation into their operations, ultimately helping the business become more competitive and resilient in the new era.

## Research Methodology

The SAP Concur brand commissioned the **Finance in the New World of Work Study 2020**, which was conducted by Asia Insight ([www.asiainsight.com](http://www.asiainsight.com)) in May 2020. The study was conducted across Asia Pacific with 2,012 respondents who are finance and expense users from organisations with more than 250 employees. Markets featured in the study are Australia, China, Hong Kong, Indonesia, India, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, and Thailand. Respondents work in the financial services & insurance, retail, education manufacturing, public sector/government, healthcare, technology, professional services and automotive industries. About 71% of respondents have expense approval responsibilities, of which 18% are senior management, 41% are middle management, 24% are managers and 9% are officers/executives. Some 82% of respondents are business travellers, with 60% travelling for work one to five times a year.



# Expense and Business Travel Management Today

The year 2020 has shaped up to be a watershed year for office productivity, with the global pandemic forcing most organisations to put their workforce on a remote work model.

While we marvelled at the maturity of cloud services and digital technologies that have enabled this massive migration of work from office to home, many office processes and policies remain old world and non-digital, especially administrative and finance ones.

are not supportive of their usual practices in their daily lives, such as making cashless transactions with mobile wallets and super apps (umbrella apps containing other apps).

With the rise of mobile and digital lifestyles, information workers young and old are expecting their employers' business processes to be consumerised, at least with regards to the way they interact with them.

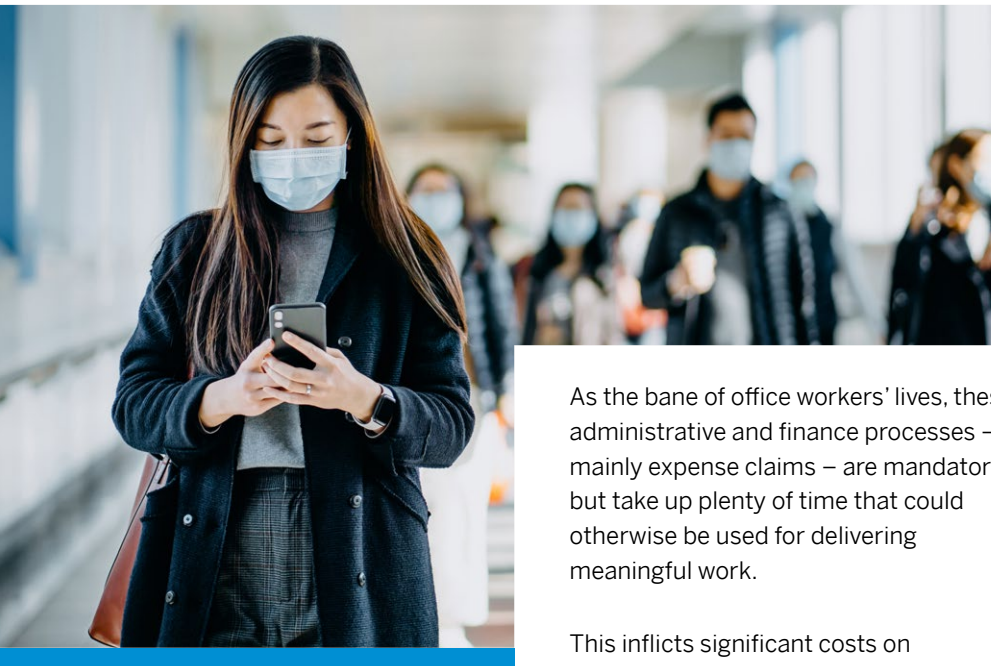
When it comes to travel, employees expect the management of their business trips and personal holidays to be similar.

Corporate travel systems that allow them to book flights and accommodations in the same way, perhaps even on their usual personal travel platforms like Airbnb, would keep them happy. They also expect seamless travel management with a high degree of personalisation, and mobile-based features like real time alerts of danger spots and the ability to make itinerary changes on-the-fly.

Besides employees' clear desire for digital and mobile capabilities to enter the workplace, 2020 is definitive for its extent of remote work.

The pandemic that created the long-term need to work from home has also revealed the scourge of remote working. Office workers need to be fully supported by organisations not only with cloud services and devices, but also finance and administrative processes.

They currently lack support from their employers, both in terms of the costs of establishing and running a work-from-home set-up, and the infrastructure needed for optimal productivity.



As the bane of office workers' lives, these administrative and finance processes – mainly expense claims – are mandatory but take up plenty of time that could otherwise be used for delivering meaningful work.

This inflicts significant costs on businesses and the economy, and causes employee frustration.

With the challenging business environment likely to persist for the foreseeable future, firms are under pressure to get more bang for each buck they spend. Maximising productivity from each employee, and retaining great staff, will be crucial.

The vexation that Southeast Asian employees are feeling stems from the fact that most expense claims systems

**Finance Transformation is Lagging in Southeast Asia**

The study shows that while many organisations have embarked on digital transformation over the last few years, many firms still handle expense claims manually.

Surprisingly, as much as 37% of respondents said they submit expenses manually by filling up a form and enclosing physical receipts. Such processes are tedious, error prone, and ill-suited to a remote work environment, or even a digital environment in general.

**Close to 40% of workers in Southeast Asia, some in large organisations, are still submitting expenses manually by filling up a form and enclosing physical receipts**

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Almost half (49%) of the respondents use a semi digital tool, where they fill in the expense claim items digitally but enclose physical or scanned receipts. Only 14% of respondents have a fully automated, intelligent expense claim tool, where paper receipts are read electronically and digitised.

Manual submission is relatively prevalent in the Philippines (52%) and Thailand (40%).

Expense claims are one of the least glamorous, and hence most overlooked functions when it comes to enterprise digital transformation, yet the productivity impact of this mundane task is enormous.

According to the study, employees and managers spend a substantial amount of time submitting, reviewing and approving claims, impacting business productivity.

Employees spend an average of 5.2 hours per month – more than half a typical workday – filing expense claims. Respondents in Indonesia (8.7 hours per month), Thailand (5.3 hours per month), the Philippines (4.8 hours per month) and Malaysia (4.1 hours per month) took particularly long to file



Submits expenses manually by filling a form and submitting receipts physically



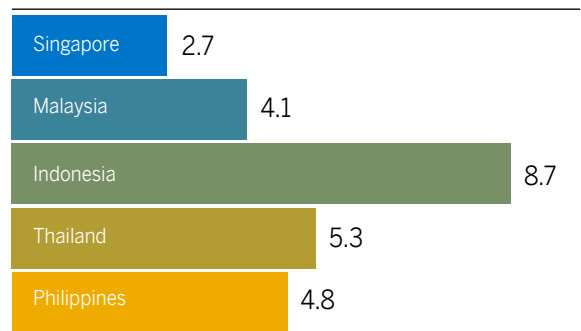
Submits expenses via a digital form, with receipts submitted physically and/or by scanned copies



Makes use of an intelligent expense reporting tool that can automate claim submissions via digital receipts or capturing photos of receipts

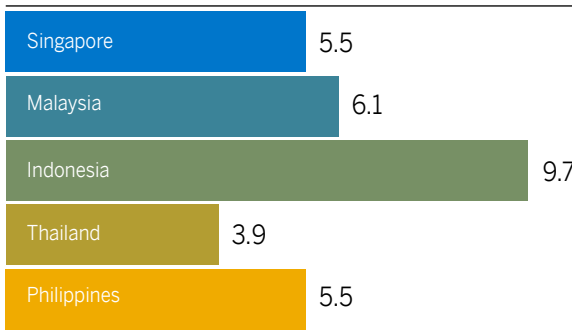
**Time spent on expense claims across Southeast Asia**

Average time taken per month (hours)



**Time spent on approving expense claims across Southeast Asia**

Average time taken per month (hours)



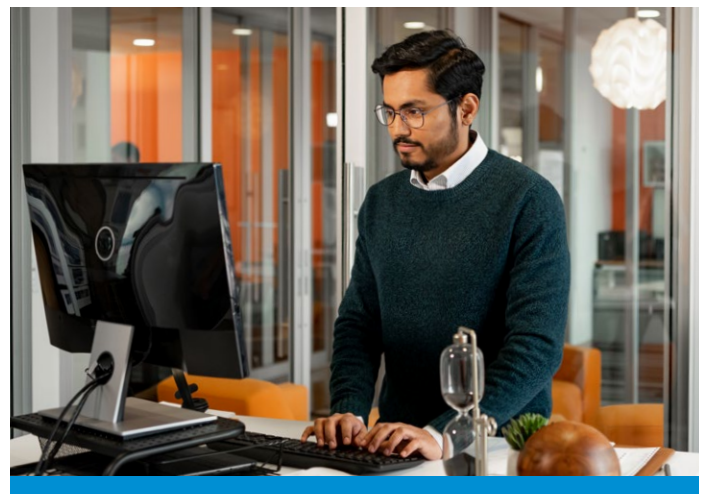
Saving 10% of time spent on filing and approving claims is worth **US\$2.1 billion** of potential GDP revenue for Southeast Asia annually

their expense reports. Employees in Singapore (2.7 hours per month) took the least amount of time.

Managers have it worse: they spend 6.4 hours per month reviewing and approving expense claims, in addition to the 5.2 hours they spend submitting their own claims. That adds up to a rather shockingly unproductive 11.6 hours a month.

Managers in Indonesia (9.7 hours per month) and Malaysia (6.1 hours per month) took the most time; managers in Singapore and the Philippines took the same amount of time (5.5 hours per month each), while those Thailand (3.9 hours per month) took the least time.

Saving just 10% of the time information workers spend on filing and approving claims could translate to a gain (assuming all the time saved is diverted to productive work) of US\$2.1 billion of GDP revenue per year



**Savings calculation**

To calculate the savings to be reaped from automating manual expense claim processes, Asia Insight created an economic loss model based on macro-economic data compiled by the International Labour Organization (ILO). This model divides the GDP of each market by its total number of workers to derive the average output per worker. The model then assumes a 10% reduction in wasted expense submission/review/approval time, and multiplies it by the number of information workers in each market to get the economic gain

per market. These market gains are then aggregated to project the overall Southeast Asia gain of US\$2.1 billion.

We can similarly work out savings for individual businesses. ILO statistics show that the average output of one hour of a worker's time in Southeast Asia is US\$4.70. If a business currently incurs 10,000 man-hours per month on expense claims and could save 10% of that time, it would have saved 1,000 man-hours per month, translating to a benefit of US\$4.70 x 1,000 or US\$4,700 per month or US\$56,400 per year.

**Digital Payments Moving into Business Realm**

In terms of preferred payment methods, the survey found a visible difference between personal and company purchases.

Cash is the top means of payment for personal purchases up to US\$100 (38%); however, for purchases above US\$100, personal credit card is preferred (60%). In comparison, 37% and 40% of respondents preferred using company credit cards for purchases up to US\$100 and above US\$100 respectively.

Mobile wallets are the #3 choice for personal purchases (25% for purchases up to US\$100 and 18% for purchases above US\$100). But they rank only #4 as a mode of payment for company purchases with only 11% making purchases up to US\$100 on a mobile wallet, and 10% for purchases above US\$100

Although cash is the predominant method for small purchases (personal) in Thailand, the Philippines and Indonesia, mobile wallets are seeing a higher take-up rate among young employees. This would mean that organisations need to cater to this group as mobile wallets will see an increasing take-up rate in future.

Besides mobile wallets, the ability of organisations' claims system to integrate with external apps to enable added functionality like the reimbursement of payments made through super apps is of highest importance for Indonesia (40% of local respondents want this feature), followed by Singapore (38%) and Malaysia (37%).

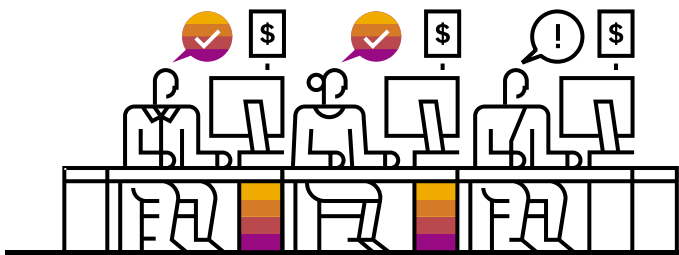
**What's at Risk?**

Two-thirds (66%) of the survey respondents said there is a very strong or somewhat strong connection between their overall experiences of finance and administrative processes to their overall satisfaction of working for their organisation.

Consistent with this finding, a separate study recently conducted by Forrester Consulting on behalf of SAP Concur found that improving tools staff use regularly is crucial to creating good employee experiences. Over 60% of those surveyed named travel and expense management software (63%) and accounts payable automation tools (68%) as two of the most important tools when it comes to employee experience.

Both studies suggest that having effective systems to support overall workplace processes is important.

To boost satisfaction and retention, firms must take steps to help staff manage prosaic administrative tasks. Retaining talented employees and keeping them satisfied is vital, because happy employees make for happy customers, enabling firms to raise their resiliency in the new world of work.



**2 in 3 respondents** feel a strong connection between overall job satisfaction and their experience of finance & administrative processes

<sup>1</sup>Forrester: Improve Travel, Expense, Invoice Management Solution to Drive Better EX  
<https://www.concur.com.sg/resource-centre/reports/forrester-improve-travel-expense-invoice-management-solution-to-drive-better-ex>

# Survey Findings: Southeast Asian Employees Want Modern Finance and Administrative Processes

## They Want Less Hassle and Time Spent on Expense Claims

The study found that across Southeast Asia, almost half of the employees (46%) are less than satisfied with the current amount of time and effort they spend on finance matters. They wish for several aspects of their expense management system to be improved. Most of all, they want to be able to:

- Fill up expense line items progressively over the month and have them consolidated automatically into an expense report (55%)
- Speed up the entire expense claim process (52%)
- Submit expenses anytime and anywhere via mobile apps (45%)

More than a third of managers (39%) also wish to be able to spend less time on reviewing and approving expense claims. Following this, approving managers most want to be able to:

- Detect expense and receipt data for fraud, mistakes and policy violations before reimbursements (25%)
- Review and approve expenses via laptops and PCs (14%)

Thirty-nine percent of respondents are less than satisfied with the current software their organisations use to manage expense claims. The market with the highest dissatisfied employees in terms of software are Malaysia (38%) and Singapore (43%).

Users of fully digital, intelligent expense management software, however, are 14 percentage points more satisfied (72% vs 58%) than those using semi digital software.

## They Want Business Travel Management to be More Streamlined and Personalised

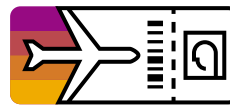
For many organisations now, business travel management is piecemeal and disjointed. Flights are booked and managed separately from hotels, ground transport, and F&B. Personalisation is difficult, there is no coherent overview of bookings, itinerary changes are not communicated to the traveller in real time, and business expenses are not automatically filed after trips.

Overall, as many as three in 10 respondents are less than satisfied with the time and effort they take to manage business travel. The lack of satisfaction is highest in Malaysia (39%) and Singapore (32%), followed by Indonesia (29%), the Philippines (26%) and Thailand (21%).

Thirty-one percent of employees are less than satisfied with the software they are currently using to manage business travel. The lack of satisfaction is highest in Malaysia (38%), Indonesia (34%) and the Philippines (30%), and lowest in Thailand (25%) and Singapore (26%).

When asked what can be improved with their employers' business travel system today, travellers said they want the ability to:

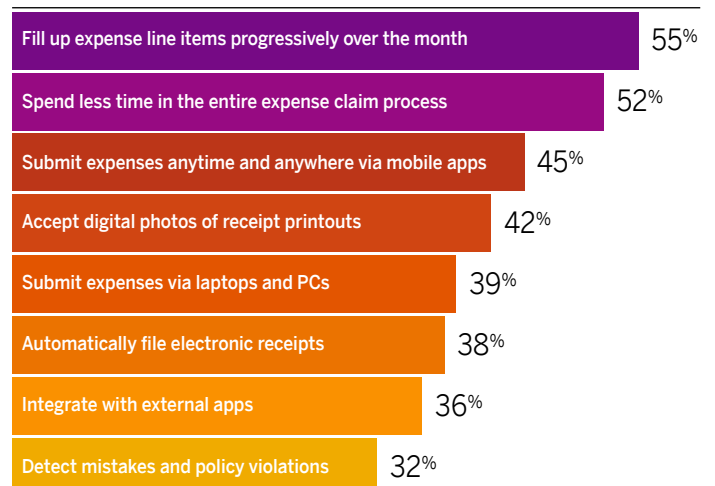
- Personalise all elements of their business travel (55%)
- Spend less time in the entire process of booking and managing their business trips (52%)
- Manage business travel via phone, online or even through a mobile app (50%)



**55%**

of travelers want to have the ability to personalise all elements of their business travel

## Desired improvements to company's expense claim tool



**Employees Want Organisations to Provide Better Support for Remote Work**

Remote work has become the default mode of work for most organisations today. In the foreseeable future, many businesses will continue to operate online and have their employees service customers from home.

This 'new normal' can be a positive or negative development for organisations, depending on the circumstances and hygiene factors surrounding employees. Working from home has much potential for greater productivity – employees don't need to spend time travelling, changing or making small talk with colleagues they meet in the pantry. Yet there are also significant distractions at home, like children, pets and errands.

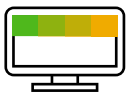
This ambivalence is revealed in the survey, where 59% of the respondents said they feel more productive working from home, but 33% cited the loss of productivity during official work hours due to distractions as their top challenge when working from home for an extended period.

So, companies are now at a point where they can adapt their operations to make remote work a boon to them, or do nothing and let it become a hindrance.

Many employees (88%) enjoy having the option to work from home but want to be robustly supported by their organisations when doing so, both infrastructurally and financially.

For Singapore and Malaysia especially, in addition to better IT equipment and services, the ability to improve collaboration both internally and externally is desired, suggesting a need for companies in the region to improve work-from-home provisions across the organisation.

**Employees want the following infrastructure support:**



**40%**

Better IT equipment and services



**34%**

The ability to improve collaboration between teams, and externally with customers/partners



**26%**

The ability to perform expense claims and business travel management online

**Employees want the following subsidised:**



**78%**

Mobile plan



**77%**

Broadband internet



**75%**

IT peripherals





# Recommendations for Transforming Finance Operations

In view of the findings, here are three recommendations for business, finance and HR leaders to consider:

## 1. Automate Expense and Business Travel Management

Automation takes the repetitive, manual aspects out of routine finance and administrative tasks, saving employees and managers time so they can focus on meaningful work. It also saves time for the finance team by eliminating paperwork and detecting erroneous or fraudulent claims.

The finance function provides visibility and control, while facilitating compliance. Since manual reporting processes are inherently opaque, any lack of integration between systems makes it almost impossible for finance teams to track spending effectively, to manage regulatory compliance, or to enforce basic policies.

Fiscal compliance involves coping with ever-changing regulatory and data security requirements. This calls for complex policies with regular updates. This critical process is hampered by siloed data, legacy systems, and a lack of automation. With automation, administrators can gain granular insight into all spending activities and the means to assert an appropriate level of control.

Auditing efficiency in the back-end will benefit from artificial intelligence (AI) automation and machine learning (ML). Referencing millions of anonymised expense reports and public

web-based information, AI/ML can rapidly assess factors too numerous and subtle to be spotted using manual means. This not only generates higher compliance rates but frees staff for higher-value activities.

With mobile phones being such a big part of everyone's personal and work lives today, mobile automation offers on-the-go convenience and broader integration with the world's payment platforms. This can increase employee satisfaction. Businesses must find ways to let employees and managers submit, review and approve claims, and manage business travel, on their mobiles.

All in all, automation leads to higher organisational efficiency, stronger fiscal control and ultimately greater business ROI.

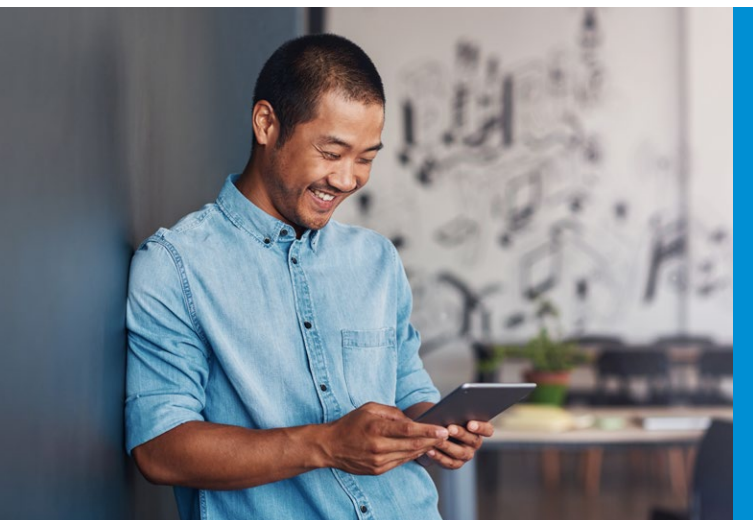
## 2. Make Business Travel More Streamlined and Personalised

Travel managers should use the current travel hiatus to rethink and revamp their travel management systems. Only then would they be able to hit the ground running when travel resumes.

This would include:

- Taking a closer look at controls
  - Reviewing travel policy to improve cost control
  - Aligning expense and travel policies
  - Moving to digital receipts
- Improving visibility
  - Integrating their travel and expense systems to facilitate data flow
  - Considering app-based bookings that still stay within corporate policy
  - Improving budget and spend reporting
- Bolstering duty of care readiness, whether employees are on the road or in a remote office
  - Consolidating and seeing all employee travel data – including up-to-date exact locations – and HR information in one place
  - Providing travellers with updates and alerts during emergencies
  - Ensuring close collaboration between HR, security, and travel teams so employees can be reached promptly in times of emergency

Organisations should strive to give business travellers a seamless, personalised travel management experience that is integrated with their expense process.



This means employees can use the same platform to book flights and hotels, make itinerary changes, be told of the boarding gates to go to at airports, and receive real time alerts if their destinations become dangerous or uncondusive for travel. E-receipts and spending on third party travel app platforms can be automatically submitted for expense claims, and spending reward points can also be aggregated across business and personal travels.

When revamping their travel management, organisations should consider consolidating to one travel platform to optimise travel management enterprise-wide and enjoy bulk discounts. This is because the study revealed that there is no one clear preferred way to book travel. In general, 57% of respondents used multiple methods for booking – consumer online booking tools (54%); corporate travel agencies/ departments (50%); enterprise travel booking tools like SAP Concur's solutions (49%); and direct bookings with hotels, airlines, etc (37%).

### 3. Align Systems and Tools to Optimally Support a Remote Work Environment

Many employees will continue to work from home in the near future. To survive and thrive, firms must re-optimize themselves to serve customers from such a model. This means organisations' current way of managing expense and travel must also be improved to run efficiently in remote work environments.

Manual processes which involve physical submission of paper receipts are not conducive for remote work or for conformance to compliance requirements. Automation is the key. Digitalisation of paper receipts, for instance, means that employees can submit claims anytime and anywhere, instead of snail-mailing or waiting for the day they step into the office (which may occur only once a month, or less).

Solutions that let vendors invoice organisations directly for their employees' purchases are a good alternative. For organisations that practise handing out petty cash to employees, solutions that digitise paper receipts and credit funds to employees' online bank accounts would help.



Organisations can also look at harnessing collaboration tools – such as experience management solutions – to facilitate interactions between team members and external stakeholders like customers and partners.

Lastly, with so many employees embracing remote work, companies should review their expense policies. They may wish to reimburse staff for their home internet access, IT peripherals and mobile plans, as alluded to by the survey.

As we start to see post-pandemic normalisation, businesses will change their focus – from crisis, to recovery, to growth and resiliency. In the coming months, businesses will re-think and, in many cases, re-invent the way they run.

Efficiency, agility and innovation are going to be more important than ever.

Adoption of the above recommendations will lead to an intelligent finance function, transformed to truly be able to support the business, helping it resiliently deliver customer value for the new era.

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