

A Forrester Consulting
Thought Leadership Spotlight
Commissioned By SAP Concur
May 2018

The Journey To Better Travel, Expense, And Invoice Management: A Spotlight On IT

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

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Seventy-two percent of IT respondents agree that IT and finance leaders need to better communicate and collaborate on T&E and invoice priorities.

Introduction

Travel, expense, and invoice management are important components of every business; however, managing them can be difficult as manual processes and limited tools often bog down the process and inhibit efficiency. Companies must manage and process expenses in a timely manner to keep both the budget on track and their employees happy.

In September 2017, SAP Concur commissioned Forrester Consulting to evaluate how IT leaders are influencing decisions about travel and expenses (T&E) and invoice solutions. Forrester conducted an online survey of 189 IT respondents from various businesses globally and conducted three qualitative interviews with IT decision makers to further explore this topic.

KEY FINDINGS

- › Less than one-third of IT leaders (32%) are very satisfied with the level of automation in their T&E and invoice management tools and processes.
- › Seventy-four percent of IT respondents with a unified strategy report high satisfaction with their T&E tools. This is starkly different from those lacking a unified strategy: Only 33% reported high satisfaction with their T&E toolset. Fifty percent of IT respondents agree that IT and finance don't see eye to eye on T&E and invoicing priorities.
- › Seventy-two percent of IT respondents agree that IT and finance leaders need to better communicate and collaborate on T&E and invoice priorities.
- › Key outcomes driving investments in new T&E and invoice management solutions include automation/elimination of manual processes, improved process efficiency, and cost savings/cost reduction.

Methodology

In this study, Forrester surveyed 378 decision makers, including 189 IT decision makers within enterprise organizations split across Australia, Canada, China, France, Germany, Belgium, Norway, Denmark, Japan, Mexico, Singapore, the United Kingdom, and the United States 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.

Expense, Travel, and Invoice Management Tools Are Plagued By Inefficiency

Employees today expect the same digital tools and capabilities from their personal lives to be available in their professional lives. Such is the case with enterprise expense, travel, and invoice management tools. However, many companies struggle to provide employees with the latest features and capabilities for managing expenses, resulting in inefficiency. These problems are particularly acute for IT departments, which often bear the brunt of employee frustrations when business tools are not functioning optimally. From an IT perspective, some of the top challenges companies face today with T&E and invoice solutions include (see Figure 1):

- › **Inability to monitor and manage legal and/or industry compliance-related expense tracking, reconciliation, and auditing.** Organizations must maintain proper expense and invoice records for audit and compliance purposes. Many companies still have very manual process for T&E and invoicing, which can lead to protracted timelines and inaccuracies. These inaccuracies can create auditing headaches and require additional hours of work, further delaying timelines.
- › **Cumbersome tools.** Under 45% IT decision makers are very satisfied with the ease of use and accessibility of their T&E tools and processes, and even fewer (37%) are very satisfied with their tools and processes for invoice management. Dissatisfaction often stems from a lack of automation, which indicates that many processes are still manual and more prone to errors.
- › **Lack of visibility for expenses and budgets.** The greatest challenge managers face with current T&E and invoice solutions is poor visibility of actual and projected spend against budgets. Only 40% of IT decision makers are very satisfied with their T&E reporting and analytical capabilities.

Only 40% of IT respondents are very satisfied with their T&E reporting and analytical capabilities.

Figure 1: Key Challenges With Travel, Expense, And Invoice Management

From an end user/employee perspective

- 31% Difficulty/timeliness in approving invoices
- 30% Slow reimbursement time
- 30% Manual entry of invoices is time-consuming and error-prone

Over 58% of companies face at least one of these top issues.

From a management perspective

- 31% Team managers want more visibility into expenses and expense projections
- 29% Lack of visibility of actual and projected spend against budgets
- 29% It takes too long to approve expenses

Base: 189 IT decision makers
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 that brings together both IT and finance objectives and priorities — 72% of IT respondents agree. However, 50% also agree that IT and finance don't see eye to eye on T&E and invoicing priorities, which creates challenges in moving forward with concrete objectives.

Companies with a unified strategy report much higher levels of satisfaction with T&E and invoice management tools than those that don't. For example, 74% of IT respondents report high satisfaction with T&E tools when a unified strategy is present compared to 33% who lack a unified strategy (see Figure 2).

So, how do IT teams help create a unified strategy with their finance counterparts? IT and finance teams must prioritize business objectives on shared outcomes. One global head of IT and security described it like this: “[Finance’s] main objective was to reduce costs. I guess from an IT perspective, the tool had to be provided to a lot of uses; there was a lot of thinking around scalability and supportability.” For IT, the primary strategy must be to show the rest of the organization how technology and process improvements can drive the cost savings, and that the path forward doesn't have to be one or the other.

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Global head of IT, global manufacturing company

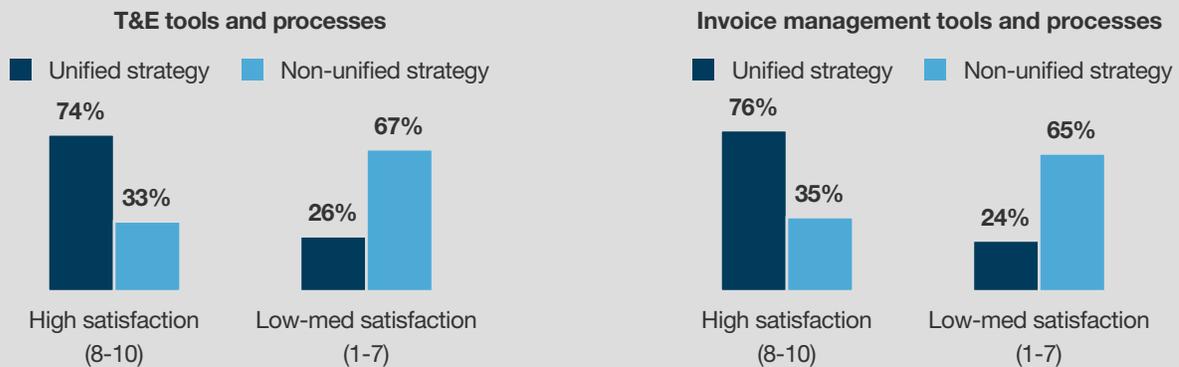


NEW TECHNOLOGY CAN HELP

The proper technology is critical for helping companies reach these objectives. Available technologies have robust feature sets that can help companies deliver on their evolving T&E and invoice management objectives. Capabilities include cloud and mobile access, integration with existing systems, a great user interface (UI) for employees, etc. Our survey found that companies that demand more of these capabilities from their technology partners 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: 189 IT decision makers

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

Companies Aim To Automate And Simplify Their T&E And Invoice Management Processes And Reporting

IT professionals know that modern technology can alleviate many of the problems they face with T&E and invoice management, but they need to ensure the business benefits are apparent to the rest of the organization. While automation improvements can reduce burden on IT staff, new tools also streamline and simplify slow, multistep processes for end users via mobile capabilities and a more unified interface. One IT lead for risk and compliance said: “This change is making [IT] do better things, get relieved of most repetitive tasks where there are a lot of errors happening. Most time-consuming or labor-intensive administrative tasks can be done automatically.”

DESIRED OUTCOMES OF IMPROVING T&E

A primary priority for T&E improvements is making the process more efficient and having the proper visibility to measure and accurately report on expense usage and budgets. IT respondents also look for ways to better leverage existing tools that extend the value of what they already have in place. Top desired outcomes include:

- › Improved process efficiency (i.e., reduced complexity).
- › More accurate reporting through data consolidation and analytics.
- › Better leverage of partner applications that extend the value of the T&E system (e.g., identify new cost savings like value-added tax [VAT]).

DESIRED OUTCOMES OF IMPROVING INVOICE MANAGEMENT

Better invoice management tools can help reduce many of the errors that exist within traditional invoicing processes. Automation and consolidation of solutions can reduce costs by ensuring more on-time payments and by offering better visibility across all payment accounts. Top desired outcomes include:

- › Improved process efficiency (i.e., reduced complexity).
- › More accurate reporting through data consolidation and analytics for real-time expense tracking.
- › Increased automation for payments.

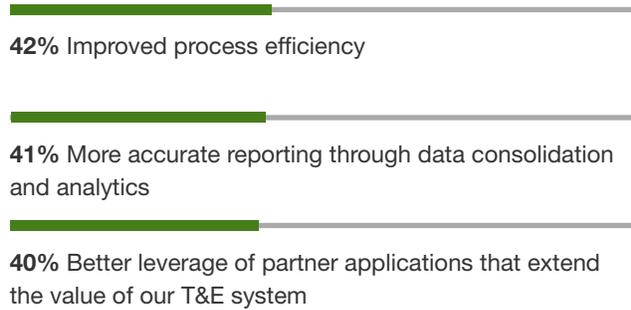
“Our overall thinking was [that the savings from automation would outweigh] any cost of the tool or cost of maintenance or support . . . and was enough to be redeployed elsewhere.”

Global head of IT and security, US-based organization

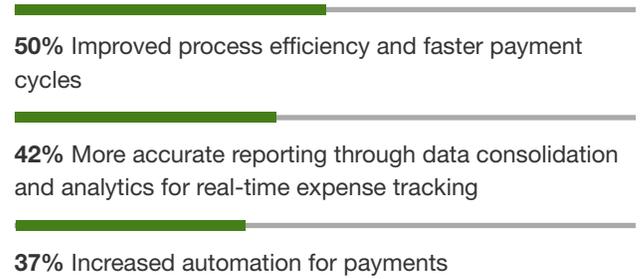


Figure 3: Key Outcomes To Support T&E/Invoice Management Investments (% ranked in top three)

T&E



Invoice management



Base: 189 IT decision makers

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

Key Recommendations

Modernizing travel, expense, and invoice systems by going digital is a quick win for IT leaders as those improvements can make a real difference for all employees by driving efficiency. The benefits for IT teams include higher satisfaction from end users, hence less troubleshooting; more automated expense and invoice management processes, which reduce burden on IT teams; and better visibility and reporting for auditing support. To maximize these benefits across their organizations, IT leaders should:



Align with finance to work effectively on a unified expense, travel, and invoice 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. Nearly 40% of IT professionals view removing paper-based processes as a top priority for T&E and invoice management improvements over the next 12 to 24 months. It will eliminate errors, reduce overall time spent by employees, and reduce burdens on staff. One IT infrastructure, risk, and compliance lead found that implementing automated tools allowed his company to eliminate around 42% of its human-engaged tasks, thereby enabling the AI solution to process tasks within the enterprise resource planning (ERP) itself. The result was a 46% efficiency gain.



Invest in new T&E and invoice management technology. Nearly two-thirds 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.