THIS IDC MARKETSCAPE EXCERPT FEATURES: SAP CONCUR

FIGURE 1

IDC MarketScape Worldwide SaaS and Cloud-Enabled Travel and Expense Management Applications Vendor Assessment

Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.
IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide SaaS and Cloud-Enabled Travel and Expense Management Applications 2018 Vendor Assessment (Doc # US43569218). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Digital Transformation Driving Change

Digital transformation (DX) is fundamentally changing software applications, allowing businesses to transform their decision making – which is enhancing their business outcomes significantly as we enter the digital economy. Digital transformation is an enterprisewide, board-level strategic reality for companies wishing to remain relevant or maintain or enhance their leadership position in the digital economy. Digitally transformed businesses have a repeatable set of practices and disciplines used to leverage new business, 3rd Platform technology, and operating models to disrupt businesses, customers, and markets in pursuit of business performance and growth. DX is driving businesses to rethink their technology strategy, and that includes moving beyond their legacy back-office systems.

Within travel and expense (T&E) management applications, new digital tools for expense capture, expense auditing, analytics, and spend benchmarking have turned expense report submission and review into a seamless process.

SaaS and Cloud-Enabled Software Driving Investment

Cloud-enabled (single-tenant and multitenant) travel and expense software applications take advantage of numerous recent technology trends such as mobile, artificial intelligence, and API integrations between cloud services. T&E is one of the most mature enterprise apps markets in terms of cloud penetration. The split between on-premise/other software and public cloud software will change from 16.5% and 83.5%, respectively, in 2016 to 5.8% and 94.2%, respectively, in 2021 as the demand for cloud-based T&E applications grossly outpaces on-premise/other software (see Worldwide Travel and Expense Management Software Forecast, 2017-2021, IDC #US42828115, July 2017).

In the T&E market, cloud is the only option. This is largely thanks to the prevailing use of mobile devices to capture and file expense reports. In addition, the cloud promises predictable costs, automatic updates, and security governed by the technology provider. This mix of characteristics is appealing to organizations of all sizes. For small and midsize businesses, the cloud brings the ability to implement a T&E system at a more comfortable initial price point. For larger organizations, cloud brings the opportunity to simplify/standardize expense report workflows and move away from costly maintenance and cumbersome upgrade cycles. Organizations recognize they need to adapt to modern, flexible business T&E processes and increase efficiency. This adaptation is done by replacing T&E processes that were previously handled manually (mainly through spreadsheets) or in custom applications with newer cloud-based commercial T&E applications.
New Digital Tools Driving T&E Application Innovation

Companies in nearly every industry have recognized the impact that digital transformation has on their business. With modern T&E applications, financial professionals and travel managers no longer manually monitor and approve expenses; instead, T&E applications incorporate company policies and expense auditing to reduce fraud.

There is an emerging group of digital tools driving digital transformation within today's T&E management strategies. These digital tools are:

- **Workflow automation.** Businesses can use T&E applications to automate many different aspects of the expense report process. Employees can automatically capture expenses by email, on a credit card account, or by taking pictures of a receipt. A modern expense management application will capture relevant information automatically and pre-populate expense report fields for the employee. While booking travel, employees can receive in-application recommendations, so booking options meet their company policy and personal preferences. Finally, managers can create rules to automatically approve expenses and run audits and reduce fraud.

- **Advanced analytics.** Analytics can play an important role in travel and expense applications by turning expense report data into actionable information. With advanced analytics, businesses can identify spending patterns and adjust T&E policies accordingly.

- **Conversational user interfaces (UIs).** With machine learning algorithms and natural language processing, T&E applications are beginning to offer conversational UIs that allow users to book travel and create/approve expense reports quickly and without issues. Some T&E applications even enable employees to use popular messaging apps like Slack or Facebook Messenger to manage and query expense reports.

- **APIs.** T&E applications must interact with many different external applications such as ERP, human capital management (HCM), external booking tools, credit cards, and travel-specific apps to manage company expenses. API's allow T&E applications to connect directly with those systems, so information and expenses flow seamlessly between end users and external services. The potential of APIs to make a more connected and seamless workflow within T&E is significant for end users.

**IDC MARKETSCAPE VENDOR INCLUSION CRITERIA**

Through its clients and contacts across most industries, IDC frequently has unique visibility into vendor selection processes within many organizations. The vendor inclusion list for this document began with those SaaS and cloud-enabled T&E solutions that IDC was most familiar with. IDC then supplemented those solutions with additional T&E vendors that also provide qualifying T&E systems. Vendors were then surveyed and further researched to ensure that their T&E offerings qualified as SaaS or cloud enabled and were already serving clients that could be referenced. Because simple expense management capabilities have been commoditized, IDC further narrowed the list of vendors to only include those that can serve complex T&E management requirements, which are most often seen in midmarket, large enterprise, or high-growth organizations. Ultimately, all T&E solutions included in this document met these criteria.
While this vendor evaluation looks at the T&E market, individual assessments are based on vendors’ capabilities and strategy for the expense portion of the market, including the expense applications’ ability to integrate with travel management services and travel networks. This means that not all T&E vendors in this study provide travel management capabilities within their applications.

ADVICE FOR TECHNOLOGY BUYERS

Travel and expense applications are evolving rapidly as vendors invest research and development dollars into bolstering, augmenting and, in some cases, redesigning their applications. It is extremely important for end users to understand how vendors and their solutions are positioned currently as well as how those vendors and their solutions may be positioned in the next three to five years.

Innovation is an essential part of the "buy" decision and is a guiding factor in our vendor research, as are the 3rd Platform and innovation accelerators. Overall, vendor selection can be boiled down to a vendor’s current capabilities and strategic and investment direction. It is critical that buyers look for a technology partner that can take them well into the future and meet their anticipated T&E business needs.

Several vendors outlined in this research study provide broad enterprise application product portfolios. Other vendors are focused on serving organizations in vertical industries. The vendors vary widely in size, experience, levels of support, sales model, and focus on the market.

Before making purchasing decisions on SaaS and cloud-enabled T&E software, businesses should consider:

- Does the vendor have experience with my type of product, service, and company size? (levels of experience in successfully implementing T&E solutions)
- Is the vendor knowledgeable about financial regulations and guidelines both locally and globally as they affect my company?
- Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product, and how will it change in the future?
- What levels of support are available, and are they geographically available for my business?
- What are my internal support resources and capabilities?
- Should I hire a third party to plan and assist with the implementation of the solution?
- Is the vendor financially able to provide needed support? Can it support needed investment in the development of future T&E software requirements?
- Is the vendor committed to this market for the long term?
- Are the travel and expense applications available on mobile devices?
- Is the ROI achievable? Does the vendor have a track record of meeting the ROI requirements?
- Can the vendor or partners support my foreign operations?
- Can the vendor integrate with my company's other IT systems and those of my partners?
- Is the product available anywhere and anytime?
- Is the product updated in a manner that suits my business needs?
- What new innovations is the vendor considering? How and when will they impact my business?
What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?

Will the vendor be a partner, helping my business grow now and in the long term?

What does the vendor's ecosystem include to aid my business travelers even more?

This IDC MarketScape vendor assessment assists in answering the aforementioned questions and others.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

SAP Concur

After a thorough evaluation of SAP Concur's offerings, strategies, and capabilities, IDC has positioned the company in the Leaders category within this IDC MarketScape.

SAP Concur is a provider of cloud travel, expense, and invoice management applications and is headquartered in Bellevue, Washington. SAP Concur was founded in 1993 as Concur Technologies Inc. and was acquired by SAP in 2014. The company is global, with offices in North America, Europe, Asia/Pacific, and Africa.

SAP Concur was the most prominent early provider of pure-play travel and expense applications, putting T&E on the map. The company's travel management and expense management applications both support global enterprises with sophisticated needs. SAP Concur's T&E applications heavily automate the expense report creation and approval process, with the goal of reducing and eventually eliminating the number of clicks required. SAP Concur is accessible on desktops, tablets, and mobile devices through native applications.

Strengths

SAP Concur provides the most sophisticated travel booking application among the T&E vendors evaluated in this study. To supplement its core travel management application, SAP Concur acquired TripIt in 2011 and Hipmunk in 2016; both of these applications provide consumers and business users with tools to better manage their travel bookings and expenses.

Concur Labs is a division within SAP Concur with the purpose of developing innovative features for its travel, expense, and invoicing applications.

SAP Concur has begun to embed SAP Leonardo into its travel and expense applications for increased intelligence and automation.

The Concur App Center is the most extensive app store devoted to travel and expense applications. These extensions can be integrated into SAP Concur's core travel and expense applications. Examples include apps for Uber, Avalara, and Marriott.
Challenges
Interviewed customers cited market messaging/brand confusion as an area of weakness, following the company's acquisition by SAP. Customers also cited support as an area that could be improved.

While SAP Concur can integrate with any desired financial application, smaller businesses might struggle to implement SAP Concur across their entire enterprise because of deep functionality depth.

Consider SAP Concur When
Consider SAP Concur if you are a midmarket or large enterprise business looking for fully integrated travel and expense applications for deployment across the globe and you use other SAP HANA cloud applications.

APPENDIX

Reading an IDC MarketScape Graph
For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.
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Related Research


Synopsis

This IDC study provides an assessment of the leading SaaS and cloud-enabled travel and expense software solutions and discusses the criteria that are most important for companies to consider when selecting a system.

"The SaaS and cloud-enabled travel and expense management applications market has a mix of competitors that provide a broad array of enterprise applications. This includes vendors with large product portfolios in both the front office and the back office as well as vendors that specialize in expense management," says Jordan Jewell, senior research analyst, Enterprise Applications and Digital Commerce. "With cloud penetration approaching 85%, travel and expense apps have become an effective first step for businesses to digitally transform. Businesses can expect more automation of travel and expense processes in the coming years thanks to integration with third-party applications and embedded machine learning capabilities."
About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

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