



# Top tips for getting started with automated expense management

## What is automated expense management and why should you care?

This document explains what automated expense management is and how it is used, as well as providing some helpful suggestions on ways to start implementing a process that could help you save time and money.

### Introduction

With 7% to 10% of an average company's budget dedicated to travel and entertainment (T&E) expenses<sup>1</sup>, it makes good business sense to manage this significant area of spend efficiently.

T&E expenses may not be of much concern to you today; however, as your company grows so will the cost of doing business. Your employees might need to travel on business and/or claim expenses—whether it's to win new business, visit existing clients or the Head Office, spread the word in new markets, or just to build and maintain supplier relationships—and they'll want those expenses to be reimbursed once they return.

Implementing an automated system now can reap larger rewards later. As a larger number of employees travel to build your business, the bills will get higher and the processing and payment of expense claims will become more onerous.

### Introducing “end-to-end”—travel and expenses simplified

The good news is that there is a simple way to make booking travel and submitting expenses easier. It's called travel and expense automation and it's an end-to-end process used by many larger enterprises.

Those using a travel and expense management solution typically follow these steps:

#### 1. Request Travel

##### **How automated travel and expense management does it:**

Typically, before employees travel, they will discuss the need for the trip with their manager, unaware of what the cost will be. If you have an automated travel and expense management solution, however, employees can use it to research and hold flights, hotel rooms, taxis, etc. and the system will create an itinerary (which includes costs) that can be sent to their manager. The

## Quick Facts:

- Using an automated travel and expense management solution cuts booking fees by 79%, a significant cost-saving<sup>2</sup>.
- It takes 41% less time to complete a single expense report when using an automated travel and expense management solution<sup>3</sup>.

manager can decide whether to approve or reject the itinerary based on the quoted prices. If they approve the trip, it will be booked automatically—without the employee needing to do anything else.

### 2. Book Travel

#### **How automated travel and expense management does it:**

To maintain control over employee travel, many companies mandate that everything should be booked through their corporate travel-booking tool or designated travel management company (TMC). This enables the organization to limit travel options while meeting their duty of care responsibilities to their employees. If they are using an automated travel and expense management system, only the options that are in-policy will be available for booking. As a result, the TMC and online booking tool make it easy for the traveller to book within policy.

Research has shown that using an automated travel and expense management solution cuts booking fees by 79%, a significant cost-saving<sup>2</sup>.

### 3. Submit Expenses

#### **How automated travel and expense management does it:**

In an automated end-to-end process, after the trip is completed, the travellers capture their expenses either via a mobile app or online. They attach images of their receipts and route the expense claims for approval, electronically. This reduces the time for the business travellers to complete expense claims as they can add expenses easily while they are travelling.

Research has shown that it takes 41% less time to complete a single expense report when using an automated travel and expense management solution<sup>3</sup>.

### 4. Approve Expenses

#### **How automated travel and expense management does it:**

Once an employee has submitted an expense claim, their manager can look at the claim on their mobile device or any computer with internet access—no matter where they are in the world—and see all the relevant details they need to approve. The claim is then routed electronically to the finance team, who don't need to re-key the data—it can simply be integrated with their financial system to allow them to process payments and keep their general ledger up-to-date. The receipts can then be archived and accessed as needed.

According to research, it is 21% faster to approve expenses using an automated travel and expense management tool<sup>4</sup>.

## Quick Facts:

- It is 21% faster to approve expenses using an automated travel and expense management tool<sup>4</sup>.
- Using an end-to-end travel and expense management system reduces expense processing costs by 51%<sup>5</sup> and allows for more accurate monitoring.

## 5. Reimburse Expenses

### How automated travel and expense management does it:

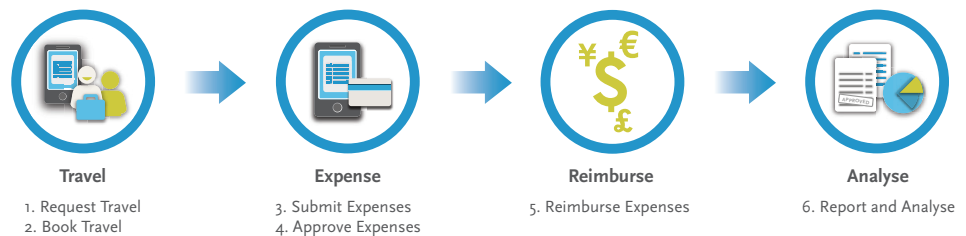
As expenses repayment is a very emotive subject, it is important to ensure that employees are reimbursed in good time. In addition, enterprises typically have corporate cards for their employees, so they need to make sure their staff are reimbursed in time to pay off these cards and not incur late payment fees.

According to research, using an end-to-end travel and expense management system reduces expense processing costs by 51%<sup>5</sup> and allows for more accurate monitoring.

## 6. Report & Analyse

### How automated travel and expense management does it:

Expenses need to be reimbursed and accounted for, not only to comply with tax policies, but also for various legislative reasons.



## Case Study

One example of how using this kind of software can benefit an organization comes from Lexacom, an IT/digital dictation software used by legal and medical professionals. Lexacom decided to use end-to-end travel and expense management software to replace their manual expense process. The reasoning for this was because, according to their Senior Operations Manager Mitchell Hart-Lincoln, “our paper-based and spreadsheet system wasn’t really working”.

They implemented Concur’s integrated travel and expense management solution, an exercise that Hart-Lincoln called “a no-brainer”, to process the many expense claims submitted by their home-based sales force that travels a lot.

By implementing this solution Lexacom gained visibility over the expense claims being submitted and established better expense policy controls as a result. They also reduced the time admin staff spent reviewing expense claims, were able to calculate more accurate mileage totals through the Google Maps integration, and gained an increased ability to reclaim tax. Their sales force also found they specifically enjoyed being able to use the mobile app to manage expenses while on the move.

## Top tips for getting started

- Start simple
- Use free tools and try before you buy
- Put together some T&E guidelines
- Prove the cost-savings
- Enjoy the peace of mind

## Top tips for getting started

Here are some suggestions on the best ways to get started with the process of automating your T&E expense management process:

### 1. Start simple

- Managing expenses are key. The best way to get started is to find and use an automated expenses tool. Start with a simple version that captures and tracks expenses and get employees to use it.
- Before you choose a tool, you might want to consider the following:
  - It should be easy to implement (especially if you don't have a dedicated or a large IT team)
  - It's worth using a version that's hosted in the cloud so you don't have to support it yourself or buy infrastructure to keep it running.
  - Get a version that has an easy-to-use mobile app for frequent travellers.

### 2. Use free tools & try before you buy

- It might also be worth testing a travel and expense management solution before you buy it on a trial basis to see if they would work for you.

### 3. Put together some T&E guidelines

- Once you have set your T&E guidelines or policies, share it and build an understanding around it and the need for it within your business. Employees are more likely to comply if they understand why it's important. You can download free example T&E policies online, and Concur also has one available for your use.

### 4. Prove the cost-savings

- Once you have eliminated all those spreadsheets and consolidated data into a single system it will be much easier to get an accurate view of your T&E spend. Now you can use this to negotiate better deals with regularly used suppliers like hotels, car companies or even restaurants.

### 5. Enjoy the peace of mind

- Our final tip is to get a good night's sleep. If you're using the right travel and expense management system for your company, it will help reassure your auditors that everything's under control. This means you have less risk of fraud and increase likelihood of compliance.

## Conclusion

An end-to-end travel and expense solution can help make managing T&E costs seamless; give your company increased visibility and control over spend; and allow travellers to book easily while staying within policy. A good travel and expense management solution can also save your company money while allowing everyone to profit from a simplified, more efficient process which can also save a great deal of time.

As your company grows and business travel increases, you should consider using the return on investment generated by your automated expenses solution to justify further investment in travel tools.

Concur can take the guesswork out of implementing a successful end-to-end travel and expense management solution, while helping your business save time and money. We are always happy to provide advice and guidance. Contact us on +852 3975 8610 (HK) / +65 6809 2083 (SG) or visit our website: [www.concur.com.hk](http://www.concur.com.hk) / [www.concur.com.sg](http://www.concur.com.sg).

We also help individual business travellers make their journey easier through Triplt®, the free travel app, and Triplt® Pro—your personal travel assistant with all the goodness of Triplt plus extra powerful features to keep you in the know.

Find us on Facebook, Twitter and LinkedIn.

<sup>1</sup> Aberdeen Group, *Expense Management: for a New Decade 2011*

<sup>2</sup> *Managing the T&E Lifecycle: Integrating Processes, Driving Performance*, Sept. 2008

<sup>3, 4, 5</sup> Aberdeen Group, *State of T&E Expense Management*, February 2010

## About Concur

Concur is a leading provider of integrated travel and expense management solutions. Concur's adaptable cloud-based and mobile solutions help companies and their employees control costs and save time. Concur's services are trusted by over 15,000 companies located in more than 100 countries worldwide. Concur is publicly traded on the NASDAQ stock exchange under the ticker CNQR. Learn more at [www.concur.com.hk](http://www.concur.com.hk) or [www.concur.com.sg](http://www.concur.com.sg).

