Harnessing the Power of Travel & Entertainment Data

by: Acquis Consulting Group

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A 2013 Aberdeen study revealed the top T&E challenge that organizations face is poor visibility into travel and expense spend (51% respondents).

Source: Aberdeen Group, March 2013

Historically, the top priorities for Corporate Travel functions have been to streamline processes and reduce the cycle time for expense submission, approval, and reimbursement. Today, however, there is a growing trend to improve access to and better understand travel and entertainment (T&E) data.

While companies recognize the value of T&E reporting and analytics, only a minority are focused on enabling this capability. Many organizations still utilize manual processes and spreadsheets to collect, consolidate, and analyze this data.

59% **primarily use spreadsheets for T&E analysis**.

51% **cited visibility into T&E spend as top challenge.**

17% **are focused on T&E reporting and analytics.**

Companies recognize a sizeable gap in their use of T&E data, yet few are doing anything about it... Why?

A perception exists that implementing business intelligence and reporting solutions are overly complex, costly, and time-consuming. While this prevents some companies from getting started, many Corporate Travel departments have already demonstrated the possibilities and results when it comes to T&E reporting and analytics.

In this white paper, we will shed light on this topic and dispel the myth that enabling T&E reporting and analytics is unattainable. We will explore the business and technical challenges companies face that discourage them from investing in this capability, and more importantly, provide an overall approach for successfully addressing and overcoming these common obstacles.

The Missed Opportunity

Developing a comprehensive policy, automating and streamlining the expense management process, and negotiating with travel service providers are usually the first steps companies take to better control and manage their corporate travel costs. Unfortunately, most companies stop there and don't take the opportunity to fully leverage the quality-rich, historical data available to them.

Companies who have limited visibility and access to report and analyze their travel data miss the opportunity to gain both strategic and tactical insights about their organization, such as:

- Providing line managers with better transparency into their budgets and employees' travel behavior
- Helping back office and finance teams review, consolidate, and reconcile travel and expenses
- Enabling Finance staff and auditors to better enforce policy and ultimately prevent violations

Travel data analytics and reporting is one of the key promises contributing to the return on investment when implementing an automated T&E solution. However, many companies overlook this strategic benefit.

Challenges and Excuses

Companies often don't know where or how to start when it comes to improving visibility and harnessing the power of their T&E data. They cite complexity of implementation, resource and budgetary constraints, and cultural obstacles as the most common reasons for their resistance. However, accessing and reporting on T&E data doesn't have to be complex, time-consuming, or costly.

An approach where companies rely on stakeholder needs to drive what should be implemented and allow the existing data and technical landscape to define what is possible, will help organizations prioritize, develop, and put into action a realistic plan that will improve access and increase visibility into their T&E data.

Multiple Data Sources

- Changing Data Sources
- Questionable Data Integrity
- No Real Single Source of Truth

Understand **the data flow and sources**

1. Multiple Data Sources

It's a fact that multiple data sources containing valuable T&E information exist. Expense reporting systems, invoice, ERP software, corporate card transactions, travel management companies, and receipt imaging databases are just a few. Taking an integrated approach allows businesses to monitor spend before it happens. In some cases, the information contained in these sources is repetitive and overlap. In other cases, the quality, integrity, and timeliness of these sources vary dramatically. It's not surprising that companies easily lose focus and quickly become overwhelmed.

TIP

✓ Understand how your T&E data is being captured and enhanced as it flows through your systems and processes. This will help you understand what data sources are the most accurate and useful for what you need.

Complex Technology

- Strict Infrastructure Requirements
- Multiple Interfaces / Bridge Programs
- Intricate Tools for BI / Analytics

Do *only* what makes sense and always consider the ongoing maintenance

2. Complex Technology

The number of data sources available and the possibility of integrating with other data sources, such as CRM, Sales, Meetings, or Compliance databases, can further overwhelm organizations and provide them with reasons to postpone or delay their efforts.

In the past, the effort to extract, transform, consolidate, and aggregate data to make it available in a format that the average user could easily report and analyze was extremely challenging. Additional complexities existed for those companies who employed antiquated T&E systems, used spreadsheets as their primary expense management tool, or followed a paper process for submitting and reimbursing expenses.

Presently, however, there are more cost-effective, easy-to-use tools available that make the data integration process more bearable. In addition, the sophistication of today's expense management solutions – some of which now automatically integrate with travel data, makes comprehensive reporting almost seamless. Giving you the accurate insights you need to control spend as it happens – or even before it happens.

TIP

- ✓ An end-to-end automated T&E solution that integrates travel booking and expense data simplifies the ability to access and analyze T&E data and provides one, accurate source of the truth.
- ✓ Companies still need to do the work and commit to the effort, but today's technology makes it easier to achieve success in a more reasonable timeframe!

Resource Intensive

- Time
- Specialty Skillsets
- Proper Funding

Find the *ROI*

3. Resource Intensive

Most people view business intelligence and reporting solutions as lengthy, resource-intensive efforts requiring teams of people with specialty skill sets and knowledge to implement and maintain.

While this perception may have been more accurate historically, the effectiveness and affordability of today's technology allows the average business user to quickly learn how to use data transformation tools as well as reporting and analytics systems. Technology is creating less reliance and diminished demand for highly-technical and skilled resources. This is presenting a strong return on investment (ROI) for pursuing and enabling T&E reporting and analytics.

TIP

- ✓ Take a step back and identify what important decisions can be made and what key problems can be solved by having access and visibility into the right data, in the right format.
- ✓ Each organization approaches issues differently and has different pain points. When making the case to your organization, be specific and identify your ROI.

Numerous Stakeholders

- Difficult Finding a Starting Point
- Competing Interests across the organization
- Too Many Requests

Identify one *starting* point

4. Challenging Stakeholders

It is sometimes difficult to find a starting point when numerous stakeholder groups exist, coupled with each group having a different set of priorities and objectives. Likewise, the opposite can be true, when there is a lack of stakeholder participation. Stakeholders who are non-existent and don't have the desire or time to participate can also pose an equal challenge.

TIP

- ✓ Go for the early, quick wins and start small. Prioritize your stakeholders and avoid making promises to satisfy everyone at the onset.

What do Best-in-Class companies do differently?

82%

Have end to end T&E management.

80%

Have automated analytics compared to only 38% of other companies.

78%

Integrate corporate card transactions.

Best-in-Class Companies Lead the Way

Best-in-class companies lead the way and set the example for implementing and maintaining effective reporting and analytics. These companies have access to real-time, accurate data allowing them to be more nimble and flexible. They are in a position to be proactive rather than reactive, and can quickly adjust to changing environmental factors. Companies who've maximized visibility and harnessed the power of their T&E data share some common attributes:

What Best-in-Class Companies Have In Place…	Which Enables Them To…
An End-to-End Automated T&E Management Solution	▪ Integrate travel booking and expense management systems and processes, to offer a full view of the trip as well as traveler behavior and preferences ▪ Access to a single, accurate, comprehensive source for travel and expense data ▪ Rely less on their Travel Management Company (TMC) for all reporting and analytics
Automated Business Intelligence and Analytics	▪ Automate data extraction, transformation, and consolidation ▪ Automate report generation and distribution
An Effective and Robust Corporate Card Program	▪ Enhance data integrity, since the traveler is not modifying or touching the data ▪ Streamline the data capture and consolidation process ▪ Eliminate the corporate card vendor as a separate data source, since card data is already incorporated into the

Companies who do not meet all of the best-in-class aspects described above should not be dismayed. Even organizations who only collect basic travel expense information from their employees can still garner valuable insights from the data they do collect.

A Good Starting Point

A good starting point is to consider an inventory of best-in-class T&E reports.

Common Report Goals

Policy Compliance

- Provide insights into travel behavior and patterns
- Identify policy outliers and exceptions
- Help drive decisions for updating policy rules, guidelines and thresholds

Travel Effectiveness

- Provide insights into the effectiveness of travel and entertainment activities in supporting account management and sales efforts
- Help identify accounts or customers that are under- or over-served
- Help drive decisions for travel versus virtual collaboration

Procurement & Sourcing

- Provide insights into spend habits, travel volume and travel frequency
- Present a holistic view of a company's travel needs and requirements
- Help create more relevant and favorable pricing and fee structures, rebate programs and incentive programs

Budget & Forecasting

- Provides managers with the ability to track and monitor spend to budget
- Enable managers to be more nimble and adjust in areas where necessary
- Helps accurately forecast future spend

Best-Practice Reports

Audit and Compliance

- Top spenders, high dollar, duplicate transactions
- Employee cardholders
- Reimbursement: mileage, cell phone
- Personal use of credit card
- Out of pocket expenses for air, car, hotel
- Default approver / reports not approved by default approver
- Airfare ticket number

Managerial

- Provide insights into the effectiveness of travel and entertainment activities in supporting account approvers (avg. days to approve)
- Scorecards
- Ancillary fees
- High dollar reports
- Cash vs. corporate cards
- Spend per expense grouping/parent
- Historical / trending spend (to budget) management and sales efforts
- Help identify accounts or customers that are under- or over-served
- Help drive decisions for travel verses virtual collaboration

Administrative and Operational

- Reconciliation
- Overdue card transactions
- Unassigned cards and transactions
- Overdue expenses
- Daily posted card transactions
- Accrual (pending payment)
- User/systems metrics

Procurement

- Spend by suppliers for Automated Clearing House
- Total category spend
- Location spend for Automated Clearing House
- Travel pattern changes
- Growth trends (spend, travel)
- Monitor SLA goals (e.g., spend targets)
- Booked vs. billed

Many companies are already producing and distributing these reports on a regular basis, with varying amounts of frequency and manual effort. Best- in-class organizations often take reporting a step further by providing users with the ability to generate ad hoc reports and perform their own analysis. Regardless of where companies fall in the spectrum, T&E reporting and analytics is a realistic, attainable goal.

Remember, the end goal is not to generate the full list of best-in-class reports for the sake of reporting itself. Rather, the end goal is to better understand company needs and behavior so the right T&E policies, procedures, tools, and vendor programs can be put in place. Even talking to and interviewing travelers will go a long way in gaining improved insight and understanding.

✓ Engage and talk to your travelers about their personal experiences. Gaining personal or qualitative insights, along with quantitative data, goes a long way to painting a holistic and accurate view of the quality and effectiveness of your travel policy and program.

Approach to Increasing T&E Data Visibility

For organizations who are ready to take their T&E reporting and analytics capabilities to the next level, four key steps will help simplify the process and avoid obstacles.

- **WHO?** — 1. **Identify Stakeholders and Respect Company Culture**
- **WHAT?** — 2. **Understand the Business Environment and Technical Landscape**
- **HOW?** — 3. **Define and Prioritize Goals and Objectives**
- **WHEN?** — 4. **Develop a Realistic Plan and Put It into Action**

1. Identify Stakeholders and Respect the Company Culture

It's important to take a step back to identify the key stakeholders within the organization and assess the level of influence they have. Stakeholder business objectives and priorities should drive what reports and analytics are developed and how they are delivered.

Key Questions:

- Who are your stakeholders?
- What are their pain points?
- What are their business goals and metrics to measure them?

TIP

✓ Identify reports that are meaningful and useful to various stakeholders in the user community.

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2. Understand the Business Environment and Technical Landscape

Understanding the business environment and technical landscape will help define what is possible and determine the level of investment required. ***Key Questions:***

- What data and sources of information do you have access to?
- What is the basic travel data flow and how doesdata get modified or enhanced along the way?
- What is the quality and timeliness of your data?
- Will travel data need to be integrated withother sources, such as HR, Finance, CRM, Sales, or Compliance databases in order todeliver set objectives?
- What existing business intelligence and reportingtools are available within the organization?

TIP

✓ Know your environment! The state of your reporting capabilities is shaped by the tools and processes you have in place.

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3. Define and Prioritize Goals and Objectives

Once stakeholder needs are understood and the business and technical landscape are assessed, it's time to define the overall goals and objectives. Creating a set of key goals and guiding principles will help the organization make important decisions along the way and direct the project team down the right path.

Key Questions:

- What objectives do you want to achieve in the short- term, medium-term, and long-term? Is there a priority group of stakeholders that you are trying to satisfy?
- What do we want our audience to achieve? What information do they need? What types of reports will be delivered in the early phases and l phases?
- What type of reporting environment will be put in place?
- Will you implement a self-service, on-demand model where users will interact directly with the tool when they want and need reports? Or will report generation be automated and delivered via email?

TIP

✓ Develop and demonstrate a pattern of success early. Prioritize your objectives so you can deliver meaningful, practical reports to key stakeholders who have influence throughout the organization.

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4. Develop a Realistic Plan and Put It into Action

More and more, executives and management teams are demanding to see results sooner. They can no longer wait months or years before they see a return on investment or proof of concept. When developing a plan, consider an approach where only a few reports are developed at a time, but that can allow for development and deployment cycles to occur more frequently.

For early phases, focus on one system (e.g., company's expense management system) as the primary data source for reporting and analytics. As the project team lays the technical foundation and becomes more efficient in developing and deploying reports, consider integrating more data sources or developing more complex analytics.

Key Questions:

- Who are the subject matter experts and experienced resources that should be engaged and participate in the effort?
- How will requirements be collected and validated? Should a standard survey be developed and distributed? Should interviews be scheduled with key stakeholders? Or should a hybrid approach be utilized?
- What business intelligence and reporting tools are available to be utilized?
- Can pre-existing reports be leveraged and enhanced to demonstrate quick wins?
- What is the overall change management approach? How will training be conducted and delivered?

✓ No one person can do it all. Engage experienced resources who've not only achieved success in this area, but resources who also understand the policies, procedures, and technology of your organization.

Time for Action

The time for action is now. The corporate travel and business intelligence industries are ripe with the expertise and tools to enable T&E reporting and analytics.

Increased Availability of Digital Information

As travelers and technology continue to evolve and become more mobile, more digital information is available and readily accessible. Capturing, storing, and accessing data is not as complex, costly, or time consuming as it used to be. With today's innovations and technologies, accurate and detailed data is available closer to real-time with the advancements below:

- **Mobile Capture of Data:** The user can enter key travel & expense data during the trip (and not after)
- **Electronic Receipts:** Receipts that were previously paper, and now available in an electronic format
- **Corporate Card Transaction Details:** Detailed transactional data is captured on an expense and automatically transmitted into a system

Enhanced Data Integration Capabilities & Business Intelligence Tools

More sophisticated and easy-to-use data integration tools and services are available now more than ever before. These tools are simplifying the data extraction, transformation, aggregation, and consolidation process, creating less reliance on programmers and developers and providing non-IT users with easy, do-it-yourself tools.

In addition, business intelligence and reporting vendors have invested a significant amount of effort and resources in delivering tools that enhance the user experience. Users are able to access reports via mobile devices, allowing data to be delivered to users more quickly and conveniently. Also, users can more easily interact with data by drilling down, pivoting, and filtering information with just a few simple clicks.

Overall, users are finding reporting and analytics easier than ever, creating more demand for data within organizations.

Improved Industry Collaboration

Vendors and service providers within the corporate travel industry are collaborating more and more to deliver integrated reporting solutions to their customer base. Companies are finding it easier than ever to provide reporting and analytics since the effort and responsibility for data integration and delivery is being shared by corporate travel vendors.

Summary

Corporate travel functions want to focus more on reporting and analytics, but often don't know how or where to start. Proficient T&E reporting and analytics is an attainable goal. It's important to take a step back to identify the stakeholders, determine the priorities for the organization, and assess the internal cultural and technical environments. Understanding the big picture will help companies deliver value faster with less headaches and strain on resources.

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Jeff Berk has been a consultant with Acquis since 2007, and is one of Acquis' leaders in Corporate Travel and Procurement. Having spent several years advising on T&E related functions, Jeff has a great deal of expertise around its systems, processes, policies, organization, reporting, and supplier sourcing. Regarded as Acquis' T&E Policy "guru", Jeff has assisted several companies in designing effective T&E policies and procedures that are both in line with best-practices as well as their unique company culture.

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Joe has over 10 years of consulting experience specializing in corporate travel and systems implementations for global Fortune 500 companies. His technical capabilities and penchant for learning has provided value to his clients in industries ranging from healthcare and pharmaceuticals to education and consumer products. Prior to joining Acquis in 2010, Joe was a Senior Consultant for Accenture. He holds a Bachelors of Arts degree in Economics from Binghamton University, where he was also a School of Management adjunct, with a focus in Management Information Systems

About Acquis Consulting Group

Acquis is a consulting firm specializing in strategy and implementation. We help ambitious organizations solve business challenges, enabling sustainable growth and healthy efficiency. We do this not just by designing strategies, but by putting them to work. Our expertise includes analytics and reporting, change management, operational strategy, process improvement, program and project management, and systems implementation. Acquis was founded in 1998 and remains a privately held management consulting firm. We are headquartered in New York City over 60 full-time employees. Our clients cover all industries including banking, consumer products, nonprofit, pharmaceutical, and manufacturing. Most of our clients are complex, global, Fortune 500 companies.

About Concur

Concur is the leading global provider of spend management solutions and services, helping companies of all sizes transform the way they manage spend so they can focus on what matters most. Through Concur's open platform, the entire travel and expense ecosystem of customers, suppliers and developers can access and extend Concur's T&E cloud. Concur's systems adapt to individual employee preferences and scale to meet the needs of companies from small to large.

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