

The Wire...from AirPlus

January 2010: Multiple Policies, Manual Processes

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.



Corporate travel management still missing the implementation of industry's best practices

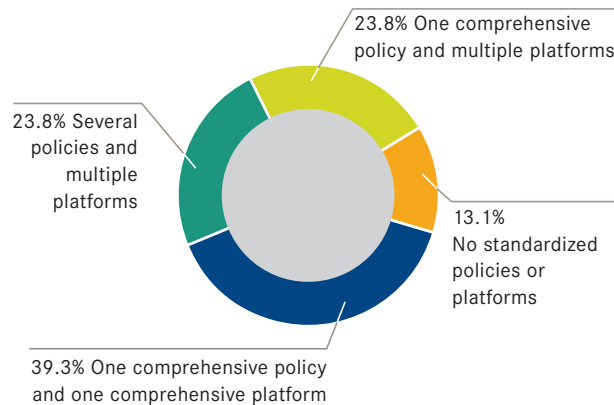
Corporations are leaving both direct and indirect travel savings on the table by not implementing best practices around comprehensive travel policies and use of a single expense reporting platform, according to a recent online survey of travel management professionals by AirPlus International. While a majority of respondents clearly understand the potential benefits, under 40 percent of survey respondents confirmed that they both utilize a single travel and entertainment policy throughout their organizations and supply a single T&E expense reporting platform for all travelers.

Corporations that have embraced industry best practice by creating comprehensive travel policies, benefit by having a means by which to encourage specific travel behaviors. Many of these companies have also invested in the technologies and tools that make it easy for travelers to comply with policy, including but not limited to the following:

Online Booking Tool

An online booking tool allows a corporation to imbed corporate travel policy within a travel booking tool that employees can use to self-book their business trips, a process that can save up to \$24 per booking when compared over the telephone, according to a 2006 study published by Aberdeen Group. By displaying supplier rates side by side, online booking tools allow

Please select the best way to describe your company's travel and entertainment (T&E) expense management policy and platform for processing business expense reimbursement.



travelers to comparison shop before booking trips. The concept of “visual guilt” comes into play as they see savings possibilities. A good online booking tool should also allow a corporation to bias displays to show only their preferred partners. For organizations that choose to display non-preferred or out-of-policy options, the tool should be configured to flag out-of-policy choices that prompt travelers to change their choices or get approval. The data collected through an online booking tool should also be used to track compliance, manage supplier relationships and for other purposes.

Corporate Card

A corporate card program offers another method of capturing data. It is often a more accurate representation of T&E spend than the data captured within the booking

What are / were your biggest challenges to implementing a comprehensive T&E expense management platform? (mark all that apply)

Different lines of business with different needs	45.0%
Local statutory requirements	26.3%
Senior management support	21.3%
Non-standard financial reimbursement and accounting processes	43.8%
Other (please specify)	15.0%

process. Card data shows funds that were actually spent. Beyond data, there are many benefits of a corporate card program to an organization’s travel management efforts. First, by pushing more travel expenditures to the card, the organization can gain visibility into actual travel spend by receiving data from fewer—or even a single—supplier. In addition to air, hotel and ground transportation data, corporate cards also provide visibility into meals, entertainment and other T&E costs not generally captured by a booking tool.

Automated Expense Reporting Platform

A best-in-class T&E reporting platform should be able to accept automatic data feeds from both a TMC / online booking tool and a designated corporate card. The effect on the travel program—especially when linking corporate card data to the expense tool—can be dramatic. First, the traveler experiences this automatic feed as a service. Charges on the card pre-populate the expense report, saving the traveler time spent manually inputting trip information. In many companies, this also reduces the need for paper receipts. This often results in a higher percentage of expenses charged to the corporate card, which, in turn, results in better visibility into overall corporate travel spend and an increased opportunity to control traveler behavior.

According to the AirPlus survey, more than 79 percent of companies surveyed link credit card data to their expense reporting systems—a signal that they recognize the relationship between spend visibility and compliance. That compares to only 42 percent of respondents whose companies link their booking data to the expense tool, which can provide enhanced visibility into out-of-policy bookings and fewer expense reports submitted with critical policy violations.

What do you view as the main value of an integrated T&E policy and T&E expense management platform?

Compliance to policies and preferred suppliers	28.0%
Fraud detection	1.2%
Increased leverage with suppliers due to better insight and data into T&E spend	9.8%
Efficiencies gained from streamlining processes (back office/shared service center/no more manual expense reports etc.)	56.1%
Other (please specify)	4.9%

Above traveler convenience and compliance, however, 56 percent of respondents to the survey pegged increased back-end efficiencies as the most important benefit of automated data feeds and integrated expense reporting platforms. Indeed, automated expense technology facilitates approval, reconciliation and reimbursement almost 30 percent more efficiently than companies that use manual processes, according to a June report from Aberdeen Group.

With all its potential benefits, automated expense reporting has its challenges. The biggest challenge among survey respondents was simply the diverse lines of business within their companies requiring different processes. Fewer companies experienced setbacks in the form of local statutory requirements, lack of senior management’s support and non-standard reimbursement and accounting processes. Still, moving toward best practices is likely worth the effort, and automated expense reporting has become more accessible—even for midsize companies that in the recent past could not justify investing in these types of tools.

Additional Resource:

Coca-Cola Automating Expense Audits

<http://www.management.travel/news.php?cid=Coca-Cola.Aug-08.27>

Survey Methodology: For this issue of *The Wire*, AirPlus International in cooperation with Acquis Consulting Group and ProMedia.travel surveyed 84 travel management professionals in North American and Europe from January 13-22, 2010.

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