

FORRESTER®

# Digital Transformation For Travel And Expense: Balancing Process Efficiencies, Compliance, And Employee Experience

Get started →

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY AMADEUS | SEPTEMBER 2020

## Modern T&E Management Requires Greater Automation And Integration

In the context of the COVID-19 situation, companies find themselves in one of three modes: survival, adaptive, or growth.<sup>1</sup> Depending on their specific mode, they are grappling with increased urgency around digital transformation, cost control, and operational efficiency and flexibility.<sup>2</sup> Amidst reduced travel and increased cost control, transforming outdated travel and expense management (T&E) processes and tools must be central to business objectives.

Amadeus commissioned Forrester Consulting to conduct a survey of finance, procurement, travel management, IT, and HR leaders at large enterprises to explore the current state and challenges with T&E processes and tools.

We found that enterprises must rethink their T&E technologies to digitally transform, improve employee experience (EX), and enhance efficiency of financial operations through automation and integration.

### Key Findings



Respondents recognize that improving their organization's T&E management is critical to digital transformation. Many firms still rely on outdated tools, and only 15% have cloud-based solutions.



Lengthy, cumbersome processes and tools diminish the end-to-end experience for employees and impede business operations. This adds manual burden to the workload of employees, managers, and Accounts Payable teams.



An integrated T&E solution can tackle challenges. It can improve user experience (UX), increase efficiency, and enhance the use of data and analytics for better planning and cost control.

## Improving T&E Is Critical To Digital Transformation

For organizations in the study, respondents said the top business objectives over the next 12 months are increasing efficiency in operations (75%), accelerating their digital transformation (71%), and improving the experience of employees (69%).

Modernizing travel and expense management is critical to achieving these business objectives. Seventy-three percent of respondents agreed that improving T&E processes and tools is a key part of their organization's digital transformation journey. A similar proportion said that improving T&E is key to reducing cost and increasing operational efficiency (74%) and improving EX and employee engagement (74%). Seventy-four percent also agreed or strongly agreed that technology vendors have a significant role in advising them on the digitization of T&E management.

### “To what extent do you agree or disagree with the following statements?”

- Strongly agree
- Agree

Improving our T&E processes/tools is critical to reducing cost and increasing efficiency in business operations.



Improving our T&E processes/tools is critical to improving employee experience/engagement.



We expect technology providers to have a significant role in advising us on the digitization of T&E management.



Improving T&E management is a key part of our digital transformation journey.



## Improved UX, Better Insights, And Lower Costs Are Top T&E Priorities

The top priority around T&E management is improving end-to-end experience of the process, even for job roles traditionally perceived as cost-driven (e.g., finance, procurement, and IT). Data analytics to gain actionable insights on T&E is also a top priority for all job roles, including HR and travel managers. Beyond these, decision makers in finance, procurement, travel management, IT, and HR had differing top objectives. However, in the context of the COVID-19 situation, there is more focus on control and visibility of T&E.

**“Obviously with COVID-19 and the economy, our [current] priority is to manage T&E as efficiently as possible and reduce spend.”**

***-Vice president, finance, multinational company***

## “How much of a priority are the following travel and expenses initiatives for your company?” (Top results)

### Critical + High Priority

Improve end-to-end experience of T&E processes

69%

Improve ability to gain actionable insights from analytics on T&E

68%

Improve integration between T&E technologies and other enterprise systems

68%

Increase automation and reduce manual, repetitive tasks

68%

Meet industry standards/requirements for our industry

68%

Upgrade to best-of-breed technology solutions

67%

Improve user experience of T&E tools

66%

Improve ability of employees to manage T&E on mobile

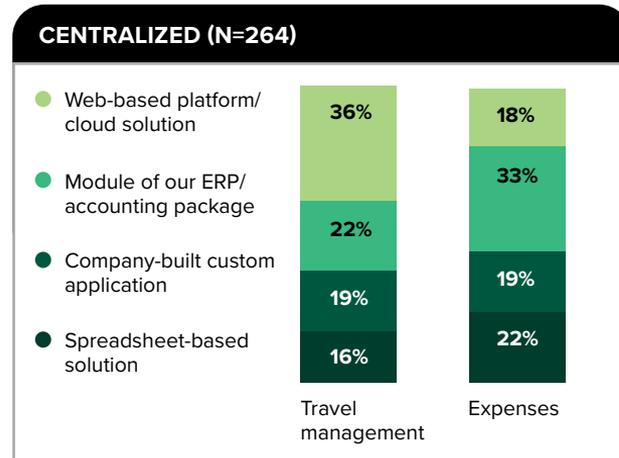
65%

## Many Enterprises Still Rely On Traditional T&E Tools

Many companies still rely on traditional systems and tools for T&E management. This is true for respondents from organizations that make decisions centrally and for those from firms with a decentralized decision-making model. Only 15% of respondents said their enterprise has a cloud-based solution for T&E management.

At centralized companies, 22% still rely on spreadsheets for expenses. One chief human resources officer of a national retail chain said: *“When the time comes for employees to submit an expense reimbursement report, it’s paper-based right now, which is one of the areas we’d like to change going forward. But right now, they submit a paper expense report with paper receipts.”* At decentralized companies, nearly a third use spreadsheets for aspects of their travel management (28%) or expenses management (31%).

“Which of the below best describes your current technology platform/solution for the following areas?”



**DECENTRALIZED (N=292)**

	Travel management	Expenses
Web-based platform/cloud solution	49%	35%
Module of our ERP/accounting package	36%	49%
Company-built custom application	36%	37%
Spreadsheet-based solution	28%	31%

## Finance And IT Leaders Say T&E Currently Involves A Lot Of Manual Tasks

Surveyed finance and IT managers said end-to-end T&E management processes at their firms burden employees, managers, and accounts payable teams with manual tasks that are repetitive and low value. Between 21% and 30% of respondents said various tasks of T&E management are mostly or fully manual at their firm.

Tasks involved in expense report retrieval, routing and approval flow, and exporting accounting entries are most likely to be automated. However, less than half of firms have automated travel approval and document imaging/scanning of expense reports.

**“We’ve got a back-office team that process expenses and accounts payable. And that administrative time is low value.”**

**– CPO, global company**

## “To what extent have you automated the following aspects of your travel and expense management?”

● Mostly/fully automated

### MOST AUTOMATED TASKS

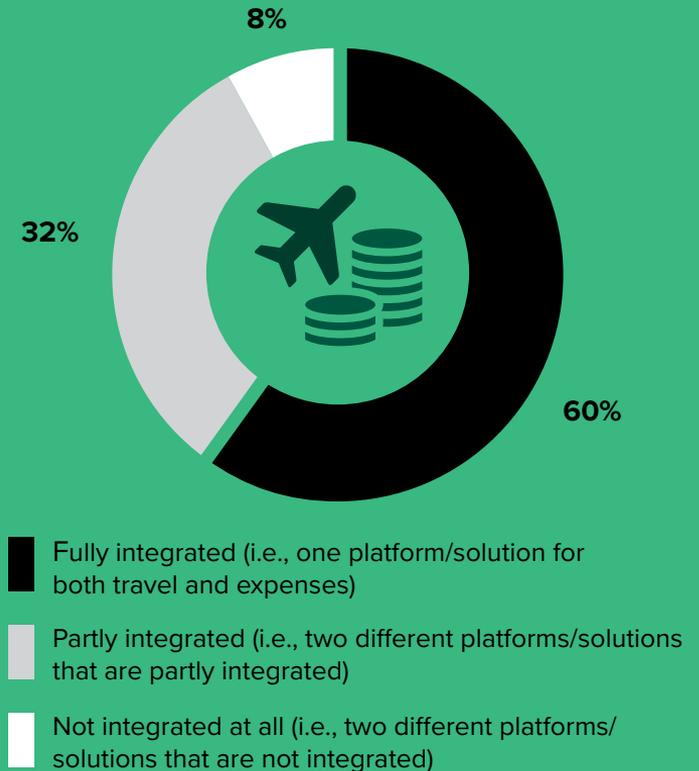


### MOST MANUAL TASKS

## Many Firms With Cloud Solutions Have Poor Integration Between Travel And Expense Tools

Of the 85 respondents in the study from companies with a cloud-based solution for both travel and expense management, 60% said their organization has a single platform/solution for both travel and expense, while 32% said they have partly integrated between two different tools, and 8% said they have two different tools with no integration.

### “What is the level of integration between your travel management and expense platforms/solutions?”



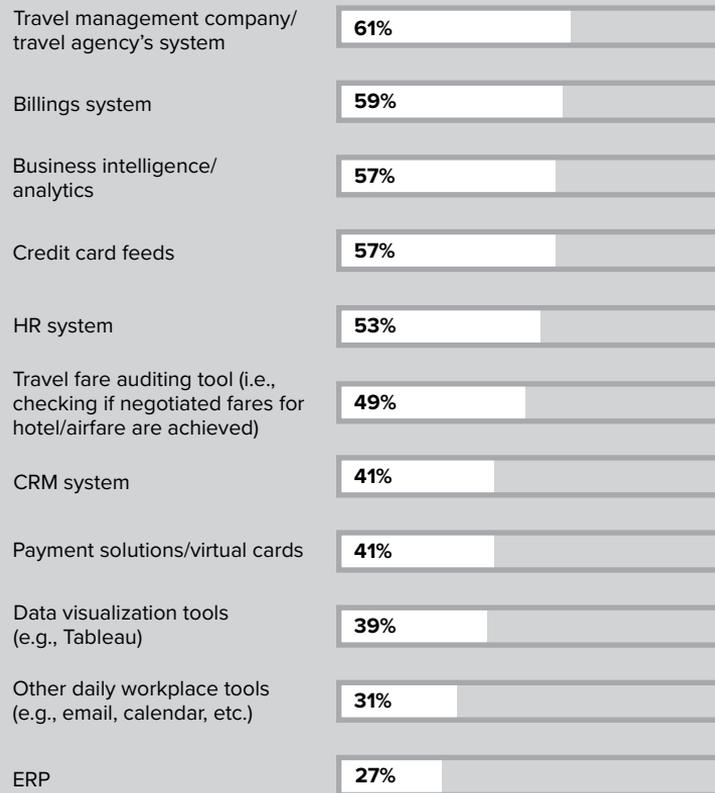
## Poor Integration Of T&E Tools With Other Systems Increases Manual Burden

Even for respondents from the 51 surveyed firms with a single platform for travel and expense management, most indicated that these tools currently do not integrate well with other systems like ERP and daily work tools, like email and calendar. The low level of integration of tools for travel, expenses, and other enterprise systems further increases the manual burden on employees.

**“In terms of challenges, one is the fact that they are not integrated, so they have to manually move from one system to the other. That’s one of the things that people have complained about.”**

**– CFO, investment bank**

### “With which of these other systems in your company does your travel and expense solution integrate?”

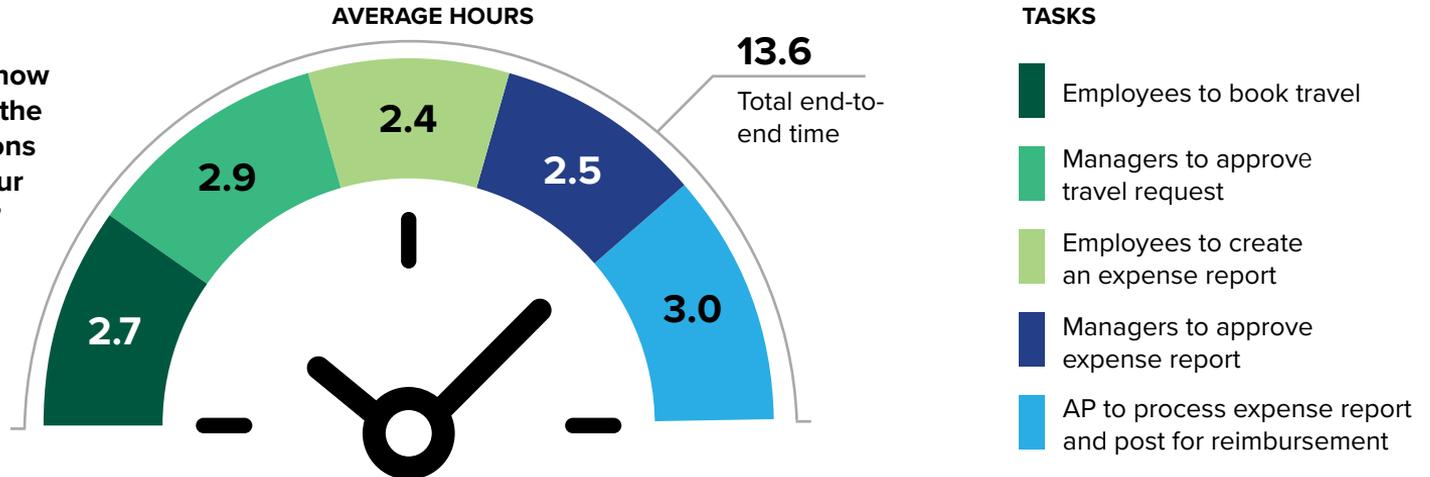


## The Average End-To-End T&E Process Takes 13.6 Hours In Total

The number of manual tasks involved in travel and expense management exacerbated by low integration between travel tools, expense tools, and other enterprise systems, is a top challenge for companies. These issues contribute to a lengthy and inefficient end-to-end T&E experience. Surveyed finance and travel management leaders indicated that the end-to-end process takes 13.6 hours per trip on average.

The most time is spent on travel booking by employees, travel approval by managers, and expense processing by AP teams. The longest part of the process is expense processing and reimbursement. One chief procurement officer of a global company said, *“Once I send expenses off, and they get approved, I might be waiting two or three weeks for the money to hit my account.”*

“On average, how much time do the following actions take within your organization?”

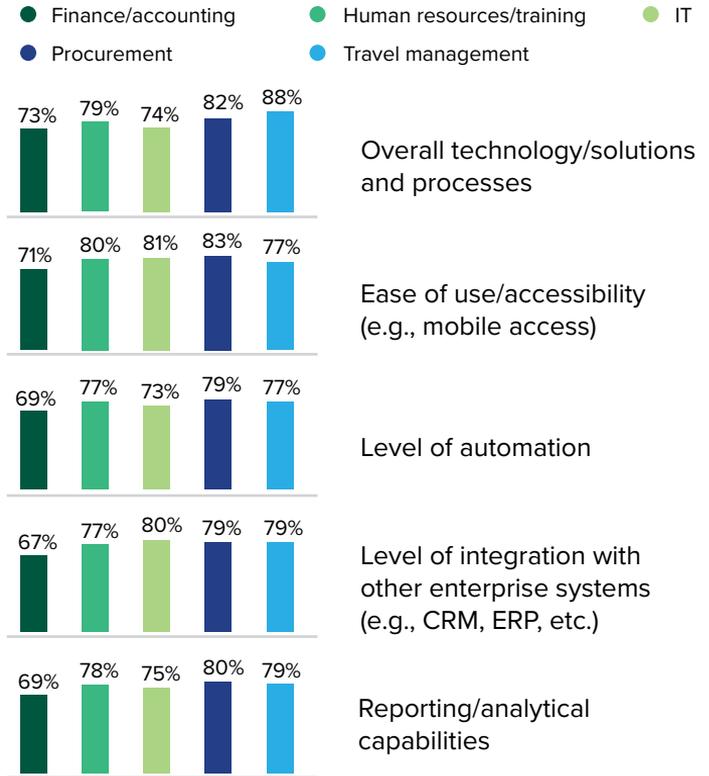


## Satisfaction With Current T&E Tools And Processes Varies By Department

The current state of travel and expense management needs improvement. More than a fifth of respondents in the study said they are not satisfied with the overall technology and processes, but satisfaction varies by department.

- Over 30% of finance/accounting leaders are not satisfied with the current level of automation, integration, and reporting/analytical capabilities.
- Over a fifth of procurement leaders are not satisfied with the level of automation and integration with other enterprise systems.
- Nearly a quarter of IT leaders are not satisfied with overall technology and processes.

**“How satisfied are you with the following aspects of your company’s current travel and expenses tools and processes?”** (Showing “very satisfied” + “satisfied”)



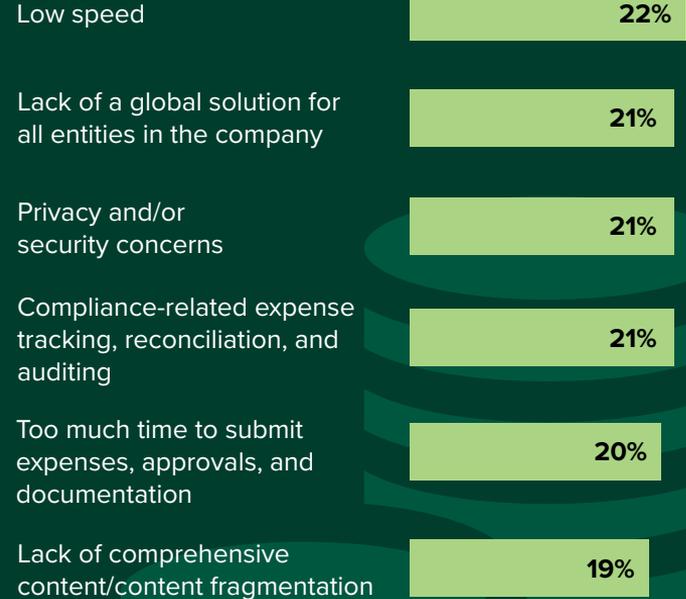
## Long Processes, Fragmented Solutions, And Security Are Top Challenges

The slowness of end-to-end processes, especially the time to submit and approve expenses is a top challenge. For companies using an online travel tool, the expense side can often be an entirely different experience. One chief procurement officer said: *“To book travel, and this [includes] flights and hotel, I would say it’s probably 5 minutes. Expenses is the longest bit of the process. You need to download or print a form or fill it in electronically row by row with the dates. Then attach receipts and scan them in. Doing that will probably take 20 minutes or half an hour, depending on how many you’ve got.”*

The lack of a global solution is another top challenge. The group HR director for a national automotive company said: *“We have 250 different companies in our group. The system was decentralized. Some employees did not have any travel and expenses software, and some did. Some just had spreadsheets.”*

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY AMADEUS | SEPTEMBER 2020

## “What are your company’s main challenges with travel and expense management?” (Top results)



Base: 556 manager and above decision-makers in finance, travel management, procurement, HR, and IT involved in travel and expense management solutions at large enterprises  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amadeus, April 2020

## Employees Complain About A Lengthy And Cumbersome T&E Experience

Respondents from firms without an integrated platform for T&E said employees complain about cumbersome, restrictive processes for booking travel that are exacerbated by issues with platforms that do not provide value-add information. For expenses, lengthy and manual processes for submitting receipts and expense reports are top employee complaints. Firms with an integrated T&E tool are much less likely to receive employee complaints, but one in five respondents noted issues with inflexible approval flows, restrictive travel booking, and lack of value-added information. This indicates that while an integrated tool solves a lot of the typical challenges, there is still room for improvement on overall processes.



**Firms with an integrated tool have fewer employee complaints: 27% had no complaints compared to 10% of other firms.**

### Top employee complaints about travel and expense management processes and tools

#### FIRMS WITH INTEGRATED TOOLS (N51)

Lack of added-value information or on-trip services  **20%**

Travel booking process too cumbersome and too restrictive  **20%**

Approval flows too cumbersome/inflexible  **20%**

#### OTHER FIRMS (N505)

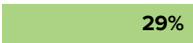
##### Travel

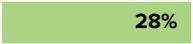
Lack of added-value information or on-trip services  **29%**

Travel booking process too cumbersome and too restrictive  **27%**

Platform too cumbersome/slow  **27%**

##### Expenses

Lengthy process to approve receipts/ invoices  **29%**

Entry of receipts/ expenses is manual and error prone  **28%**

Takes too long to submit expenses  **28%**

## T&E Issues Impede EX And Business Operations

Organizations recognize that problems with their travel and expense management have a direct impact on EX and business operations. Surveyed HR leaders indicated that T&E issues cause decreased employee productivity, poor engagement, decreased retention, and lower employee satisfaction with work technology. T&E challenges also result in inefficient business operations, including delays in reimbursing employees and poor workload management.

Firms with an integrated T&E tool are less likely to face business impacts from T&E issues. Only 14% of respondents from those firms reported delays in revenue/earnings recognition, compared to 23% from other firms. Similarly, only 18% of respondents noted employee dissatisfaction or disengagement due to manual tasks compared to 26% from other firms.

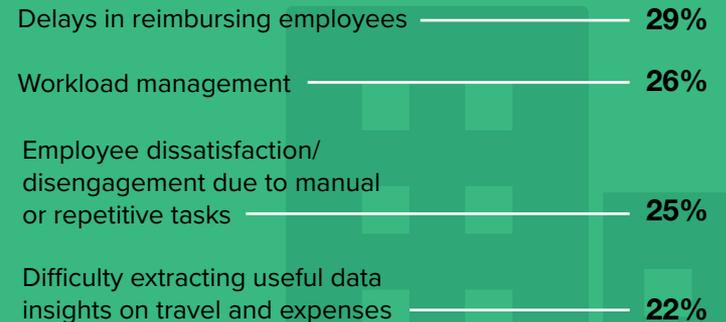
### IMPACT ON EMPLOYEE EXPERIENCE



Base: 81 manager and above decision-makers in HR involved in travel and expense management solutions at large enterprises  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amadeus, April 2020

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY AMADEUS | SEPTEMBER 2020

### BUSINESS IMPACTS



Base: 556 manager and above decision-makers in finance, travel management, procurement, HR, and IT involved in travel and expense management solutions at large enterprises  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amadeus, April 2020

## Firms With An Integrated Tool Are More Satisfied With All Aspects of T&E

Firms with an integrated T&E technology platform face fewer challenges than other companies, and respondents indicated greater satisfaction with all aspects of their travel and expense management.

More than 90% of respondents from firms with an integrated tool are satisfied with their overall T&E and the ease of use and accessibility, compared to around three-quarters from other firms. Similarly, between 86% and 88% of respondents from companies with an integrated tool are satisfied with the level of automation and integration and reporting/analytical capabilities, compared to about three-quarters of other firms.

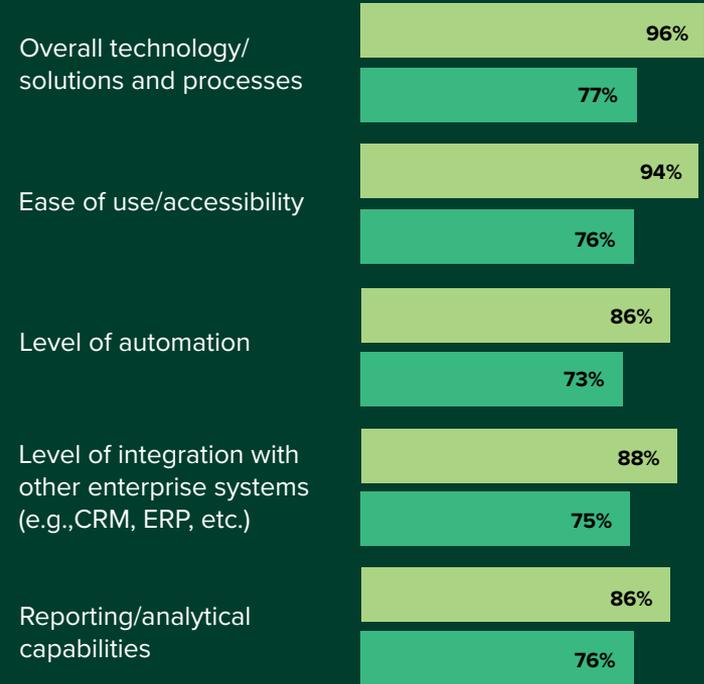
This may explain why 73% of respondents from companies that have an integrated T&E tool said they plan to expand or upgrade their platforms/solutions.

## “How satisfied are you with the following aspects of your company’s current travel and expenses tools and processes?”

(Showing “very satisfied” + “satisfied”)

● Integrated T&E tool (n51)

● Others (n505)



## An Integrated T&E Platform Enables Improved Compliance, UX, And Analytics

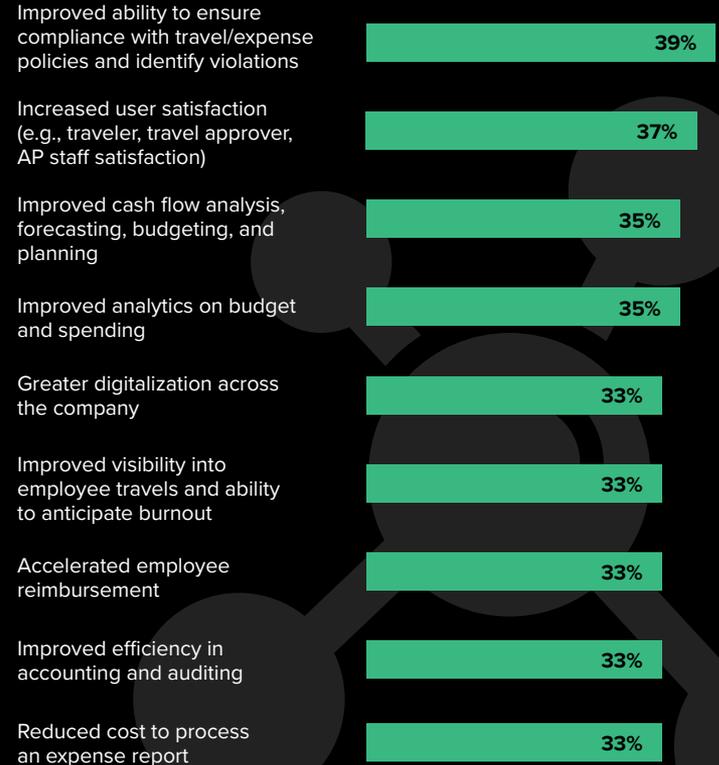
Top benefits achieved by firms that have implemented an integrated T&E tool include better compliance with T&E policies, increased user satisfaction, and improved financial planning and analytics. An integrated T&E tool also supports other business objectives, including greater digitalization and efficiency of company operations and improved ability to handle duty-of-care obligations through greater visibility into employee travels.

**“Everything is online. It’s much more automated, much more timely, and much more user-friendly for employees to get reimbursed versus the procedures we had years ago.”**

**– Vice president, finance, multinational company**

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY AMADEUS | SEPTEMBER 2020

## “What benefits does your company achieve from an integrated travel and expense management tool?” (Top results)



Base: 51 manager and above decision-makers in finance, travel management, procurement, HR, and IT involved in travel and expense management solutions at large enterprises that have an integrated T&E platform  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amadeus, April 2020

## Critical Priority Capabilities In An Integrated T&E Tool Vary By Department

The majority (73%) of respondents from companies with an integrated T&E tool (73%) said their organization plans to expand or upgrade its platforms/solutions. Departments have different critical priority capabilities in an integrated T&E tool. Amongst the most demanded functionalities are:

- Automated policy violation notifications (top for finance, HR, and travel management)
- Analytics/data reporting (top for IT and procurement)
- Intuitive user interface (top for HR and IT)
- Ability to handle multiple workflows (top for finance)
- Receipt image via photo capture (top for finance, procurement, and travel management)
- Relevant, comprehensible, comparable content (top for travel management)

**“What functionalities are most important in an integrated travel and management platform/solution for your company?”**  
(Top results for “critical requirement”)

	FINANCE/ACCOUNTING (N169)	HR (N81)	IT (N85)	PROCUREMENT (N111)	TRAVEL MGT (N111)
1	Ability to handle multiple workflows for approval <b>(34%)</b>	Automated T&E policy violation notifications <b>(37%)</b>	Intuitive user interface <b>(40%)</b>	Analytics/data reporting <b>(35%)</b>	Receipt image from email inbox <b>(40%)</b>
2	Automated T&E policy violation notifications <b>(33%)</b>	Intuitive user interface <b>(33%)</b>	Analytics/data reporting <b>(38%)</b>	Ease of making changes/cancellations on existing bookings <b>(35%)</b>	Relevant, comprehensive, and easily comparable content (e.g., air travel/hotel/car) <b>(39%)</b>
3	Receipt image via photo capture <b>(32%)</b>	VAT calculations <b>(33%)</b>	VAT calculations <b>(38%)</b>	Receipt image from email inbox <b>(35%)</b>	Automated T&E policy violation notification <b>(37%)</b>

## Job Roles: Key Findings

### Finance/Accounting (N=169)

- Finance/accounting leaders said improving T&E tools and processes is a key part of their firm's digital transformation (73%) and critical to improving employee engagement (70%).
- Top T&E priorities: meeting industry standards (68%), increasing automation/reducing manual tasks (66%), improving integration between T&E tools and other enterprise systems (64%), and improving ability to gain actionable insights from analytics on T&E (64%).
- Top challenges with current T&E management: time taken to submit expense/approvals/documentation (27%) and low speed of existing tools/processes (26%).

### Procurement (N=110)

- Procurement leaders said improving T&E tools and processes is a key part of their firm's digital transformation (82%) and critical to improving employee engagement (78%).
- Top T&E priorities: improving end-to-end experience of the T&E processes (84%), improving ability to gain actionable insights from analytics on T&E (72%), and improving visibility of existing and expected travel spending (53%).
- Top challenges with current T&E management: a lack of a global solution for all entities (21%), the amount of time taken to submit/approve/document expenses (21%), an inability to manage travel compliance (20%), and the number of inaccuracies due to human error (20%).

## Job Roles: Key Findings

### Travel Management (N=111)

- Surveyed travel management leaders said improving T&E tools and processes is a key part of their firm's digital transformation (72%) and critical to improving employee engagement (74%).
- Top T&E priorities: implementing an integrated T&E solution (75%), increasing automation/reducing manual tasks (74%), and improving ability to gain actionable insights from analytics on T&E (72%).
- Top challenges with current T&E management: compliance-related expense tracking, reconciliation, auditing (26%); lack of a global solution for all entities (23%); lack of comprehensive content/content fragmentation (23%); and privacy/security (23%).

### IT (N=85)

- Surveyed IT leaders said improving T&E tools and processes is a key part of their firm's digital transformation (67%) and critical to improving employee engagement (75%).
- Top T&E priorities: upgrading to best-of-breed technology solutions (75%), improving end-to-end experience of T&E processes (74%), and improving integration between T&E tools and other systems (73%).

### HR (N=81)

- HR leaders said improving T&E tools and processes is a key part of their firm's digital transformation (68%) and critical to improving employee engagement (72%).
- Top T&E priorities: improving the ability to gain actionable insights from insights on T&E (64%), improving end-to-end experience of T&E processes (62%), ensuring digital tools empower/satisfy employees who travel often (59%).

## Conclusion

The COVID-19 situation is simultaneously accelerating the imperatives of digital transformation, increased operational efficiency, and cost management for firms globally. Transforming T&E management is critical to these imperatives, and our study confirms this.

- Outdated tools and lengthy processes for travel and expense management is causing frustration in EX and friction in business operations.
- Poorly integrated tools contribute to lengthy and disjointed end-to-end processes. This increases the manual burden of T&E tasks for employees, managers, and AP professionals.
- An integrated T&E tool reduces the typical challenges and brings a host of benefits. Top benefits achieved by firms include better compliance with T&E policies, increased user satisfaction, and improved financial planning and analytics.

### **Project Director:**

Asha Dinesh, Market Impact  
Consultant

### **Contributing Research:**

Forrester's Application  
Development & Delivery  
research group

## Methodology

This Opportunity Snapshot was commissioned by Amadeus. Forrester Consulting conducted a custom survey with 556 manager level and above decision makers in finance, procurement, travel management, HR, and IT involved in T&E solutions at large enterprises globally. The custom survey began in February 2020 and was completed in April 2020. We also conducted six in-depth qualitative interviews with senior decision makers in June 2020.

### ENDNOTES

<sup>1</sup> Source: "Align Your Tech Spending With Your Pandemic Priorities," Forrester Research, Inc., April 22, 2020.

<sup>2</sup> Source: "The Pandemic Recession Demands A Digital Response," Forrester Research, Inc., June 25, 2020.

### ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit [forrester.com/consulting](https://forrester.com/consulting).

© 2020, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to [forrester.com](https://forrester.com). [E-46651]

# Demographics

<b>GEOGRAPHY</b>	<b>COMPANY SIZE (NO. OF EMPLOYEES)</b>	<b>JOB ROLE</b>
Australia: N=66	1,000 to 4,999: 52%	C-level: 16%
Brazil: N=35	5,000 to 19,999: 31%	Vice president: 26%
France: N=76	20,000 or more: 18%	Director: 39%
Germany: N=65		Manager: 19%
India: N=35		
Nordics: N=44		
Spain: N=75		
UK & Ireland: N=77		
USA & Canada: N=83		
	<b>T&amp;E BUDGET</b>	<b>JOB FUNCTION</b>
	\$7M to \$9M: 5%	Finance/accounting: 30%
	\$10M to \$49M: 41%	Travel management: 20%
	\$50M to \$99M: 33%	Procurement: 20%
	\$100M to \$999M: 17%	IT: 15%
	\$1B+: 4%	HR: 15%



FORRESTER®