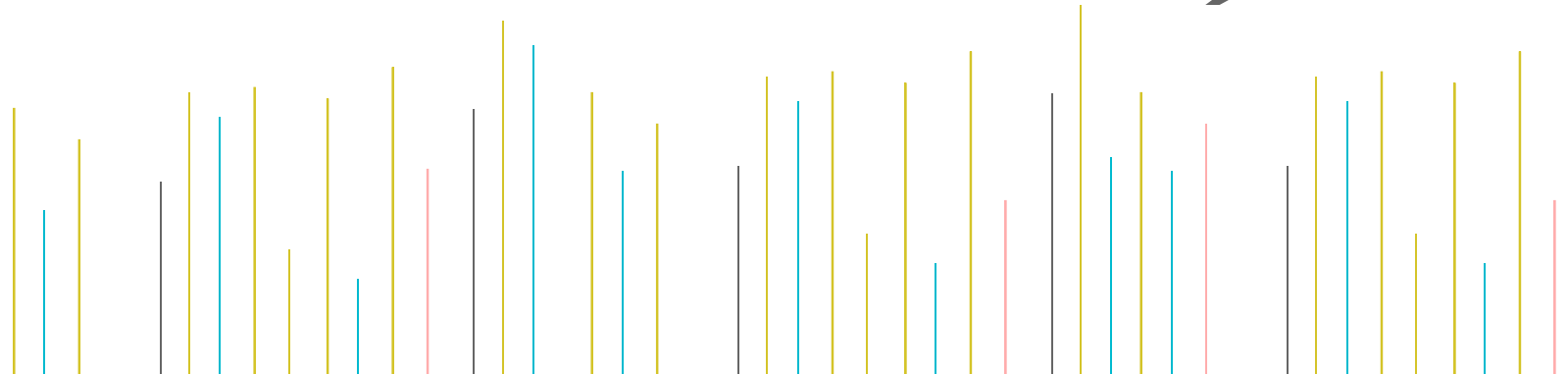


The T&E Expense Report that “Writes Itself”: How Close Are We?



1 Overview

Anyone who has ever traveled on company business has at least one story to tell about getting their expense report in on time and the circumstances surrounding it.

What if the process was painless, the surrounding hoopla of scanning and submitting hard copy receipts was eliminated, and the timing for approval was instantaneous, so that reimbursement happened immediately? Sound too good to be true? Enter the effortless expense report that writes itself.

How close are companies to really achieving the expense report that writes itself? The short answer is, closer than you might think. The capabilities exist today, but not everyone has all of the necessary pieces to make it happen. The concept is that all of the expense information required for an expense report would be captured at the source and no further input would be needed to create the report.

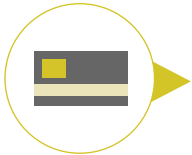
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The short answer is, **closer than you might think!**

3 main expense report source components to consider:



The travel booking system where flights, hotels, etc., are reserved



A travel card system that captures all chargeable transactions at the point of the execution

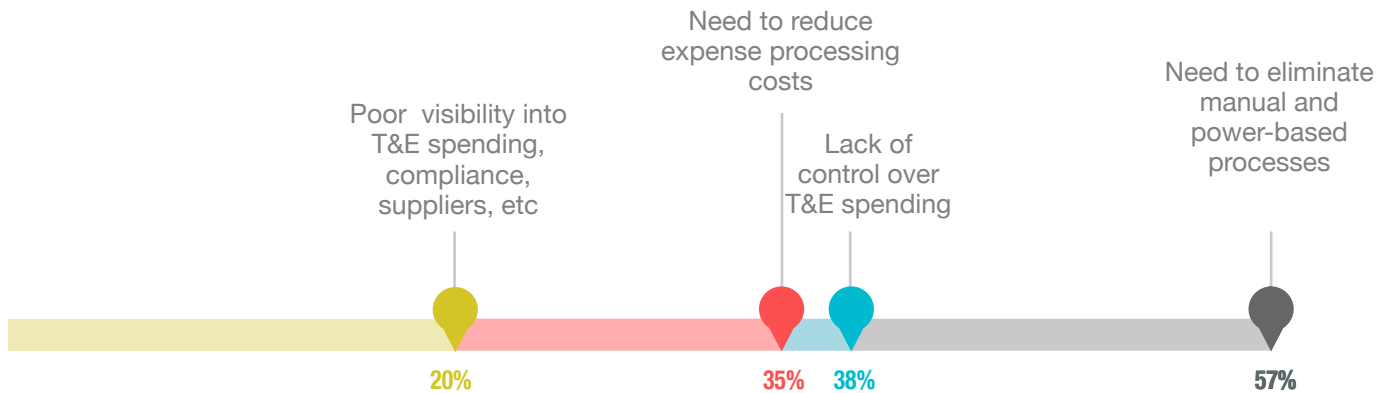


All paper transaction receipts, which are captured with a mobile application using OCR (optical character recognition) technology

2 | Greatest T&E Business Pressures

Figure 1:

Greatest Travel and Expense (T&E) Business Pressures



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Source: Aberdeen Group, December 2014

The biggest priorities of improving visibility, gaining control, and reducing expense processing would fade away if the expense report could write itself. For that to happen, there are key strategies and capabilities that companies need to employ, while also addressing their business pressures.

What Would It Take and Where Do We Stand?

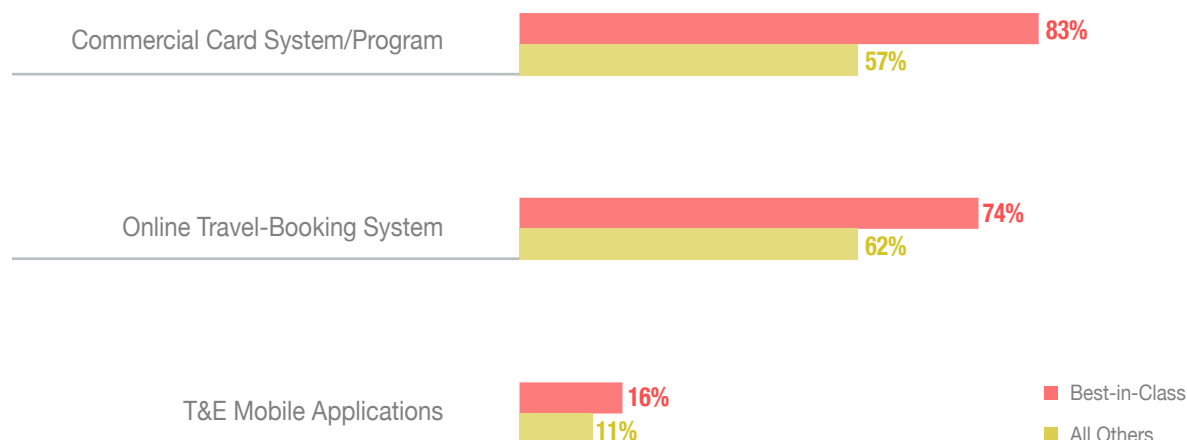
The key is getting connected by capturing information at the source and integrating it with the company's T&E expense management system and back-end expense management technologies.

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3 Capture at the Source

Figure 2:

“Source Capture” Ability Currently in Place



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Source: Aberdeen Group, December 2014

What if travelers could take a picture of their receipt and simply throw it into the trash? It sounds futuristic, but the reality is that some companies are adopting this technology now. Figure 2 provides a comparison of the current adoption of source capture, between Best-in-Class and All Others, for the big three components of T&E expenses; travel card, travel booking system(s), and paper capture.

Any gap in capturing all three of these key components will require some manual input by the traveler in order to complete the report. As figure 2 indicates, there is a lot of work to be done before all companies have an expense report that can write itself.

Travel or corporate card source capture allows organizations to track any transactions made on a travel or corporate card and feed this data into an expense report. The travel booking system is the second most widely adopted information source capture.

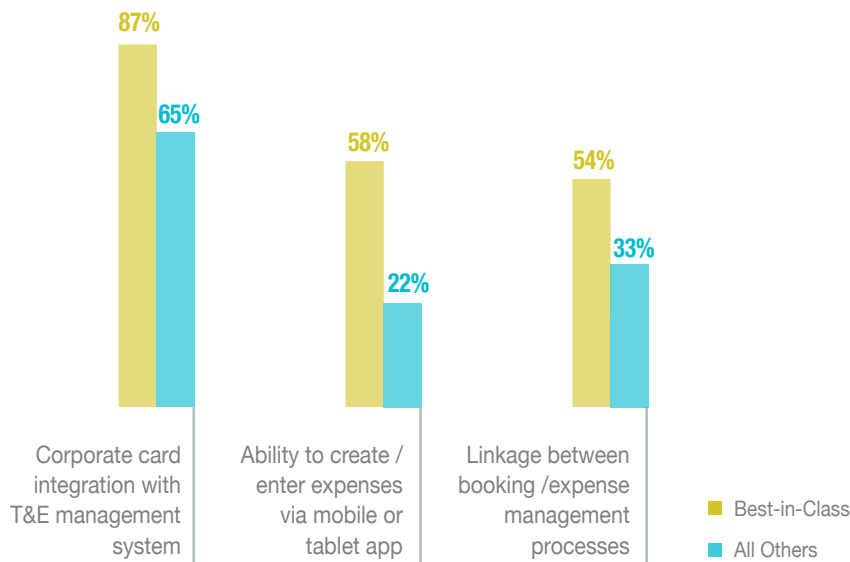
The functionality captures any large ticket expenditures like air and hotel that are booked in advance and automatically triggers an update to the traveler's T&E expense report.

The biggest challenge in expense source capture is the paper receipt. Mobile applications, while they are the least widely adopted, are an important capability to help alleviate the weakest link in source capture. A snapshot of the receipt can be captured on the mobile device equipped with OCR (optical character recognition) technology and automatically converted to a line item on the expense report, just like a source capture from the corporate travel card or travel booking system.

Another important feature of mobile is the ability for the traveler to book travel and make changes to their itinerary anytime, anywhere.

4 T&E Solution and Source Integration Capability

Figure 3:
End-to-End T&E - Source Capture Integration



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Source: Aberdeen Group, December 2014

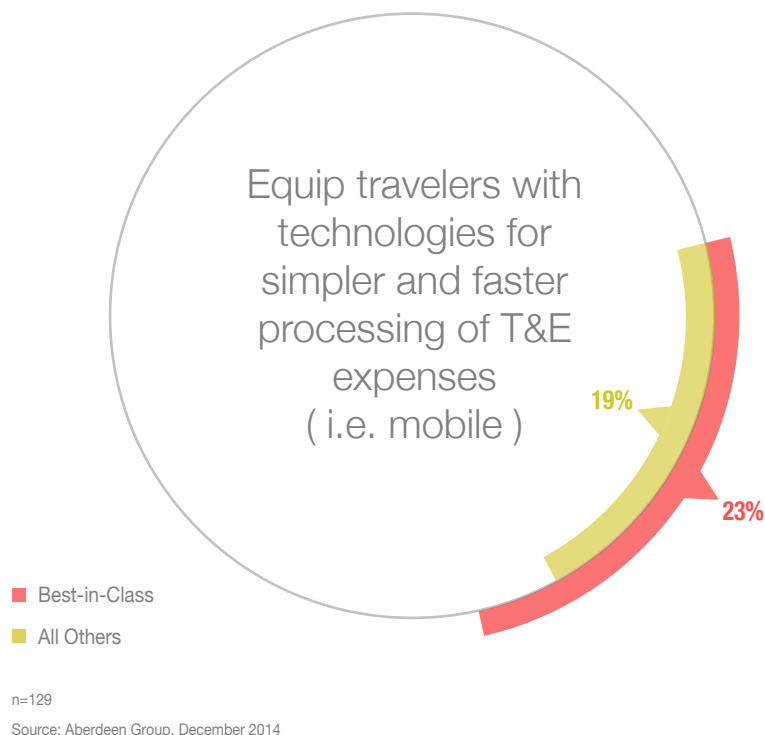
The source capture of information is essential, but that's not the end of the discussion for the expense report that writes itself. The next step in the process is the integration of the source capture into the T&E application.

In Figure 3, the integration capability is broken down by the three source capture modes; card, travel booking system, and mobile. Compared to source capture adoption, source capture integration for travel card and travel booking systems is less prevalent. However, mobile integration is significantly higher, indicating that organizations are preparing for mobile input even though the source capture applications are not as widely available in the field for travelers. The more integrated the solution is with the source input, the better the visibility and transparency will be across the company for T&E.

5 Addressing the Weakest Link

Figure 4:

End-to-End T&E - Source Capture Integration

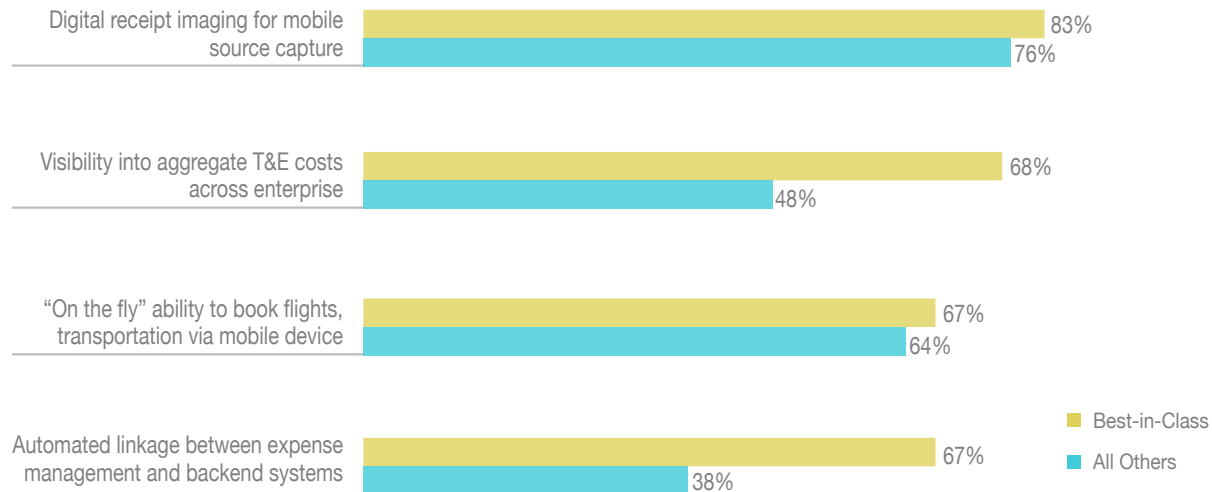


It is clear from the research that the source **capture of paper receipts** is the biggest drag on making the process effortless.

It is clear from the research that the source capture of paper receipts is the biggest drag on making the process effortless, but as Figure 4 shows, companies are taking steps to improve. Equipping executives with mobile applications for faster and simpler processing of T&E expenses is definitely a step in the right direction. Given that only 16% of the Best-in-Class currently have this capability, this strategic action will more than double the amount of companies equipping their travelers with mobile applications.

Figure 4:

Capabilities Already in Place to Support Effortless Expense Report



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Source: Aberdeen Group, December 2014

Figure 4 shows the key capabilities that are already in place to support the effortless expense report. Integration of the major spend components, the travel card and booking system, will capture the highest percentage of aggregate spend, but not at the individual report level. Once the “write itself” ability is in place, it will provide complete transparency and visibility down to the most granular level: the T&E expense source as well as the individual traveler. This level of transparency will have a positive impact on improving compliance by providing visibility into where out of policy issues are occurring.

The 2 key objectives for T&E expense management are quickly converging.



This not only simplifies the traveling processes and creates more productive travelers, but will ultimately provide companies with all of the transparency and visibility they desire once it is in place.

7 | Key Takeaways

The ability to create the effortless expense report that writes itself is not as far away as most might think; some companies have or are very close to that ability now. The biggest hurdle for most companies is in overcoming the source capture of paper receipts via mobile applications. The following recommendations provide a guide for the keys to success in creating the effortless expense report that can write itself for each maturity level.

Recommendations:

Prioritize and address integration issues by tackling the most manually intensive processes first, then by tackling the weakest link in the ‘writes itself’ capability.

SOURCE CAPTURE

- ▶ Adopt a **travel card program** to enable source capture of chargeable expenses.
- ▶ Adopt a **travel booking system(s)** to enable source capture of all pre-booked travel such as flights and hotels.
- ▶ Improve mobile applications to enable **source capture of paper receipts**.

BECOMING THE BEST-IN-CLASS:

Improve **integration of source capture** with **T&E expense system** until completed.

EXPENSE MANAGEMENT SYSTEM

- ▶ Eliminate spreadsheets by **adopting a formal T&E expense management system** end to end.
- ▶ Integration with **A/P** and **ERP**
- ▶ **Use the system available** if it is part of a larger financial suite

BECOMING THE BEST-IN-CLASS:

Improve **integration of expense management system** with **enterprise back-end systems** until completed.