

Business Traveller Report

Business Travellers 4.0

Traveller expectations and the challenges companies face



2016

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About this report

What you can expect

Demographic shifts, new digital tools, constantly changing legal requirements and new operating strategies by the suppliers – the world of business travel is changing. Now, the business travellers 4.0 use smart and digitally connected systems, are constantly online, and receive personalised offers that are customised to suit their needs.

[But what are these needs?](#)

[Are travel guidelines a thing of the past?](#)

And are solutions for travel planning and reporting relics of a time when business trips were easier to control?

As early as 2015, the first Business Traveller Report showed that business travellers do not often adhere to regulations.

So much was expected of 2016, but still not much has changed. New insights are being gained into work-life balance, mobile payment, and integrated apps this year.

If the employees themselves make decisions about the means of booking and payment, then it comes down to encouraging – or rather, empowering – them to make smart decisions.

We can support you by helping you to understand business travellers.

About this report

Methodology

480 business travellers from companies of all sizes were polled at a large German airport about the processes in their company and asked about their expectations of modern business travel.

In order to ensure the neutrality of the poll, the consulting agency STRATECO was commissioned to conduct the poll and evaluate the results.

Note: At some points during the poll the participants were given a multiple choice question, so the total values may deviate from 100%. Gender-neutral pronouns (they, them, their, etc.) will be used when applicable.

Size distribution of participating companies



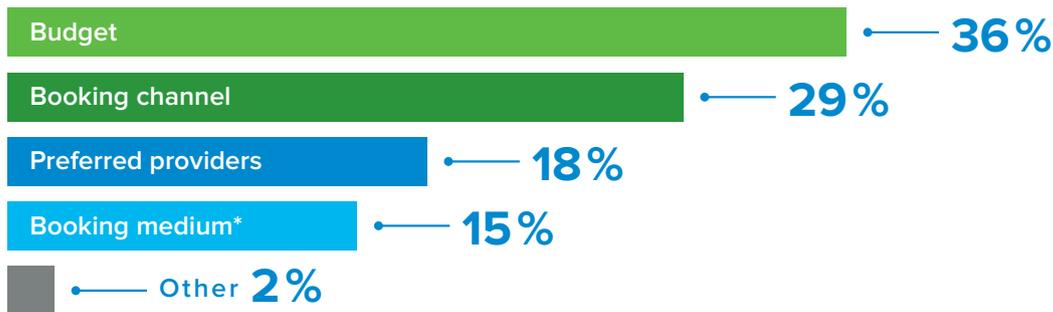
Guidelines and what they are worth

Does your company have official travel guidelines for business travellers?

Compared to last year's study, the number of companies who use travel guidelines has slightly increased. 88% of those polled stated that they have official travel guidelines – and that's fortunate.

This is because travel expense guidelines contribute to ensuring that travel budgets are not exceeded, as business travellers without regulations to follow often book their trips not based on comfort, not cost.

What points do travel guidelines most often stipulate?



* Telephone, PC, mobile

Travel guidelines most often stipulate budgets and booking channels – but it is exactly in these areas that the travellers want more freedom: 64% of those who reported that they have to follow travel guide-

lines expect more mobility, flexibility and choices when it comes to upper price limits and booking channels, as well as a better user experience when using the booking system. Companies respond by

Guidelines and what they are worth

giving travellers more freedom. However, 18% do not always adhere to the travel guidelines. If business travellers take other routes during booking not stipulated by the travel guidelines, then they miss out on booking data.

This decreases spend transparency, impairs communication with the travellers and adherence to duty of care.



18% of those polled – nearly one fifth – do not adhere to the travel guidelines on business trips.



Expert tip:

Pain-free travel expense process

On the Concur homepage you will find a helpful document:

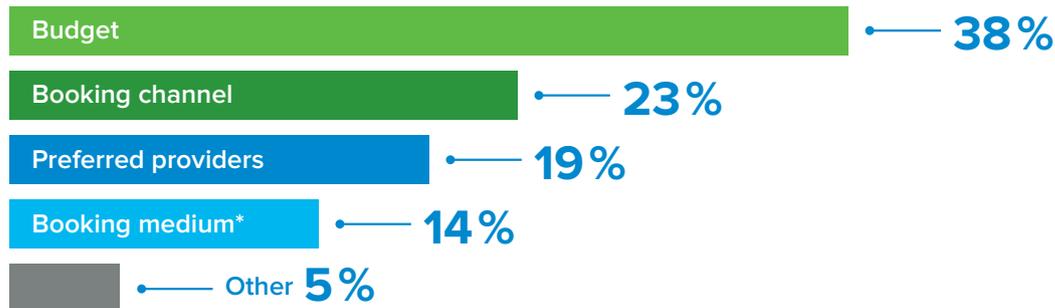
A Practical Guide to Compiling Your Travel Guidelines

<https://www.concur.de/resources/reiserichtlinie>



Guidelines and what they are worth

In what aspects do business travellers not adhere to guidelines?



* Telephone, PC, mobile

The areas travel managers consider most important are also the areas where travellers do not adhere to guidelines.* Therefore, regulations alone are not a solution to the problem.

Business travellers are demanding more **flexibility** and **freedom**, among other things, while travel managers strive to maintain **supervision**.

* VDR Business Travel Report Germany 2016



Look who's talking!

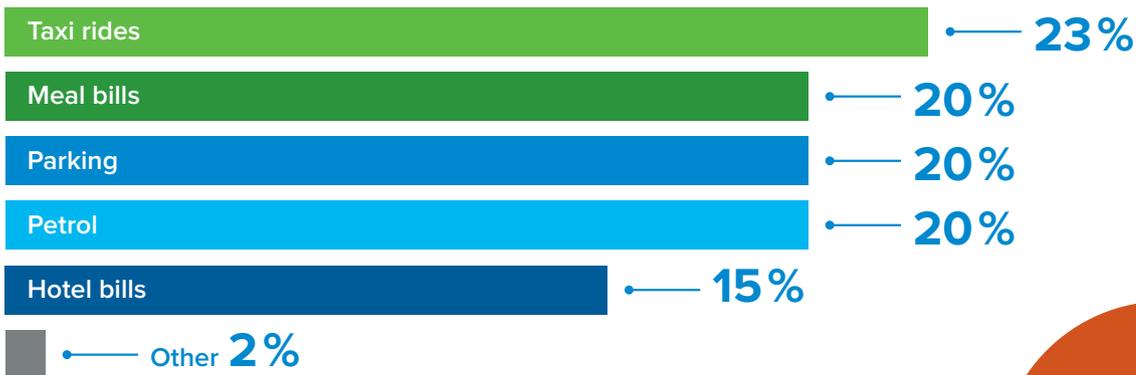
Individuals in **management positions and finance and legal departments** tend to stray from travel guidelines. **Finance** employees often ignore the **budget restrictions**.

Guidelines and what they are worth

Fraudulent travel expense reports

Not only are regulations often ignored when booking, but there is also evidence of fraud in travel expense reports.

The submission of personal tax receipts and going out to eat with family and friends on company money are the most common examples.



Unscrupulous travellers:
 "For a taxi ride of €20, I have submitted a receipt for over €50."



Paradox:

Our investigation shows that workers in the **legal department** will often tend to cheat on their travel expense reports.

Guidelines and what they are worth

How do errors arise in the travel expense report?

There is a myriad of ways in which errors can occur in the travel expense report.

Our poll showed that fraud is most common in claims for taxi rides and meals, with a personal receipt often slipping into the mix. However, it's not always deliberate. When utilising manual processes, it is easy for a decimal point to be misplaced or for a typo to be made.

Looking at the entire reporting process, the **main cause** for errors can be found in the **information according to tax law***. These could be alleviated by simplified legislation.

Other causes of errors in the reporting process include:

- Typos and transcription errors
- Lack of understanding (complex travel expense law or complicated rules for meals and accommodation)
- Missing receipts
- Incomplete statements

* VDR Business Travel Report Germany 2016

Guidelines and what they are worth



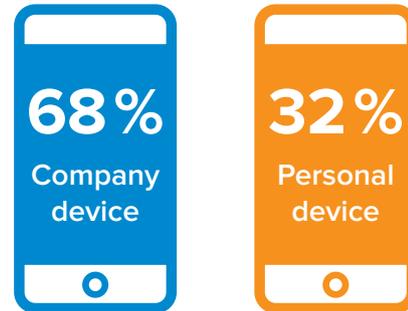
Learnings

Travel guidelines can improve adherence to budgets and transparency of spend throughout the entire business trip process – but they will not solve everything. At the end of the day, travellers cannot be forced into following rigid processes. Companies who do not adapt to technological and social developments produce guidelines that deviate ever further from the needs of travellers. Guidelines that follow social trends, utilise modern booking systems and digital processes prevent errors that result from manual input and offer a user-friendly process that is more likely to be followed.

"Traveller centricity" is the key phrase: sensitise your employees to the importance of corporate processes while including their own needs.

When the employee becomes the decision maker

Do you use your personal device (mobile or tablet) for business or does your employer provide you with a company device?



Two-thirds of those polled use a smartphone or tablet provided by their company on business trips. This number is higher in companies who have travel guidelines. This is because the usage of apps

allows for better monitoring of company devices, as they can be connected to corporate processes and the integrated systems ensure less system disruptions, more transparency and monitoring.



Bring-Your-Own-Device – BYOD

Integrating personal devices into company networks for business use



Company-Owned-Personally-Enabled – COPE

Company devices that can also be used for personal matters

When the employee becomes the decision maker

What makes business travellers more satisfied?

Most travellers prefer to use their personal devices for business: 85% of the users of a personal device are satisfied or very satisfied.

This drops to 66% for those who use a company device provided by their employer.



But what increases traveller satisfaction? What do the **digital natives**, the business travellers of tomorrow, need? 64% would like to use apps and portals that they are already familiar with on business trips.

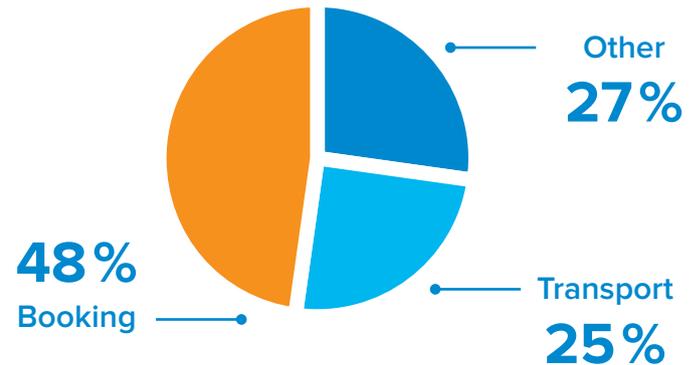
67% have a customer profile with many providers and collect loyalty points from them. And 63% would like more flexibility, options, and a better user experience from their booking system.

When the employee becomes the decision maker

What three mobile apps do you use most frequently for business trips?

Travel apps usually only have a supplementary purpose. But there are consequences if they are not integrated into corporate processes and travellers still use them for booking.

Booking via apps outside the corporate system can damage data transparency and the adherence to duty of care responsibilities.



BOOKING

- Booking.com
- Airline app
- Hotel app
- Tripadvisor

TRANSPORT

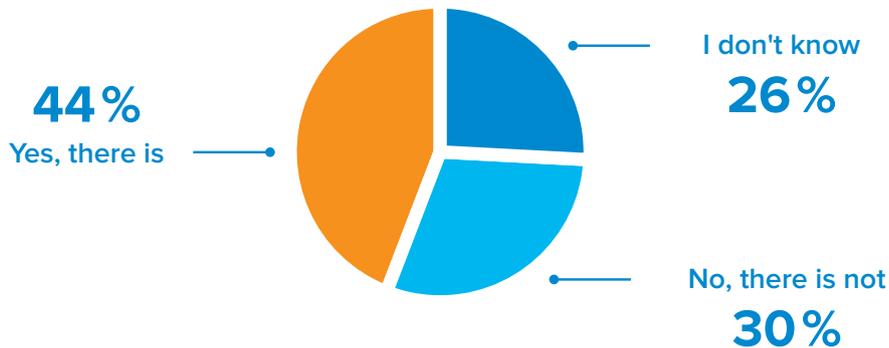
- Uber
- Public transportation
- mytaxi

OTHER

- Google Maps
- Trip management apps
- Other

When the employee becomes the decision maker

When using the company mobile, are business apps integrated into corporate systems i.e. is there an exchange of information between the apps and internal systems?



In at least 30% of cases there are **system disruptions** when using business apps on a company device, as there is no exchange of information with the company's internal systems.

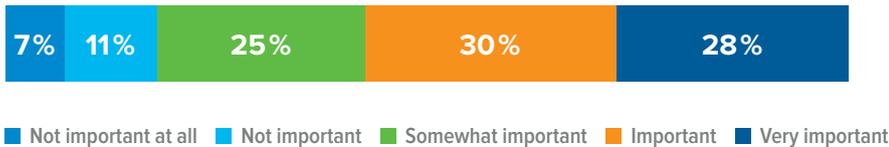
However, business travellers are far more satisfied with the travel booking and travel expense report process when apps are integrated into the internal systems. 77% reported that they are either satisfied or very satisfied when this happens. In the case of those who experience system disruptions this was only about half.

30%
experience
system
disruptions



When the employee becomes the decision maker

How important is the work life balance on business trips?



58% say that the work life balance is important or very important.

How do you ensure a work life balance on business trips?

I care about convenience when booking the flight (*seat, direct flight, layovers, etc.*)



I care about location when booking the hotel (*short commutes, convenient proximity to surroundings*)



I care about convenience when booking the hotel (*fitness studio, etc.*)



I prepare well for the trip (*information on the destination, safety, health precautions*)



When the employee becomes the decision maker

Travel time is work time

Along with delays, strikes and cancellations, there are other factors that can jeopardise the return on a business trip's investment. Poorly selected accommodation, impractical itineraries, a lack of information and inconvenient booking and reporting processes can also cause problems for business travellers.

How do companies bridge the gap between cost pressures and a work life balance?

More than half of the business travellers polled reported that the work life balance is important to them on business trips.

For companies this means that they cannot lose sight of the soft factors, as saving on expenses is not the only priority, rather the productivity of a business trip in itself.

A city hotel that allows for exploring the area in the evening? Or a business hotel by the airport that saves a valuable hour of time in the morning? The more expensive flight that avoids multiple layovers? The cheapest option is not always the best.

Stress costs money

Stressed-out employees on business trips have a direct impact on the **return on investment**. Tired or stressed travellers cannot be productive, make the most of business appointments or lead complex negotiations effectively.

When the employee becomes the decision maker

What annoys business travellers the most?



Business travellers resent the workload resulting from paper-based instead of automated processes, strict guidelines and bureaucracy. Improvements can easily be made through integrated solutions, digital processes and automation.

What travellers want:

When booking trips and submitting travel expense reports, the travellers themselves see potential for

improvement in processes, system usage and reimbursement.



When the employee becomes the decision maker

E-payment / mobile payment – what role does it play?

How important would it be for you to more frequently use your smartphone as a mobile payment method on future business trips?



■ Not important at all ■ Not important ■ Somewhat important ■ Important ■ Very important

46%
would prefer
mobile payment.

Is e-payment a factor of satisfaction for business travellers?

Every other business traveller already uses **mobile payment** options while away and 39% can imagine it as a possibility in the future. 8 out of 10 professionals and managers who travel frequently prefer to settle their bills directly with their phone when possible.*

Mobile payment, ideally with **NFC technology**, has benefits on both sides: The employee does not have to collect paper receipts and the company has another component for an end-to-end solution that creates transparency, facilitates monitoring and minimises errors.

NFC (near field communication) describes an international transfer strategy for the wireless exchange of data over short distances – primarily used for micropayment.

* Chefsache Business Travel 2016, DRV

When the employee becomes the decision maker

Employee satisfaction as a peaceful weapon in the battle for workers

McKinsey Germany predicts a **shortfall of two million professionals** by 2020.*

What criteria will professionals use when looking for a potential new employer?

The DRV Initiative "Chefsache Business Travel 2016" has discovered that 70% of all travellers assess the attractiveness of their employer based on how much they support their employees on business trips.

Support entails freedom of decision instead of a constricting corset of regulations.

The role of the travel manager will change as well: the **travel manager becomes a coach** who helps employees plan their trip, creates corporate incentives and accommodates the needs of the employees and the company. It is becoming more and more important to find a balance between savings for the company and freedom for the employees.

* Source: McKinsey Germany



When the employee becomes the decision maker



Learnings

Our results show that an increasing number of business travellers want to use personal devices and apps for business trips. They demand more flexibility, more mobility, more options and less administrative hassle. The old model of a linear booking and reporting process cannot meet these demands and so travel planning and expense reporting becomes a confusing and tedious experience.

End users should thus be seen as an engine of innovation, as many apps are not just being used for personal purposes anymore.

Don't ignore these trends, but rather regulate them gently so no valuable information is lost in the process.

Outlook

Corporate regulations have had their day. As a result of demographic shifts, digital tools and new sales strategies from travel companies, **booking behaviour** and **uncontrolled travel expense reporting** can no longer be solved by strict guidelines. The rise of smartphones, tablets and apps has made travellers difficult to control. They want more flexibility, mobility and choice. If they do not receive these, they will go elsewhere.

They decide when and how corporate funds are used for business trips – with fatal consequences for **data quality** and **cost transparency**.

In light of the pressure to achieve greater savings, to adhere to duty of care and to comply with the ever more stringent legal regulations, travel managers and financial officers were asked: what can be done when corporate regulations no longer suffice to regain control?

How has communication with the travellers changed? How can companies accommodate travellers' changing requirements? Can existing software solutions and older strategies do the new duty of care requirements, legal regulations, and IT trends justice?

Existing solutions and tools are often either optimised for the demands of the company or those of the travellers. In such a different world of business travel, companies will not get far with technology and processes that were developed for a time when business travel was far less complicated, more linear and standardised.

Equipped for today and prepared for the future

- **Traveller guidelines instead of travel guidelines:** consideration of the business travellers' needs has a greater chance of success because stricter regulations rarely result in greater compliance.

Outlook

Given today's variety of channels, you cannot expect travellers to commit to just one. With gamification measures, as well as intuitive, integrated tools, you can convince travellers to book using channels the company can monitor. Behavioural psychology refers to influencing a behaviour without prohibiting or ordering them to do it as "nudging". This sensitises them to the advantages of compliance and you let them know that maverick buying – booking outside of set channels – costs the company more than money saved at first glance.

- **The need to save a little here, a little there:** the cheapest option is not always the best for your traveller when it comes to being productive. Travel time is also work time. Increase the work life balance and the return on investment for business trips. You will benefit from the greater

motivation and productivity of the travellers and greater deals and better results for the company as well.

- **Innovative times call for innovative solutions:** give up a linear solution for a non-linear process. Integrated solutions for travel and travel expense management, intelligent tools and user-friendly apps bridge the gap between the demands of the company and the needs of the travellers. They link all business trip-related processes for more compliance, monitoring, and transparency, and at the same time give the travellers the flexibility, mobility, and options that they want. An open solution with an integration of mobile applications interlinks all components of the individual business travel environment.

Case study DHL



Company:

Deutsche Post DHL,
North America

Products:

Concur Travel & Expense,
Intelligence and Concur
Mobile app

Industry:

Transportation & Logistics

Company size:

325.000 employees



The challenge

"We would like our employees to be successful in their career and their position with us. We don't want them to spend their time on bureaucratic hassle," says Michelle Hunt, Regional Category Manager. "Our travellers love the comfortable and automated process and our company benefits from the enormous effectiveness and high level of transparency that allow us to make strategic decisions about resources."

Case study DHL

The solution

- The consolidation of travel booking, a company credit card, a travel expense report and the extensive mobile functions in one solution increased employee acceptance of their company's internal travel booking tool by more than 80% within one month after implementation.
- The option to allow employees to submit travel expense reports via their mobile allows for smooth process flows with no delays.
- Concur's business intelligence solutions help the business make the most of their resources.
- The costs of external storage capacities and the accruing expenses for the shipping, faxing and documentation of receipts and travel expense reports have been almost completely eliminated.
- Payment delays and late fees from a provider of corporate credit cards can now be almost entirely avoided.

The added value of the solution

- DHL was able to successfully reduce the number of workers who were previously responsible for the manual assessment, clearance and processing of travel expense reports.

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"We could not be happier. There is absolutely no doubt about the swift and quantifiable ROI. The Concur solution has practically financed itself through the bonuses and savings from the optimisation of credit card processes."

Michelle Hunt, Regional Category Manager

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About STRATECO

STRATECO is a corporate consulting firm that has been helping leading companies to master impending challenges for more than 10 years.

In more than 400 projects from the areas of marketing, sales, finance and controlling, we have only had one goal for over 80 companies from a wide variety of industries – achieving excellent results. Their objectives always become our own, and their success becomes our motivation.

How do we do this? With the special people working at STRATECO. With a unique combination of passion and technical prowess. With experience and tested methods.

That is also why we turned STRATECO's service guarantee into our motto: Our competence is your competitive advantage.



strateco.de

About Concur

Concur, an SAP company, has been providing innovative, integrated solutions for business travel management since 1993.

Its cloud-based and mobile services simplify planning, booking and reporting and deliver complete transparency in information – regardless of when and how they are used.

Concur exceeds automation in the consolidation of business trip data as well as ERP, accounting and

credit card data in its own system. An open-partner network expands the platform with services that the Concur data use to further simplify travel expense management, increase compliance and improve the travel experience. This integrated approach allows companies to focus on what matters most for their businesses.



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