

Best Practices in Automating a T&E Process

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Case Study

Objectives & Key Findings



Objectives in Automating a T&E Process



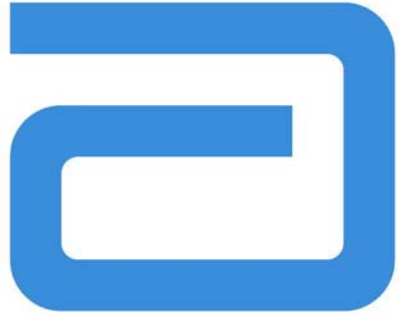
Is This You?



- Increasing compliance with T&E policies
- Reducing T&E expenses
- Gaining visibility into T&E spending by employees
- Making it easier to audit T&E expenses
- Reducing fraud
- Helping to improve forecasting and budgeting
- Supplying management information to help negotiate with suppliers

CFO Europe Research: Key Findings

- T&E costs are not being controlled.
- Automation shows clear performance benefits in several areas.
- Automated solutions for auditing and spending analysis are not being used to the same extent as other automated processes.
- The UK is ahead of France and Germany in terms of automation.
- Those who don't plan to automate any part of their expense management process are largely put off by costs.
- IT issues present one of the biggest stumbling blocks when it comes to implementing automated solutions.
- Automation projects encounter a good deal of cultural resistance, from some surprising quarters.



Geraldine Horkan

Abbott Medical Optics

Best Practice in Deployment of Travel & Expense

A Case Study by AMO

Case Study -AMO

Global Medical devices Company

Manufacturing facilities on 3 Continents

3 FSSC Cover 28 Business Entities in US, EAM & APAC.

2008 Turnover approx \$1bn

4000 employees World wide

2006 saw the need for an integrated Global Travel & Expense System to streamline & standardize the process in a growing Global market.

Objectives of Automating a T&E process?

Cumbersome manual process.

Negative approval.

Processing for some Countries outsourced to 3rd parties.

Need to optimise efficiency of back office administration.

Improvement required in ability to accurately report T&E expenditure.

Approvers on different Continents.

Desire for online workflow to streamline approval process including electronic authorisation.

Steps to deployment of an integrated system

Shop for the System that can be tailored to your needs.

Decide who will lead the project and who will provide support?

Identify what you want to achieve and how will it be achieved?

Set realistic Goals.

At a minimum, will IT, finance, accounting, travel and procurement be involved?

Which employees are likely to experience problems mastering new systems?

And finally, do you have the resources to make the most of the information that the system produces?

Change Management Recommendations

Training/Change Management person should join project from the start and attend all project meetings

Leverage Change Management Tools available on the Deployment Toolkit

Leverage Company Training Page

Develop Change Management / Communications plans early in the project.

Develop training materials as soon as possible and provide them to a selected set of end users for review so they can provide feedback.

Deployment Best Practices

Policies (“Distinct Configuration”)

- Consolidate requirement to leverage a single policy across more than one country wherever possible
- Fewer than 30 expense types per policy is possible
 - Fewer Expense types = Reduces testing cycle for Client
 - Fewer Expense types = Improved end-user experience and training



Global Business rules

- Keep the number of rules at minimum level (12-15) during the initial deployment phase

Mandate use of corporate card & SBT for at least Air, Hotel, Car Rental

- Can your vendor supply a global or regional feed versus one per country?

Lock scope before testing cycles begin

Rapid Deployment Best Practices

VAT

- Do you have to calculate domestic vat in every country....even those with a small user population?

Travel Allowance

- Only implement where absolutely necessary due to the risk to the project timeline (additional analysis, design, configuration and testing) and the overhead on the end user
- If small population of users or not paying it now, probably best to not implement the feature in Concur

Languages

- Deploy in English wherever possible
- Translations of non-core fields is done by the client and adds risk to the timeline

Rapid Deployment Best Practices

Receipt management

- Where possible, determine if imaging can be used rather than requiring paper (US, Canada, and UK).
- Receipt imaging is recommended - even when paper is required for manager review & approval.
- Use “Scan & Attach” versus faxing images
- Expense Reports should not reach managers before receipt images are available.

Audit criteria/methodology

- Implement an audit by exception workflow model.
 - This model would minimize the expense reports that would require audit category
 - This alerts the Back Office as to what expense entries should be reviewed and why
 - Maximizes your staff time on audits that matter
- We recommend auditing:
 - Severe expense policy violations
 - “Must-audit” employees
 - Random audits initially at 25%, and later at less than 10%

Key Success Factors



Strong Executive Sponsorship

Adequate Staffing

- Involve project team in sales process if possible
- Project must be a priority for all project team members

Start with Simplicity

- Start simple; layer in complexity over time
- Balance usability with policy requirements

Flexibility/Re-think existing processes – be willing to change

Stay in Scope – Make all major design decisions during the initial phase of the project

Change Management – communication to end users should start early

Where are the savings unlocked?

Online Travel Booking

Travel & Expense Automation

Back Office

Corporate Card Integration

VAT Recovery

Compliance

Fraud

**T&E Expense Management: Leveraging Data to Drive Performance, Aberdeen Group, April 2008*

Abbott Medical Optics

2008 turnover approximately \$1billion

Approximately 4,000 employees worldwide

Formed in 2002 as a spin off from Allergan

Integrated into Abbott 2009

Manufacturing facilities on 3 continents.

Financial Shared Service Centre based in Westport, Ireland. SSC was established in 2002.

FSSC covers 23 markets across Europe and Asia.

Summary



Check list: Automating T&E Process

- Establish Ownership.
- Prepare, prepare, prepare.
- Make sure the project is multi-functional.
- Spend time with end users, especially those who are less IT-orientated.
- Leverage information from the system.



Getting it Right

- Automation is key to ensuring control and compliance of travel and expense policy and process
- Travel booking and Card integration make it easier for the employee to complete the process quickly and accurately.
- Reimbursement times improve and so does employee satisfaction
- End-to-end automation is critical to gain truly complete visibility into T&E spend
- Expense automation based on a web-based service can be quickly deployed to thousands of users with minimum IT impact.

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Slide Appendix



Benefits Across the Organisation

- **Heads of Shared Service Centres**
 - Reduce Operating costs
 - Headcount optimisation
 - Reduce paper processing
 - Lower transaction costs
 - Gain full visibility into T&E spending

Benefits Across the Organisation

- **Heads of Shared Service Centres**
 - Drive Compliance with corporate policies
 - Decrease likelihood of fraudulent spending
 - Increase adoption of corporate card programmes
 - Improved perception of Shared Services by satisfied employees

Benefits Across the Organisation

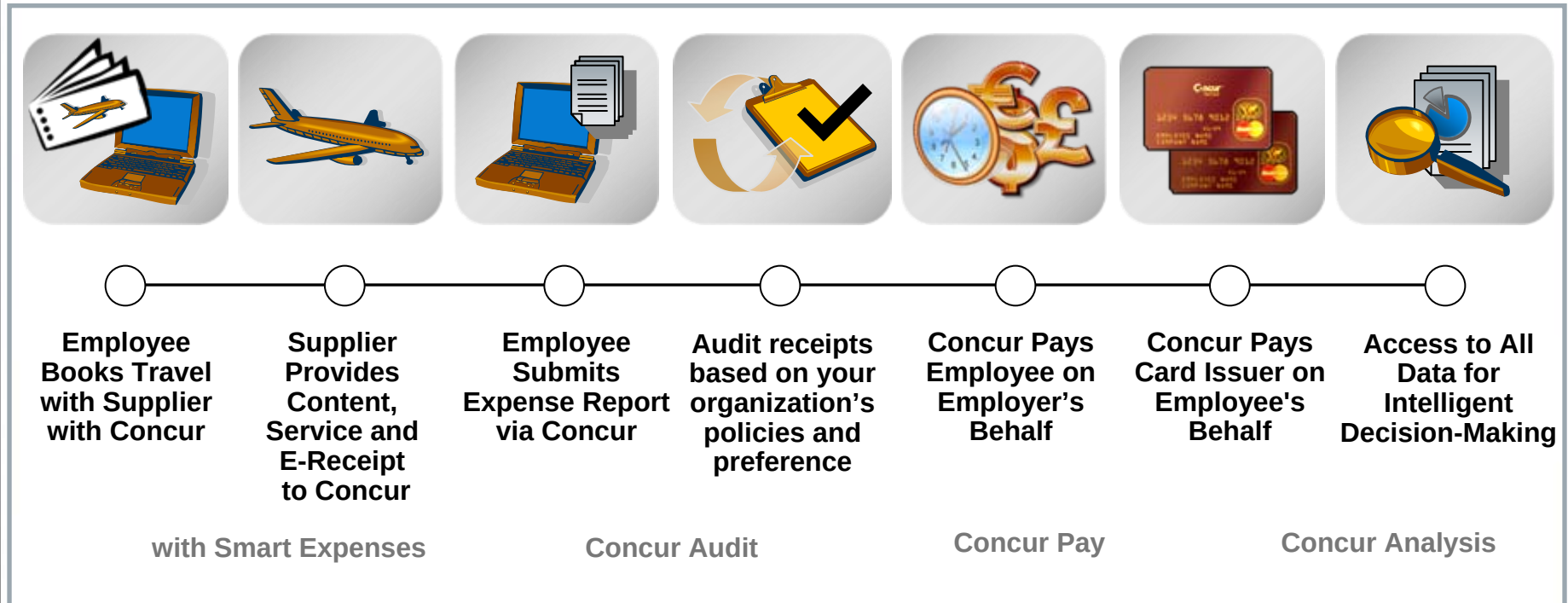
- **Travellers and Claimants**
 - Control over their travel
 - A process that is easy, quick and transparent
 - Quicker reimbursements
 - Card Integration
 - Improved employee satisfaction and perception of Shared Service Centre

Check list: Automating T&E Expense Management

- Establish Ownership.
- Prepare, prepare, prepare.
- Make sure the project is multi-functional.
- Spend time with end users, especially those who are less IT-orientated.
- Leverage information from the system.



Summary of the process:



- Software-as-a-service
- Quick ROI
- End-to-end approach
- Targeted solution benefits entire organisation

Report available for download

- The report is available at:
<http://www.cfo.com/whitepapers/index.cfm/displaywhitepaper/13356447>
- Please come and see Concur while at the conference, leave us a business card and we will send you the link to download a copy of the report.

Getting personal:
Automating travel and expense
management



A report prepared by CFO Europe Research Services in collaboration with Concur

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