

Are paper-free expenses A REALITY?

A working lunch last month produced the third in our series of opinion-sharing sessions on hot industry issues. Read on for constructive views from seven experts on how best to implement an end-to-end expense management system

END-to-end travel and expense management system, or ETES – is it worth the bother? That was the question posed at our third working lunch on hot industry topics. Our two buyers were at the exploratory stage of such a project and keen to discover the potential pitfalls and the true benefits.

The session began with a testimonial, of sorts, from a corporate who had originally presented his views at an ITM forum on the subject.* Although not present, Geoff Allwright, Travel & Expenses Manager at Airbus UK's views were read out. He had praised the savings the implementation had generated for the company – “\$million year on year, representing a 200 per cent return on investment” – but also explained how challenging the implementation had been. “It's not been a walk in the park.”

He said the implementation had only worked because Airbus drove the project. “This would never have worked unless we had regular project meetings. You can't outsource the implementation of an online expense system to suppliers, in my view.

“GE Capital and AirPlus made many errors, there was a lack of Amex and KDS resources, in people and time, and Sabre was not interested in working with us,” he said.

“Suppliers are not passing on what they learnt on our project to other clients.”

Allwright also warned “there is a high complexity of integrating a travel management system with an online expenses system. Make sure the whole of the trip can be booked online. If travellers have to go somewhere else, they won't do it. And if there are no repercussions if they're not compliant, then it won't work. Mandate it.”

Consultant Colin Brain waded in with the first comment of the session, reinforcing Allwright's view that an ETES can bring savings, and not just in financial terms. “When I first came across a system it was in the Nineties and this particular company had 23 people in accounts spending five days a week on it. Now, that



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same company has three people and tackles expenses in minutes.”

Mark Fuller of Inlogik concurred. “An ETES has huge benefits, in cost savings and in compliance levels.” Echoing Geoff Allwright's experience, Fuller added: “The challenge comes when combining different elements. Clients will look to us for best practice.”

Buyer Claudia Deutschmann of NICE Systems voiced one very commonly held view on ETES: “We were under the misconception that one company would do it all but there is no one tool you can get off the shelf. It's more difficult to implement when you're patchworking something together.”

Supplier Christopher Juneau of Concur explained: “Clients can stitch together the different elements but in companies, different departments have different priorities, although their needs are pretty much aligned. You also have to define end-to-end. Is it pulling in credit

card transactions, or something else? There are strategic decisions to make and it depends on what you want.” Juneau claims that companies can choose one supplier to deliver end-to-end travel booking and expense claim processing.

Inlogik's Fuller “challenged any supplier to provide an end-to-end solution.” Not giving much hope for the novice buyer, the company's Michele Duford added: “The way in which many of our suppliers go about this is back to front. We give more support, in a step by step fashion.”

NICE Systems' Deutschmann explained her perspective as a potential buyer of an ETES system: “The issue isn't the process, it's the hundreds of different objectives we have. We would like to know what each job costs us. We need a tool that would simplify the approval process, a tool that I could dial into, integrate with the job or project so I know what I've spent. That's my dream.”

According to Colin Brain, “All the systems out there can deliver what you want.” If that's the case, then the challenge rests with the actual ‘stitching together’ process of multiple suppliers.

Concur's Juneau's thought the nub of the

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problem was “ownership of the technology. It's hard to synchronise data from lots of different sources. Imagine a booking tool not affiliated with your company's expense solution and imagine the interface back and forth. The technologies haven't allowed the seamless integration until now. It's not just about exchanging data.

“The traveller sees it as one process – travel and expenses – but other company departments don't,” added Juneau.

Inlogik's Fuller stressed that “this was why consultancy is a key part. There is no one solution. It's about trying to find the right compromise. You can't prescribe to an organisation, you can only give assistance. This is not an IT solution but a business solution.”

Do most suppliers in this sector understand this though? Judging by Geoff Allwright's experience, they don't.

Hesperia's Clive Thomas lived through an 18-month nightmare implementing SAP. “It's a great system,” he said, “but it was a nightmare to implement. We needed consultants who listened, and ours didn't.”

Concur's Juneau stated “what determines

success is if the goals are aligned from the different providers.” He also suggested that any benchmarking should be undertaken with a company whose company culture is identical, more so than benchmarking with a company in the same industry. “You need to know the end game too, ie what sort of reports you want. That's crucial,” he added.

Intimating that expectations were often too high when it came to implementing an ETES, Inlogik's Fuller said: “You can't replicate your manual expenses system automatically. Planning is the best thing.”

NICE Systems' Deutschmann warned against taking too much at face value from perfect demonstrations from suppliers, while Concur's Juneau reinforced her message when he said that finding the right supplier was crucial. “Don't assume what you've watched in a demo is part of that company's standard configuration. Always check.”

Buyer Lucy Webb of Catlin is living with a paper-based, manual expenses system and keen to automate. It is partly automated by AirPlus and the company is also looking to introduce an online expenses form.

“We're an old-fashioned company with lots of PAs and we're currently not getting full buy-in from finance as they have bigger problems. Eighteen months ago we bought another company and have two platforms which we're trying to integrate,” she explained.

“The other problem I have is that the end user doesn't see the benefit. As far as they're concerned, it's not broken so why fix it?”

Colin Brain suggested that Lucy promote the time saving element for the traveller, quoting an Amex survey, which highlighted that it took 73 minutes to fill in monthly expenses form manually, as against 10-15 minutes if it was undertaken online with a pre-populated form.

Concur's Juneau said that if a client could answer all their questions, implementation could take under four weeks, “but most companies cannot answer the questions. It's often because the goals are different between the finance and travel departments.”

A ray of hope was given by Inlogik's Fuller when he said that, “SMEs are our fastest implementations. They can move fast.”

Hesperia's Thomas voiced his preference for Purchase Orders rather than the worry of unknown expenditure when employees disappear with credit cards. “As a finance director I like Purchase Orders as I know what's going to be spent.”

It's clear that the disparate views and positions from both sides of the buyer/supplier



THE OPINION-FORMING TEAM



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inject complexity into any paper-free implementation. Achieving a real end-to-end system will take extra resources – from IT to training, buy-in all round, supplier consultancy over reconfiguring buyer systems and, most probably, a lot of luck.

In Geoff Allwright's words, “If you have a really bad process to start off with you stand a better chance of a high adoption rate as whatever you do will be an improvement.”

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