EXECUTIVE STAKEHOLDERS IN MANAGED TRAVEL GRAPPLE WITH MULTIPLE CONCERNS AND POTENTIAL THREATS

PRODUCED BY:

BTNGROUP
CONTENT SOLUTIONS

Diane Merlino
Writer

Mary Ann McNulty
Executive Director, Content Solutions
mmcnulty@thebtngroup.com

Louis Magliaro
Senior Vice President & Group Publisher
lmagliaro@thebtngroup.com

Lindsay Straub
Associate Publisher
lstraub@thebtngroup.com

Mariza Moreira
Group Design Manager

Angelica Mundrick
Graphic Designer

SPONSORED BY:

SAP Concur

Executive-level stakeholders in managed travel programs are grappling with multiple concerns about their internal company programs while keeping a watchful eye on a wide variety of outside developments that could impede domestic and international business travel in the next 12 months.

Among four key stakeholder groups—including C-suite, finance, procurement and HR executives—the majority are receiving all the reports and data sets they need to fulfill their responsibilities, and most are fully satisfied with their involvement in, and impact on, their managed travel programs.

Those are highlights of an online survey of more than 200 company executives conducted in October 2019 by BTN Group Content Solutions as part of an Executive Stakeholder View of Corporate Travel study, sponsored by SAP Concur.

>> INTERNAL CONCERNS

Traveler safety and well-being was the top concern for the biggest percentage of respondents survey-wide (46%), and for more than half (54%) of CEOs/COOs surveyed.

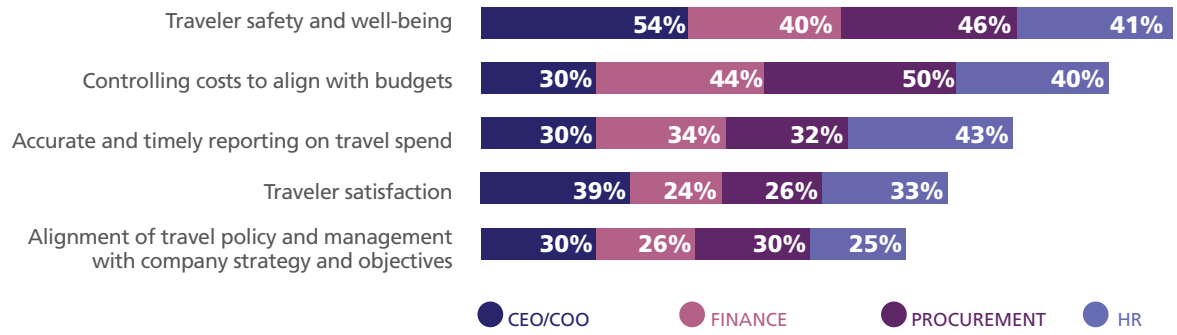
Traveler satisfaction is also a top concern for 39% of CEOs/COOs—higher than for other stakeholders. One-third of HR respondents, 26% of procurement executives, and 24% of finance executives surveyed included traveler satisfaction among their three top concerns.

>> FOCUS ON COST CONTROLS

Among those executive stakeholders, controlling costs to align with budgets was cited by the biggest percentage of respondents as a top concern. Half of procurement executives, 49% of HR respondents, and 44% of finance executives surveyed identified cost controls related to budget adherence as a top concern. That compares with just 30% of CEOs/COOs who identified controlling costs to align with budgets as a top concern.

EXECUTIVE STAKEHOLDERS IN MANAGED TRAVEL GRAPPLE WITH **MULTIPLE CONCERNS AND POTENTIAL THREATS**

COMPARISON OF TOP 5 CONCERNS OF EXECUTIVE STAKEHOLDERS ABOUT MANAGED TRAVEL



SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

Survey results indicate that many HR executives are strongly focused on monitoring and controlling costs. Compared with the survey average, significantly more HR respondents said their top three concerns as key stakeholders in managed travel include accurate and timely reporting on travel spend (43%) and consolidating travel spend to maximize cost savings (39%).

For finance executives surveyed, compared with the survey-wide average a higher percentage are concerned with travel policy compliance (34%) and, predictably, defining and quantifying ROI from managed travel (30%).

›› METRICS THAT MATTER

A majority of survey participants identified a wide array of reports and data sets as highly important to effectively implement their work as managed travel stakeholders.

The reports identified as extremely or very important by the strongest majority of respondents survey-wide parallel the top concerns of survey participants and reflect a clear focus on traveler safety and satisfaction, as well the need to track cost savings, policy compliance, and the impact of business travel on company performance.

›› FREQUENCY OF REPORTS

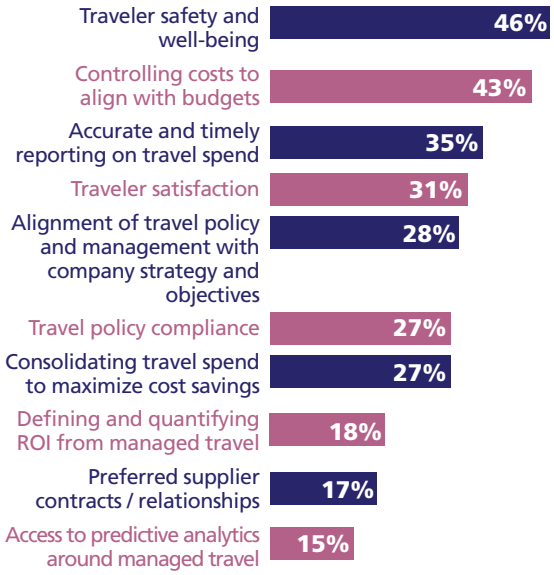
The largest percentage of respondents receive reports on a quarterly basis, although some receive reports bi-annually, annually, monthly, weekly, in real time—or not at all. Delivery frequency correlates to the primary role the stakeholder has in their managed travel program.

Survey-wide, about a third of respondents (between 31% and 34%) receive quarterly reports on preferred supplier metrics, travel/trip volume as compared to prior period or YoY comparison, cost savings, and travel costs as a percentage of revenue.

Between 27% and 30% of survey participants receive quarterly reports on the positive impact of business travel on company performance, travel costs/spend compared to the prior period or YoY comparison, policy and program compliance, quantifiable ROI on travel spend, in-policy versus out-of-policy booking, and the impact of travel on employee satisfaction, retention, and ability to attract new employees.

TOP CONCERNS OF EXECUTIVE STAKEHOLDERS ABOUT MANAGED TRAVEL PROGRAMS

Figures show percentage of respondents survey-wide who identified that element as one of their top 3 concerns.



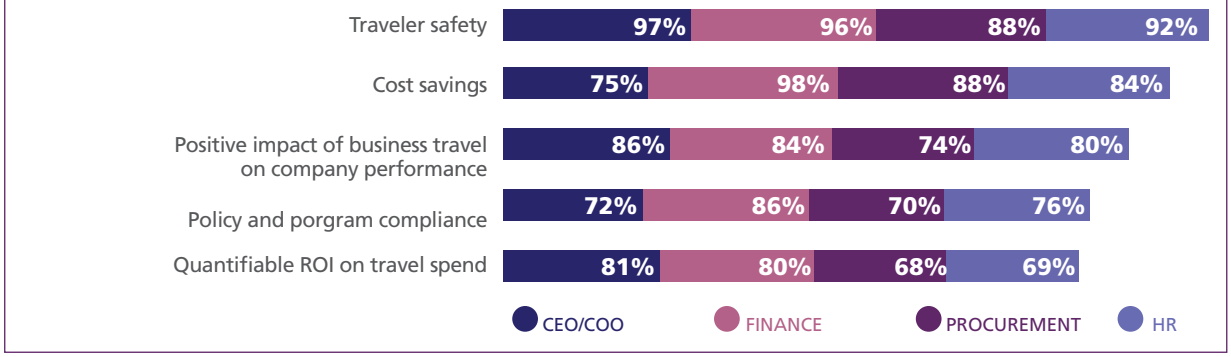
SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

A significant minority of respondents survey-wide receive some reports more or less frequently than quarterly, including:

- Sustainability: 24% receive quarterly reports on sustainability/CO2 emissions, and 24% never receive that report.
- Policy updates: 23% of respondents receive travel policy updates quarterly, and 39% receive policy updates bi-annually or annually.

EXECUTIVE STAKEHOLDERS IN MANAGED TRAVEL GRAPPLE WITH **MULTIPLE CONCERNS AND POTENTIAL THREATS**

COMPARISON OF TOP 5 REPORTS OR DATA SETS ON MANAGED TRAVEL THAT ARE EXTREMELY OR VERY IMPORTANT TO EXECUTIVE STAKEHOLDERS



SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

- Traveler safety: 22% of respondents receive quarterly reports on traveler safety, and 18% receive safety reports in real time.

The frequency of report delivery varies somewhat by stakeholder. CEO/COO respondents receive more reports weekly than other stakeholders, including: travel costs/spend compared to the prior period or YoY comparison (18%); policy and program compliance (16%); cost savings (14%); the impact of travel on employee satisfaction, retention, and ability to attract new employees (12%); and travel costs as a percentage of revenue (11%).

>> GETTING THE REPORTS THEY NEED

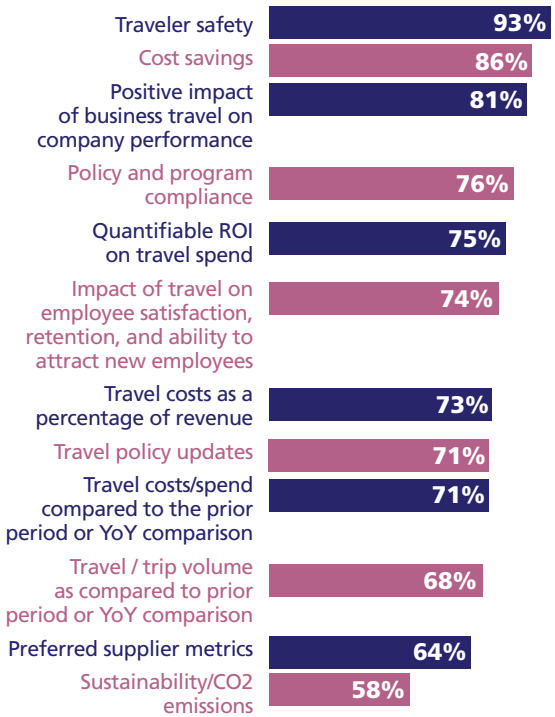
A strong survey-wide majority (89%) said they receive all the reports and data sets they need to be effective in their roles in managed travel. Compared with the survey average, a slightly higher percentage of CEOs/COOs (93%), and somewhat fewer procurement executives (84%) said they get all the reports and data sets they need to effectively handle their responsibilities in managed travel.

More than half of respondents (53%) strongly agree that their companies need to track and report traveler experience and satisfaction metrics in order to create strategic business value in their managed travel programs, along with traditional cost and compliance metrics. Another 39% somewhat agree that traveler experience/satisfaction metrics are necessary to creating business value in managed travel.

HR executives surveyed are particularly keen on the value of this metric: 71% strongly agree that tracking and reporting traveler experience/satisfaction is key to the business value of a managed travel program.

What reports do they want? More ROI, program or vendor compliance or recommendations to be more cost-effective, executives said.

REPORTS OR DATA SETS ON MANAGED TRAVEL THAT EXECUTIVE STAKEHOLDERS CONSIDER EXTREMELY OR VERY IMPORTANT



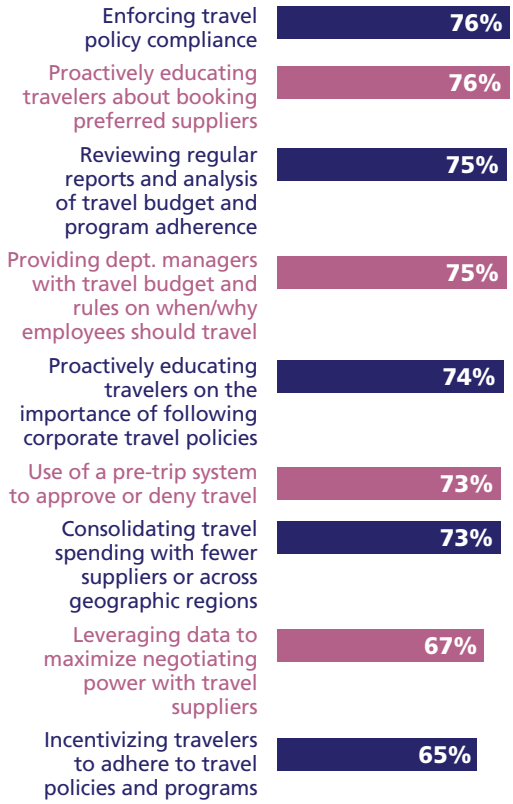
SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

>> MOST EFFECTIVE COST-AVOIDANCE INITIATIVES

Enforcing travel policy compliance and proactively educating travelers about booking preferred suppliers were cited by the strongest majority of respondents survey-wide as highly effective elements of a cost-avoidance strategy. Reports come into play here: three-quarters of survey participants identified reviewing regular reports and analysis of travel budget and program adherence as highly effective cost-avoidance elements.

EXECUTIVE STAKEHOLDERS IN MANAGED TRAVEL GRAPPLE WITH **MULTIPLE CONCERNS AND POTENTIAL THREATS**

COST-AVOIDANCE TACTICS THAT KEY EXECUTIVES CONSIDER EXTREMELY OR VERY EFFECTIVE FOR MANAGED TRAVEL PROGRAMS



SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

There are some notable differences when results are examined by stakeholder group.

Compared with the survey average, between 7% and 12% fewer procurement executives surveyed found any of the reports to be highly effective components of a cost-avoidance strategy.

A higher percentage of CFOs and other finance executives — between 10% and 17% more than the survey average and compared with other stakeholders — found several components to be highly effective parts of a cost-avoidance strategy. These include enforcing travel policy compliance, proactively educating travelers about booking preferred suppliers, providing department managers with a specific budget that they manage, and use of a pre-trip system to approve or deny travel — which was identified by 90% of finance executives surveyed as an extremely or very effective part of cost-avoidance.

›› TRACKING ROI ON BUSINESS TRAVEL

A significant minority of respondents (43%) said their organizations track the return on investment (ROI) of business travel to some degree, including 24% that measure ROI on all business trips and 19% that track ROI on trips to drive sales growth. Another 12% are working on how to define and track the relationship between business travel and company performance.

Survey results indicate that, at least for now, tracking ROI is off the table for a significant percentage of respondents (33%). That includes 27% who believe business trips have too many different objectives to effectively quantify ROI on travel, and 6% who don't see any significant bottom-line benefit to capturing the metric. For 12% of survey participants, tracking ROI on business trips and expenditures is not a current priority.

Who should be responsible for defining what constitutes ROI on travel? A majority of survey participants (56%) identified the finance department, followed by 42% who would include their internal travel management team in the process. A third (33%) would involve key internal stakeholders in managed travel.

›› FORCES THAT COULD IMPEDE BUSINESS TRAVEL

Key stakeholders in managed travel are highly concerned about a number of wide-ranging developments that could impede domestic and international business travel in the coming 12 months.

While there are some differences relating to job function when survey results are examined by specific stakeholder group, survey-wide a strong majority of respondents are extremely or very concerned about the potential negative impact on business travel of cyber threats, terrorism, recession, trade conflicts, and geopolitical uncertainty.

Compared with the survey average, many more finance executives are highly concerned about a recession or slowdown in economic growth globally (74%) or in the U.S. (68%), trade conflicts (66%), and geopolitical uncertainty (66%) impeding domestic travel in the coming 12 months.

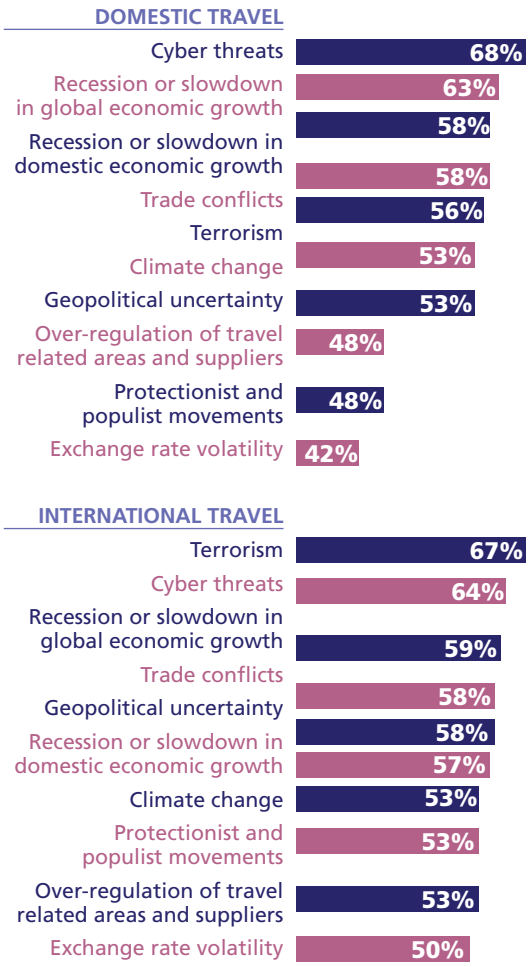
Far fewer HR respondents are highly concerned with several possible big-picture global developments impeding domestic travel when compared with survey-wide results, including trade conflicts (47%), terrorism (45%), geopolitical uncertainty (43%), and exchange rate volatility (35%).

Compared with the survey-wide average, similar differences apply to concerns by finance and HR stakeholder groups around developments that could impede international business travel.

EXECUTIVE STAKEHOLDERS IN MANAGED TRAVEL GRAPPLE WITH **MULTIPLE CONCERNS AND POTENTIAL THREATS**

HOW CONCERNED ARE YOU ABOUT THE FOLLOWING DEVELOPMENTS IMPEDING DOMESTIC OR INTERNATIONAL BUSINESS TRAVEL FOR YOUR ORGANIZATION IN THE COMING 12 MONTHS?

Figures show percentage of respondents who are extremely or very concerned about the negative impact of the development.



SOURCE: BTN GROUP CONTENT SOLUTIONS ONLINE SURVEY, OCTOBER 2019

Many more finance executives who are key stakeholders in their managed travel programs are concerned about the negative impact on international travel of a recession or slowdown in economic growth in the U.S. (76%) or globally (72%), and over regulation of travel-related areas and suppliers (68%).

Recession or slowdown in domestic economic growth is highly concerning to just 45% of HR respondents compared with 57% survey-wide, and 37% are extremely or very concerned that protectionist or populist movements will thwart international business travel compared with 53% across survey results.

>> STRATEGY TO DEAL WITH A POTENTIAL RECESSION OR BUSINESS DOWNTURN

In the event of a pending recession or a significant slow-down in economic growth, 86% of respondents will make adjustments to their travel and entertainment spending. That includes 34% who will immediately reduce their travel budget and/or cut back on non-essential travel and entertainment spending, and 52% who will first gather key managed travel stakeholders to discuss and determine the most appropriate course of action around travel spending. Just 14% of executives surveyed said they are not likely to make any changes to T&E spending if a recession occurs.

During the last economic downturn, or slowdown in their own company's business, survey respondents took a number of different actions pertaining to their travel program or T&E spending.

The highest percentage of executives surveyed (44%) monitored travel costs more closely to eliminate non-essential travel. More than a third (36%) implemented a pre-trip approval process for all travel, 30% eliminated or reduced the use of first-class travel, and 27% reduced travel with an across-the-board percentage reduction.

Just under a quarter of respondents said their company eliminated or reduced use of business-class travel; renegotiated many, if not all travel contracts to lower rates and costs; and reduced or eliminated internal travel while retaining client- or sales-related travel.

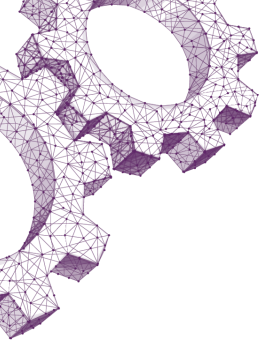
>> SHAPING MANAGED TRAVEL

Overall, a much higher percentage of CEO/COO respondents and a much lower percentage of procurement executives are "definitely" satisfied with the extent of their involvement with, and impact on, shaping their organization's managed travel policies and programs compared with other stakeholder groups.

Nearly three-quarters of CEOs/COOs (74%) are fully satisfied with their managed travel involvement and impact. That compares with 58% of finance executives, 55% of HR respondents, and just 48% or procurement executives surveyed who have that level of satisfaction with their role in and impact on their managed travel program.

>> KEY FINDINGS

While traveler safety and well-being tops the lists of key concerns for all four primary stakeholder groups—including C-suite, finance, procurement and HR executives—there are



EXECUTIVE STAKEHOLDERS IN MANAGED TRAVEL GRAPPLE WITH **MULTIPLE CONCERNS AND POTENTIAL THREATS**

significant variations by job function in the external challenges they are monitoring, the internal issues that are top of mind, and the reports they rely on to fulfill their role in managed travel.

Compared with the other three stakeholder groups:

- Many more CEOs/COOs identify traveler satisfaction as a top concern.
- Many more finance executives are highly concerned about a recession or slowdown in domestic or international economic growth, exchange rate volatility, and over-regulation of travel-related facilities and areas.
- Significantly more HR executives believe that tracking and reporting traveler experience/satisfaction is key to solidifying the strategic business value of a managed travel program.
- Far fewer procurement executives identify reports on preferred supplier metrics as highly important to fulfilling their role in managed travel.
- Overall, a much higher percentage of C-suite executives and a much lower percentage of procurement executives are "definitely" satisfied with the extent of their involvement with, and impact on, shaping their organization's managed travel policies and programs. ■

›› ABOUT THIS SURVEY

BTN Group Content Solutions conducted an online survey in October 2019 of 208 company executives who identified as key stakeholders in their managed travel programs. The research was sponsored by SAP Concur.

Survey participants included four stakeholder groups with 50 or more respondents including: 57 Chief Executive Officers or Chief Operating Officers; 50 Chief Financial Officers or other financial executives; 50 Chief Procurement Officers or procurement executives; and 51 human resources executives or Chief People Officers.

Just under half (47%) of all survey respondents work in small to midsized companies with fewer than 1,000 employees; 22% work in companies with 999 to 3,999 employees; 14% work in companies with 4,000 to 9,999 employees; another 13% work in companies with 10,000 to 49,999 employees and 5% work in companies with 50,000 or more employees. Differences from the survey-wide average by stakeholder group include:

- **CEOs/COOs:** A higher percentage (28%) work in small companies with fewer than 100 employees
- **CPOs/Procurement:** One-quarter work in large companies with more than 10,000 employees; 40% work in midsize companies with 1,000 to 9,999 employees and the rest work in smaller companies
- **Financial executives:** A higher percentage (30%) work in companies with 1,000 to 3,999 employees
- **HR executives:** A higher percentage (12%) work in large companies with 50,000 or more employees and more than half (53%) work at companies with fewer than 1,000 employees

About SAP/Concur **SAP Concur**

SAP® Concur® is the world's leading provider of integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. With SAP Concur, a top-rated app guides employees through every trip, charges are effortlessly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to audit 100% of transactions, businesses can see exactly what they're spending without worrying about blind spots in the budget. SAP Concur eliminates yesterday's tedious tasks, makes today's work easier, and helps businesses run at their best every day.

Learn more at www.concur.com or the SAP Concur blog.