

A Forrester Consulting  
Thought Leadership Paper  
Commissioned By SAP Concur  
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# Improve Travel, Expense, And Invoice Management To Drive Better Employee Experience

Why Finance, IT, And HR Must Collaborate To  
Better Serve Employees And The Business

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# Executive Summary

Forrester research shows that the manner in which employees are able to execute their daily jobs is the factor that most affects employee experience (EX). Improving these daily journeys requires a different focus — one that lends credence to the outsized impact that technology can have on enabling better EX.<sup>1</sup>

This isn't just about HR technology either. It encompasses all the tools that employees must regularly engage with day-to-day. This brings us to travel, expense, and invoice management. These solutions, which must be managed by all companies, have a huge impact on EX and warrant attention.

In October 2019, SAP Concur commissioned Forrester Consulting to explore the connection between employees' interactions with travel, expense, and invoice management solutions and a company's overall EX. Forrester conducted an online survey with 476 finance, IT, and HR decision makers responsible for corporate-level technology investments at global enterprises. We found that as EX becomes a critical driver of business success, firms must focus on optimizing the process and tools which impact employees' daily activities of travel, expense, and invoice management.

## KEY FINDINGS

- › **EX is an important driver of business success.** A productive employee is an engaged employee, and an engaged employee is good for the business. They work harder to overcome hurdles, serving both their customers and the business better. Respondents in our study have caught onto this trend. Within two years, more than three-quarters of our respondents agree that EX will be one of the most important factors allowing their business to deliver on key objectives.
- › **Travel, expense, and invoice management have an important role to play in enabling EX.** When tracking employee experience, a majority of firms focus on tech-related KPIs (like tech satisfaction, adoption, and friction) recognizing that employees must be equipped with the right tools to be productive and efficient. Travel and expense (T&E) and invoice solutions are one such critical technology: More than two-thirds of respondents say that these tools are important to enabling good EX at their organization.
- › **Many T&E and invoice tools and processes frustrate more than they help.** Current processes and tools leave something to be desired, forcing employees to deal with time-consuming, manual methods that inhibit rather than enable productivity. Department silos and misaligned strategies also hinder progress, keeping finance, IT, and HR from working together effectively.
- › **Finance teams need to collaborate with IT and HR to better serve their employees' T&E needs.** Employees don't just need the right tools to ease their T&E struggles, they also need the organizational support structure. Firms where finance, IT, and HR partner to optimize travel, expense, and invoice management practices see improved EX and more business benefits overall.

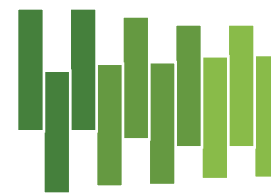


Finance teams that are most often responsible for managing travel, expense, and invoice processes — and purchasing these tools — must consider the impact they are having on their organization's EX.

# Good Employee Experience Is Critical To Business Success

Forrester's EX Index shows that engaged employees are an important driver of positive business outcomes. These engaged workers push harder to overcome barriers to their work, serve customers better, and stay with the company for longer. In fact, companies with the most engaged employees enjoy 81% higher customer satisfaction, experience half the employee turnover of their peers, and have a decisive competitive advantage.<sup>2</sup> This phenomenon has not gone unnoticed. Our study shows that firms increasingly realize EX's impact on their ability to deliver on business objectives: 68% of respondents say EX is one of the most important factors today. That number will grow to 79% within two years (see Figure 1).

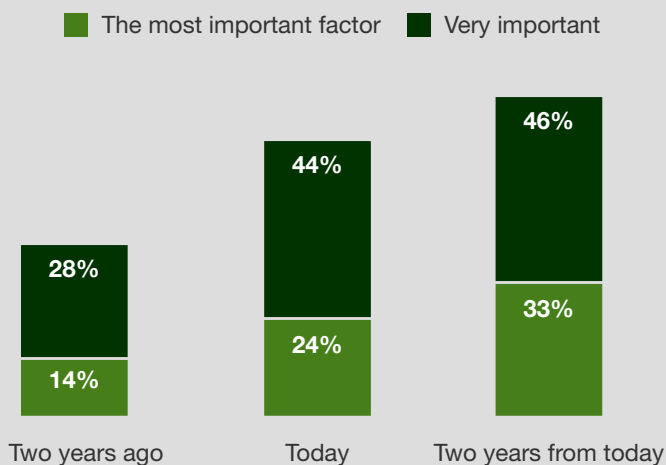
And though it's clear that the benefits of EX can and do extend to the wider business ecosystem, enterprises can sometimes be tempted to relegate EX to HR departments, falsely assuming that departments like finance and IT have nothing valuable to add. However, Forrester has found that this approach does not work. HR-led approaches (which typically focus on onboarding) and performance management and coaching aren't enough when the ultimate goal is to make employees' daily lives more productive. Improving EX requires a balance between the demands employees face in their daily work and the resources they need to meet them.<sup>3</sup> This is why departments that are routinely involved in many employees' day-to-day tasks — like finance and IT — must pay attention to EX.



Improving EX requires a balance between the demands employees face in their daily work and the resources they need to meet them.

Figure 1

“Overall, how important is EX to your organization's ability to deliver on its business objectives two years ago/today/two years from now?”



Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments

Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

For nearly 80% of respondents, within two years EX will be one of the most important factors impacting an organization's ability to deliver on business objectives.

# T&E And Invoice Management Software Play A Critical Role In Enabling Good EX

Forrester’s EX Index reveals that technology-related factors are strong predictors of employee engagement, and a critical driver of engagement is the ability to provide employees with a tech environment that is designed for productivity.<sup>4</sup>

## EX IS INEXTRICABLY LINKED TO TECHNOLOGY

Given how important maintaining good EX is to firms’ success, we wanted to learn how firms are tracking and evaluating their own employees’ experiences. We found that tech solutions are a critical part of maintaining and monitoring employee experience. Specifically:

- › **Technology satisfaction is a top KPI when tracking EX.** Second only to productivity, employee satisfaction with technology is the top KPI that firms track to monitor employee experience (see Figure 2). This is also one of the KPIs respondents see as most important to their individual work, as 35% rank it as a top-three critical KPI.
- › **Other tech-related KPIs are also critical.** About one-third of all firms currently track solution adoption and workflow bottlenecks/tech friction. Furthermore, when asked which KPIs they would like to track to better gauge EX, respondents noted these same tech-related metrics. Other top KPIs, like time-to-reimburse-expenses and productivity, though not explicitly about technology, are certainly linked to the tools employees use.

Figure 2

“Which of the following KPIs, if any, are you tracking to monitor employee experience at your organization?”

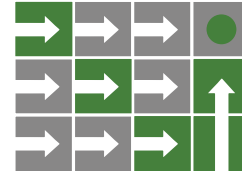


Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments  
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

## T&E AND INVOICE MANAGEMENT SOFTWARE IMPACT EX

Since technology plays such a critical role in maintaining and monitoring EX, it stands to reason that certain technology solutions can play an immense role in whether or not employees are happy and productive. Our study found:

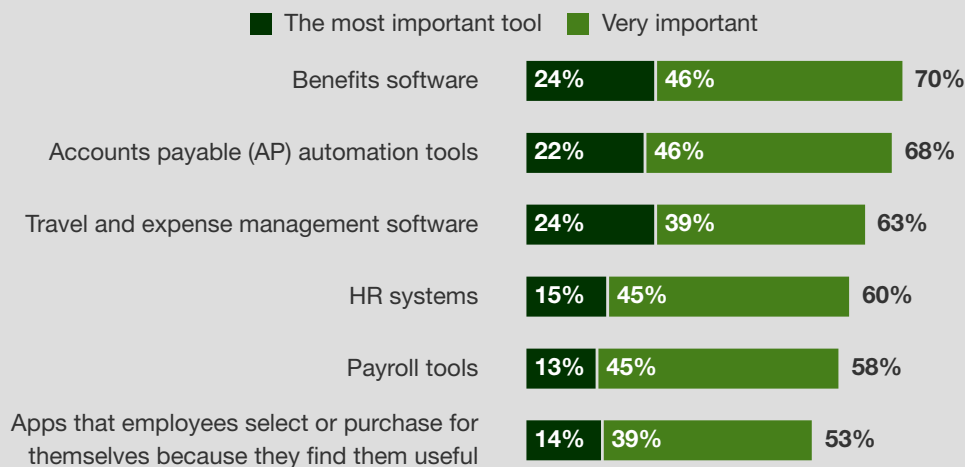
- › **EX is an important factor when making technology decisions.** Sixty-four percent of respondents say “impact on EX” is one of the most important factors they consider when making a technology purchase. This factor is situated alongside other business-critical criteria, such as impact on revenue and customer experience. This elevates the role EX plays in the organization to a top-tier consideration.
- › **T&E and accounts payable (AP) automation software are an important tool for enabling EX.** Respondents in our study agreed that the tools which employees use on a regular basis are critical to enabling good EX. Specifically, 63% name T&E management software as one of the most important tools when it comes to good EX (see Figure 3). Sixty-eight percent of respondents said the same of AP automation tools. Only benefits software was noted as more important.



EX is top of mind for 64% of respondents when making decisions about technology purchases.

Figure 3

“How important are the following tools to your ability to enable good EX at your organization?”



Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments  
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

Anyone who has struggled with a tedious expense report, or waited weeks to be reimbursed for a travel expense, understands why getting the technology and processes that support these practices right is so important. Benefits software, though an important aspect of employee compensation, is used far less regularly, and is less likely to have an impact on day-to-day productivity to the same degree that travel, expense, and AP software can.

EX's key outcome is engagement, and engagement's key outcomes are higher customer satisfaction and financial performance. So while effective T&E enablement is critical for financial governance, making the process effortless is also critical for EX, leading to better engagement and thus increased customer experience (CX) and financial performance.



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### **SPECIAL T&E CONSIDERATION: DUTY OF CARE**

T&E also plays a crucial role in another important aspect of good people management, and that's duty of care. In our study, we define duty of care as:

*A company's obligation to take care of its employees in emergencies. This can include tasks like directing corporate travelers to healthcare services wherever they are located or providing for quick, safe return of travelers where a natural disaster has occurred.*

In an increasingly volatile world, the ability to contact and care for your workforce during times of crisis will become increasingly important. Unfortunately, about half of respondents in our study said that their current T&E tools aren't up to par in this area. Additionally, 62% of firms say that the ability to monitor and contact employees wherever they are in times of emergency is an important requirement of a T&E solution. Getting these T&E solutions right, therefore, is not just important to business processes, it's critical to the safety of your workforce.

Though likely not a day-to-day consideration, duty of care procedures are critical to have in an emergency to ensure the safety of the workforce. While HR is most often responsible for this work (70% of respondents say this is HR's primary responsibility), this is an area where there is an opportunity for collaboration. Currently, 42% of those surveyed say finance is involved in duty of care work, and 24% say IT is involved. Enterprises where these teams work together will ultimately better demonstrate their commitment to supporting employees overall.

# T&E And Invoice Management Can Be Time-Consuming And Tedious, Frustrating Employees And Managers Alike

Travel, expense, and invoice management are clearly important to the success of an organization and the satisfaction of its employees. So, how are these tools and processes managed and organized? We found that T&E and invoice management is still largely siloed. The survey data shows:

- › **Finance plays the largest role.** Though there is a role for IT, HR and even line of business leaders to play, finance professionals most often take lead when firms are purchasing T&E or invoice management solutions: 63% of respondents say finance is the key decision maker, and another 25% list finance as a key influencer. Finance is also likely to own the process itself, as 23% of respondents say that among IT, HR and finance, finance fully owns the T&E and invoice processes, including software vendor selection and maintenance
- › **Firms where finance, IT, and HR work together effectively are in the minority.** Although finance is most likely to take lead, there are certainly instances where HR and IT take on separate tasks related to T&E management process, or even work together on a limited basis as needed. However, there are significantly less firms where these three teams have a close partnership and work together toward a unified strategy. This is the case for only 10% of IT and HR teams, 12% of HR and finance teams, and 13% of finance and IT teams. The numbers again shrink significantly when considering all three teams: Only 7% of respondents say their IT, HR, and finance teams partner in support of a unified strategy when it comes to supporting travel, expense, and invoice management.

## THE PEOPLE, PROCESSES, AND TOOLS IN PLACE ALSO CAUSE FRICTION

Firms face a slew of accuracy, automation, and integration challenges with their T&E and invoice management processes and tools. This creates difficult and inefficient processes that negatively impacts employees and the business. We found:

- › **Current tools struggle to satisfy when it comes to integration, automation, and reporting.** Only 42% of respondents are satisfied with the level of automation in their current T&E tools, and 36% are satisfied with the ability of their T&E tools to integrate with other enterprises systems. Reporting is also an issue for T&E tools: Less than half of all respondents are fully satisfied with the analytics and reporting capabilities built into their current solutions. The story is similar for invoice management tools: Reporting/analytics and automation level are the aspects which respondents find most lacking in these tools (47% and 36% satisfied, respectively).



Finance is the key decision maker for T&E and invoice management, making them critically important to employee engagement and experience.

But they don't play well with others. Only 7% of finance teams effectively work with IT and HR in support of T&E and invoice management.



› **Firms struggle with human error and time-consuming processes.**

When it comes to both T&E and invoice management tools and processes, firms struggle the most with overly paper-based systems that lead to a high number of inaccuracies. These systems also require a large time investment by employees to submit the necessary paperwork, approvals, and documentation. These are also the primary complaints that leaders hear from employees regarding T&E bookings, expense submission, approvals, and expense tracking. Forty-five percent say that approving invoices is difficult and takes too long, while 42% report a time-consuming and error-prone manual invoice entry process, and 36% say submitting expenses simply takes too long (see Figure 4). Managers also tend to agree with employees' complaints, as inaccurate and inefficient manual invoice processing and lengthy expense approval processes were again top challenges that managers face (42% and 38%, respectively).

› **Conflicting HR, IT, and finance strategies also cause problems.**

It's not only the tools and processes which introduce challenges into travel, expense, and invoice management. Respondents also report an issue with competing strategies. About one-quarter of respondents say that the strategies and processes of finance, HR, and IT are misaligned, causing friction for T&E management. This issue is even more common for invoice management: 30% report conflicting strategies between finance and IT as a challenge, making it the third most reported challenge. It's not surprising that these teams are misaligned, given what we've already learned about how firms organize. Firms will need to better unify these disparate teams if they want to mitigate challenges and more successfully support T&E and invoice management moving forward.

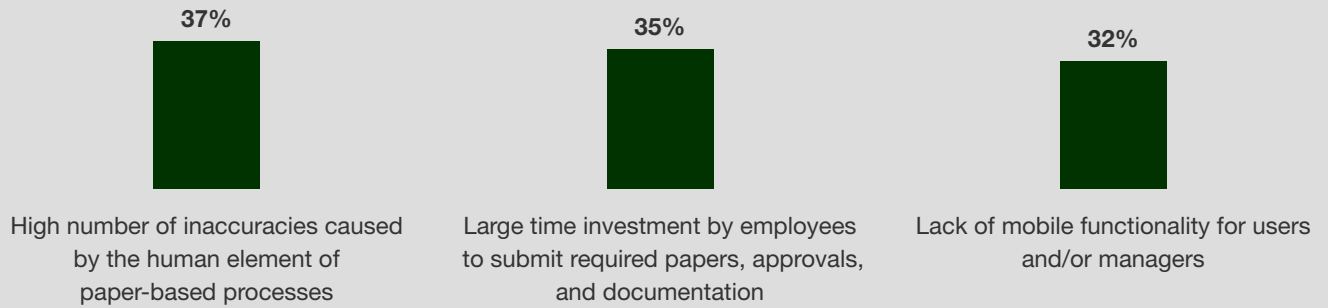


About one-third of firms struggle as a result of conflicting finance, IT, and HR strategies, creating incentive for these teams to work together.

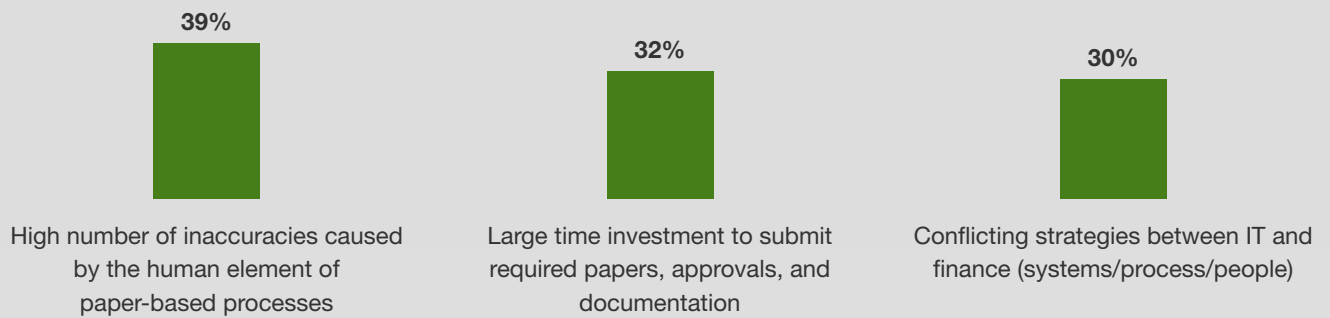
Finance professionals take note: Failure to get ahead of T&E and invoice management issues will damage your bottom line.

Figure 4

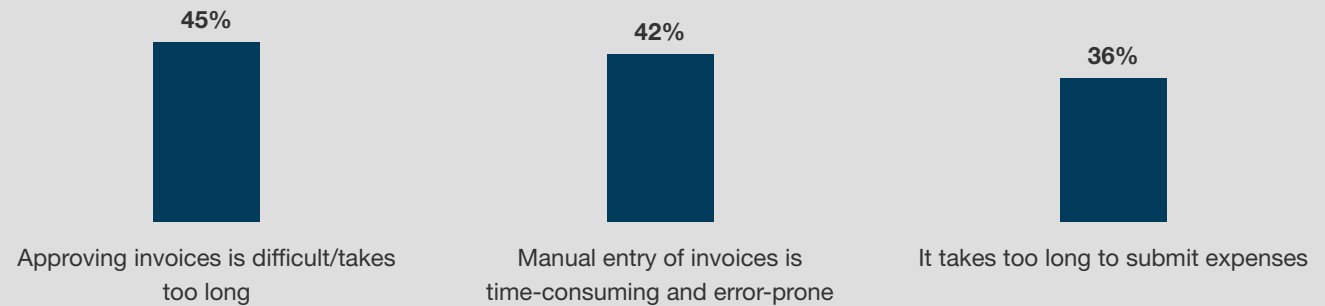
### Top T&E Challenges



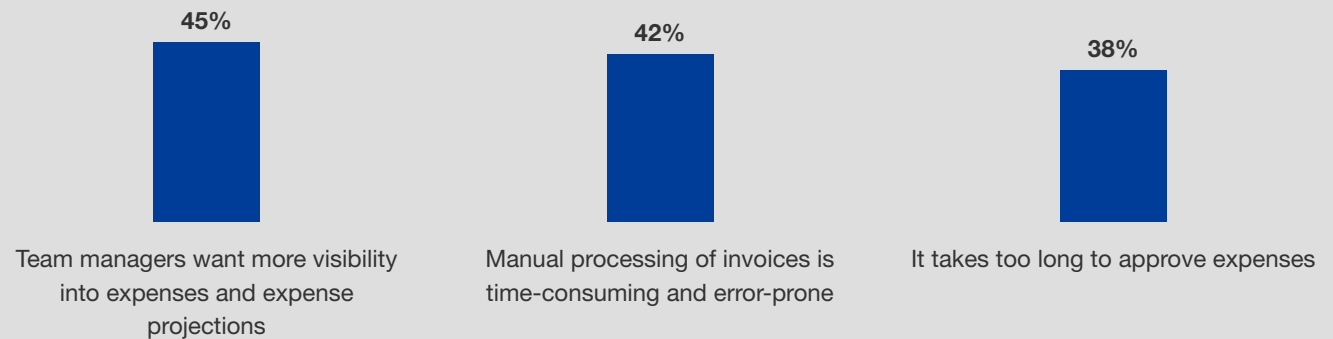
### Top Invoice Management Challenges



### Top Employee Complaints



### Top Manger Challenges



Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments  
Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

## T&E AND INVOICE MANAGEMENT CHALLENGES NEGATIVELY IMPACT THE BUSINESS OVERALL

The challenges of inadequate T&E and AP solutions are not simply frustrating for employees and managers, they have significant financial impact on the business. Our study found:

- › **T&E and invoicing challenges are costly and hurt EX.** The challenges that firms experience with these tools have the potential to fundamentally harm the business. Respondents report increased costs, decreased process efficiency, and increased expense errors all of which can hurt the bottom line. Other issues like decreased visibility and access to data, and inaccurate reporting are a problem for forecasting, impeding firms' ability to accurately plan for the future. And it's not only the business that suffers; employees are also at risk. Thirty-four percent of respondents said that these tool challenges lead to decreased employee productivity and satisfaction, while 29% note poor employee experience overall.
- › **Poor EX impacts productivity, customers, and the business.** Poor EX is a real problem for the business. If employees are unhappy they'll also be less productive (38%) leading to increased costs (35%) and high turnover rates (36%). Poor EX also impacts an organization's ability to innovate (34%) and keep up with competitors (31%), while decreasing revenue (27%). Even customers will be impacted: 26% of respondents say poor customer experiences result from poor EX.

## Firms Need Both The Right Tools And The Right Organizational Structure To Improve T&E And Invoice Management And Boost EX

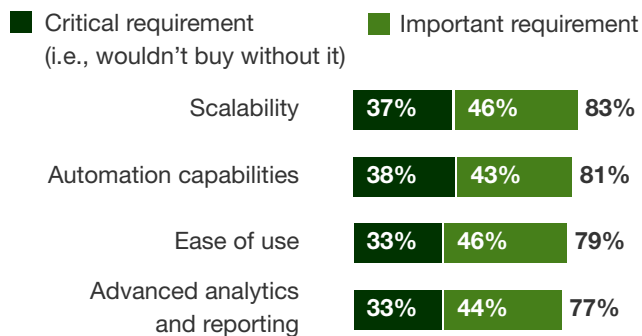
In order to deliver better EX and drive positive business outcomes, firms need both automated, scalable T&E and invoice management solutions and to have finance, IT, and HR partner in the service of EX transformation. Firms need:

- › **Scalable, automated, and easy-to-use T&E software.** Unsurprisingly, given current satisfaction rates, firms want T&E management software that both includes advanced analytics and reporting capabilities and improves on current basic automation capabilities. Forrester's EX research shows that when automation reduces the burden of mundane tasks — like doing expenses — employees are more willing to embrace investments in future automation projects, meaning that an investment in T&E automation is a step toward more automated business processes overall. Firms also need a scalable solution that can grow with the company, and an easy-to-use solution that encourages employee adoption and simplifies what is currently a difficult and time-consuming process (see Figure 5).

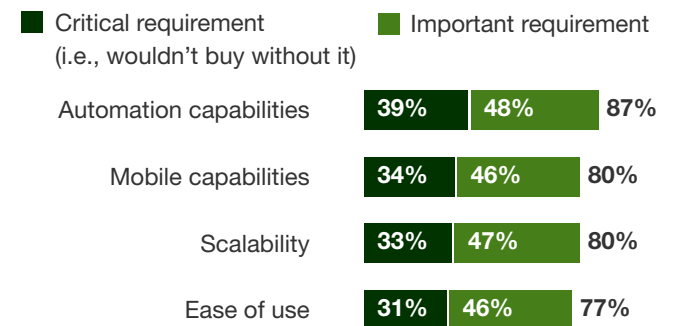
81% of organizations experience improved employee productivity from the implementation of their T&E and invoice management solutions.

Figure 5

“How important are the following criteria when choosing T&E management software?”



“How important are the following criteria when choosing invoice management software?”



Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments  
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

› **Invoice management software that is automated, mobile, and scalable.** Automation is a critical requirement of invoice management software: 48% of respondents say it's important, and 39% say they simply wouldn't purchase a solution that lacks sufficient automation. Like T&E management software requirements, respondents also need their invoice management solutions to be scalable and easy to use. However, invoice management tools must also offer mobile capabilities and cloud-based tools reflecting the way many employees prefer to work today.

Firms stand to gain myriad business benefits from the right travel, expense, and invoice management tools. These tools:

- › **Have an overwhelmingly positive impact on key KPIs.** Despite challenges, the solutions that manage travel, expense and invoices can also be beneficial to firms. Respondents in this study noted generally positive impacts to their EX KPIs from the implementation of these tools (see Figure 6). This is especially true for the most critical KPIs: 81% of respondents said that employee productivity has been positively impacted by the implementation of their travel, expense, and invoice management software. The same is true for 76% of firms when it comes to employee engagement. This is important, as employee productivity and engagement are important drivers of good EX.
- › **Allow firms to gain efficiencies and increase employee productivity and satisfaction.** As these positive metrics would indicate, improved T&E solutions also lead to business benefits. Respondents report improvements to their business, like increased automation, better process oversight, and improved process efficiency. An effective T&E solution also benefits the employee leading to increased productivity and satisfaction, and ultimately, better EX.

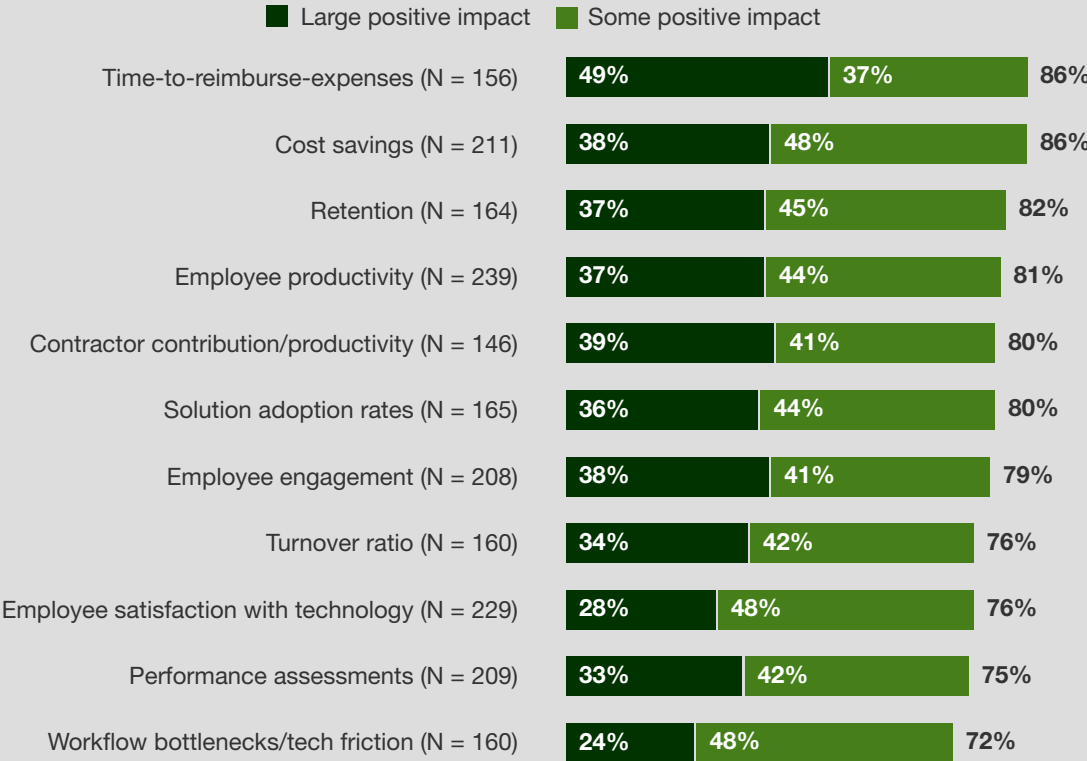
T&E and invoice tools also lead to increased employee engagement for 76% of respondents.

It's not just the employees who gain these efficiencies; the teams tasked with managing T&E and invoice processing also benefit. Finance, HR, and IT teams will see increased productivity as travel and booking data is captured and integrated into internal systems, manual administrative tasks are automated away, and spend management becomes simpler.

However, adopting the right tools is only part of the EX puzzle. Firms must also encourage finance, IT, and HR stakeholders to work together in order to see the most returns from their work in travel, expense, and invoice management. We found that organizations that have a close partnership between these three groups, and work effectively toward a unified strategy, tend to see more business benefits from their travel, expense, and invoice solutions. This is particularly true for EX. As new research continues to define the links between employee experience, customer experience, and financial performance, companies will need greater abilities to understand and manage these areas as a system with shared awareness and incentives.<sup>5</sup> Organizations where finance, IT, and HR leaders partner in the pursuit of EX transformation are better equipped to improve the solutions and processes that support this ultimate goal.

**Figure 6**

**“Of the KPIs that you are tracking, what impact, if any, have you seen from the implementation of your T&E and invoice management software?”**



Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments  
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

# Key Recommendations

Forrester has consistently found that great EX begins and ends with worker productivity, and while there are a vast array of factors at play, technology plays a pivotal role.<sup>6</sup> So it stands to reason that firms looking to improve employee productivity, and therefore EX, should focus on the technologies which impact employees' everyday activities. Organizations looking to improve T&E and invoice management in support of better EX should follow these recommendations:



**Reframe expense management as an investment in EX.** Studies show that employee engagement peaks when employees spend most of their time doing work they believe is important. Conversely, engagement drops when they're doing work that isn't, like expenses. When employees can spend more of their focus time doing more important tasks, they're more likely to be fully engaged during that time. Forrester believes that an investment in expense automation will allow for employees to spend the majority of their time on more important tasks that'll keep them fully engaged, thereby improving EX.



**Look beyond finance in calculating the benefits of T&E.** When the finance department is the key decision maker behind T&E automation investments, they'll typically only look at the benefits to finance when making the business case. But that's a mistake. The greatest benefits to automation will go to employees, and by extension, lines of business, HR, and others. This study provides the evidence needed to begin quantifying these added benefits to make the business case.



**Use T&E as a way to align HR, IT, and finance with EX.** Automating T&E processes is one of few investments that employees will celebrate across the board because it makes their lives easier and allows them to focus on more important work. When employees celebrate, HR, IT, and finance benefit from the halo effect, making it an initiative that can align all three areas of organizational leadership behind a common beneficial cause.



**Leverage EX gains and report the benefits to the organization.** Our research shows that even small gains in EX have measurable benefits to KPIs like employee retention, customer satisfaction, and financial performance. When you use these probable gains to make the business case up front, you can also leverage that insight when reporting the benefits of automating T&E reporting investment to the business and other key stakeholders. This is also where enterprises need to consider the benefits of activities such as duty of care. Considering all the gains to employees and the business will create a fuller picture of why automating T&E reporting is critical to the successful enterprise.

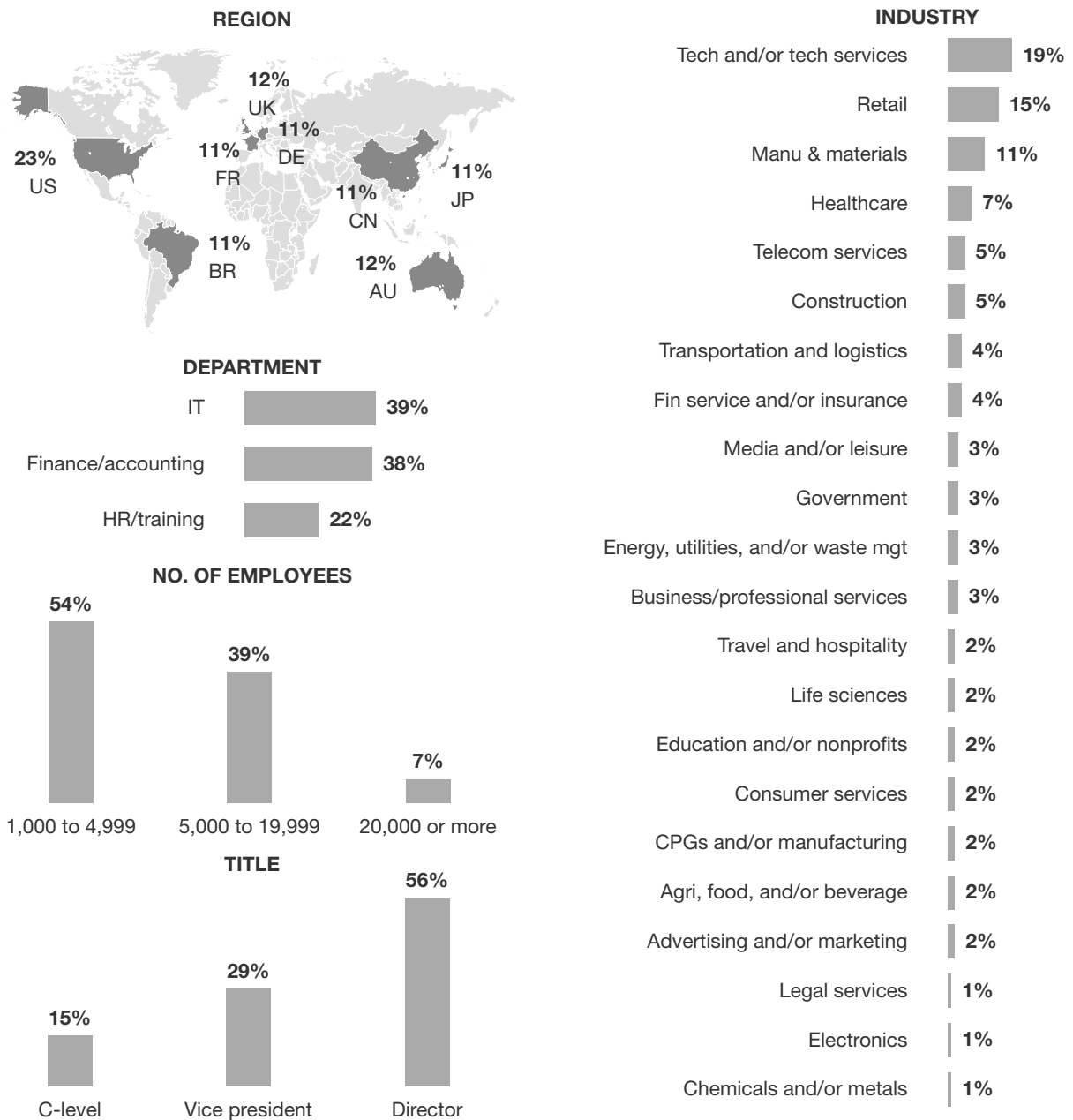


**Continuously optimize to realize sustained benefits.** The focus on EX is a long-term goal for organizations, which means that automation should not be the end of the story. Work to ensure teams are regularly reviewing and improving processes so that today's innovation doesn't become tomorrow's old news. Adopt T&E management software that both includes the advanced analytics and reporting capabilities that employees want and improves on the current levels of automation. And seek out solution providers and partners who have made experience management a priority

# Appendix A: Methodology

In this study, Forrester conducted an online survey of 476 finance, IT, and HR decision makers in the US, the UK, France, Germany, China, Japan, Australia, and Brazil to evaluate the connection between travel, expense, and invoice management and good EX. Survey participants included decision makers who are responsible for corporate-level technology investments. Respondents were offered an incentive as a thank you for time spent on the survey. The study began in and was completed in October 2019.

# Appendix B: Demographics/Data



Base: 476 global finance, IT, and HR decision makers responsible for corporate-level technology investments  
 Source: A commissioned study conducted by Forrester Consulting on behalf of SAP, October 2019

# Appendix C: Supplemental Material

## RELATED FOR RESTER RESEARCH

“The Employee Experience Technology Ecosystem,” Forrester Research, Inc., February 14, 2019.

“The CIO’s Guide To Employee Experience,” Forrester Research, Inc., April 8, 2019.

“The Employee Experience Imperative,” Forrester Research, Inc. December 15, 2017.

# Appendix D: Endnotes

<sup>1</sup> Source: “The Employee Experience Technology Ecosystem,” Forrester Research, Inc., February 14, 2019.

<sup>2</sup> Source: “The CIO’s Guide To Employee Experience,” Forrester Research, Inc., April 8, 2019.

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> Ibid

<sup>6</sup> Source: “The Employee Experience Imperative,” Forrester Research, Inc., December 15, 2017.