



The Hidden Costs of T&E:

How to manage the expenses you see
—and *especially* the ones you *don't*.



Taking a closer look at T&E.

If you're an organization with people on the move, automating travel and expenses can make a complex, time-consuming process much more efficient, and bring visibility to the majority of your T&E budget.

But what about the blind spots?

Automation is only part of the solution, however. While most systems track clear-cut T&E purchases, the reality is that [some T&E costs simply can't be captured by traditional solutions](#). And they impact your bottom line whether you track them or not.

To truly manage all spending, you have to know what to look for and where to look. And this guide is a great place to start.





Not all employee spending is the same. Let's break down the differences.

What is active spending?

Expenses made through proactive purchasing decisions: a flight, a piece of technology, raw materials. Employees know the costs and choose to spend intentionally.

Status: Relatively easy to track.



What is passive spending?

Expenses resulting from unintentional decisions, including fees, taxes, contract charges and other costs that “just happen” as a result of employees simply doing their jobs.

Status: Difficult to track and manage.

If you aren't looking at passive spending as well as active spending, you may be incurring unnecessary costs and missing out on savings. What's more, you could be exposing your business to risks.

You need to manage both.



Let's look at an example.

Meet Padmini. She works for a U.S.-based company that has customers all over the world. She travels more than 80% of the time to manage long-term projects with clients.



Managing active spending: Making it easier to see the right choices and all your transactions.

No surprise, Padmini actively books her business travel.

She schedules a trip to the U.K. to wrap up a year-long project. She books her flight and rental car using her company's booking tool to find convenient, cost-effective choices that follow company policy.

Are you helping employees like Padmini stay within policy? This is where your T&E system comes in. Does the system give employees easy, visual reminders so they know the rules and act accordingly? Does it have checks in place to stop bad spending before it happens?

If your system doesn't give employees clear guidance, their active spending can easily fall out of compliance.



Out-of-system booking. Padmini didn't book her hotel through the company booking tool, because the client she is working with gets a better discount at a hotel across the street from their office. So she booked her room directly—a very common occurrence in today's corporate travel programs. The question is: can your system capture this active spending?

Is out-of-system out of your control?

Duty of care. How can you ensure the safety and security of employees when they book travel outside of your approved system? Should a crisis arise, how do you know where they're staying and how to reach them?

Cost control. If you aren't capturing data from direct bookings, how can you be sure spending policies are met? How do you know you're getting your negotiated rates?

Vendor management. Without a detailed record of out-of-system bookings, how will you track what you've spent with each vendor and negotiate future discounts?

If your system can't capture spending wherever or whenever it happens, you're not managing all your spending.



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Passive spending comes in many forms and with its own set of risks.

International sales taxes. While Padmini is in the U.K., she's incurring Value-Added-Tax (or VAT), a tax applied in countries around the world on purchases like trade show supplies and some T&E charges. Every day Padmini is on this trip, the cost of unintended VAT expenses is adding up.

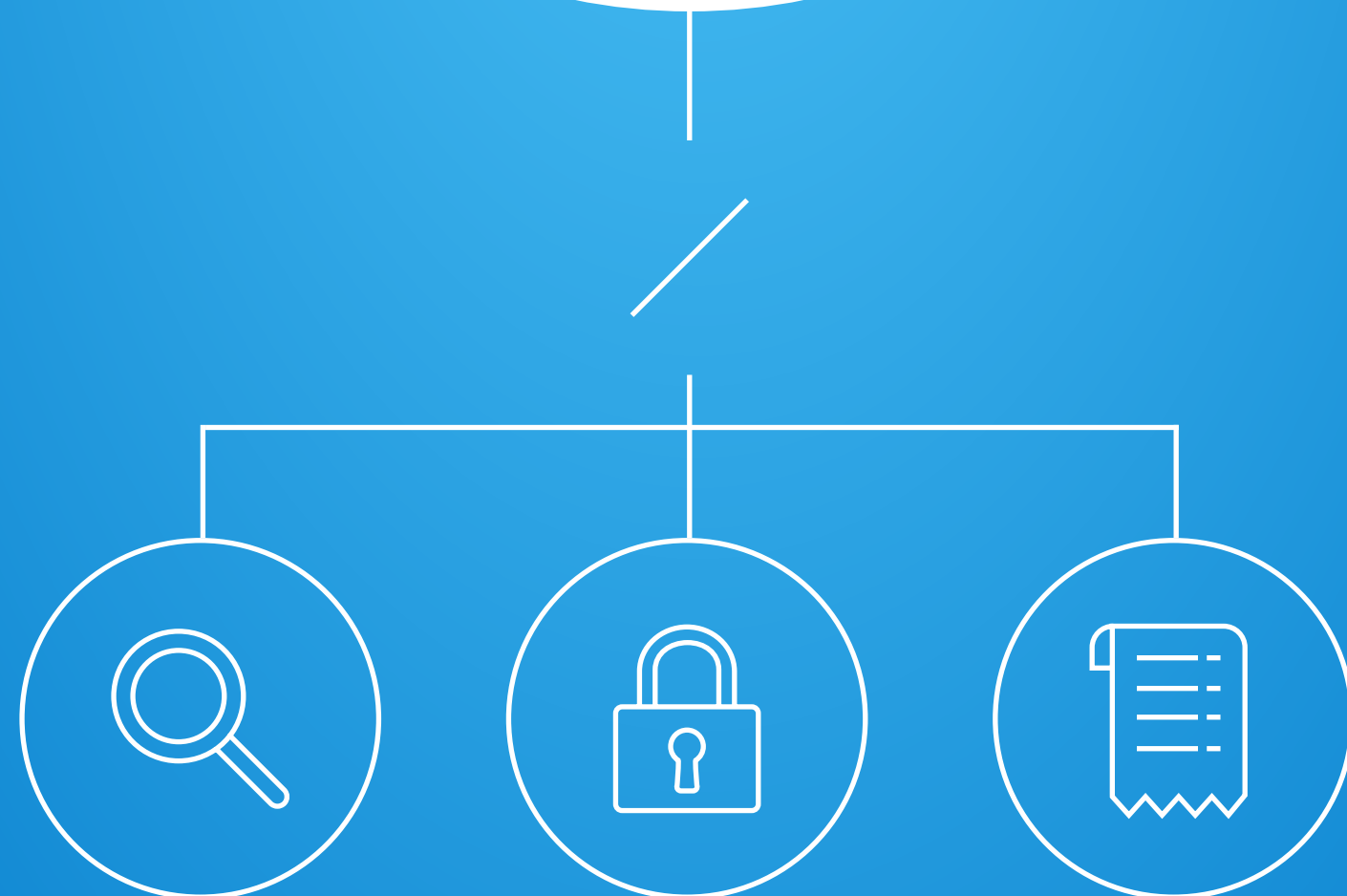
VAT can be reclaimed for some purchases. But if your system doesn't track it, you are leaving money on the table.

Out-of-contract mobile fees. When Padmini travels, she uses her smartphone. If her plan doesn't adequately cover usage in the U.K., she may incur huge mobile data and calling charges over the course of a year. These fees can be significant—one organization inadvertently paid an extra \$40 per device per month on more than 3,500 devices—and you may not catch this cost until it's too late.

If you can't predict and control international mobile expenses, you could be overpaying by as much as 30%.

Payroll Taxes. Employees like Padmini who travel for long periods often create payroll tax liabilities in different states and countries. That's yet more passive spending. Are you tracking that information? Do you know what the thresholds are?

If your system doesn't track payroll tax rules for all countries where you work, you can't proactively manage your exposure and avoid these "hidden" costs.



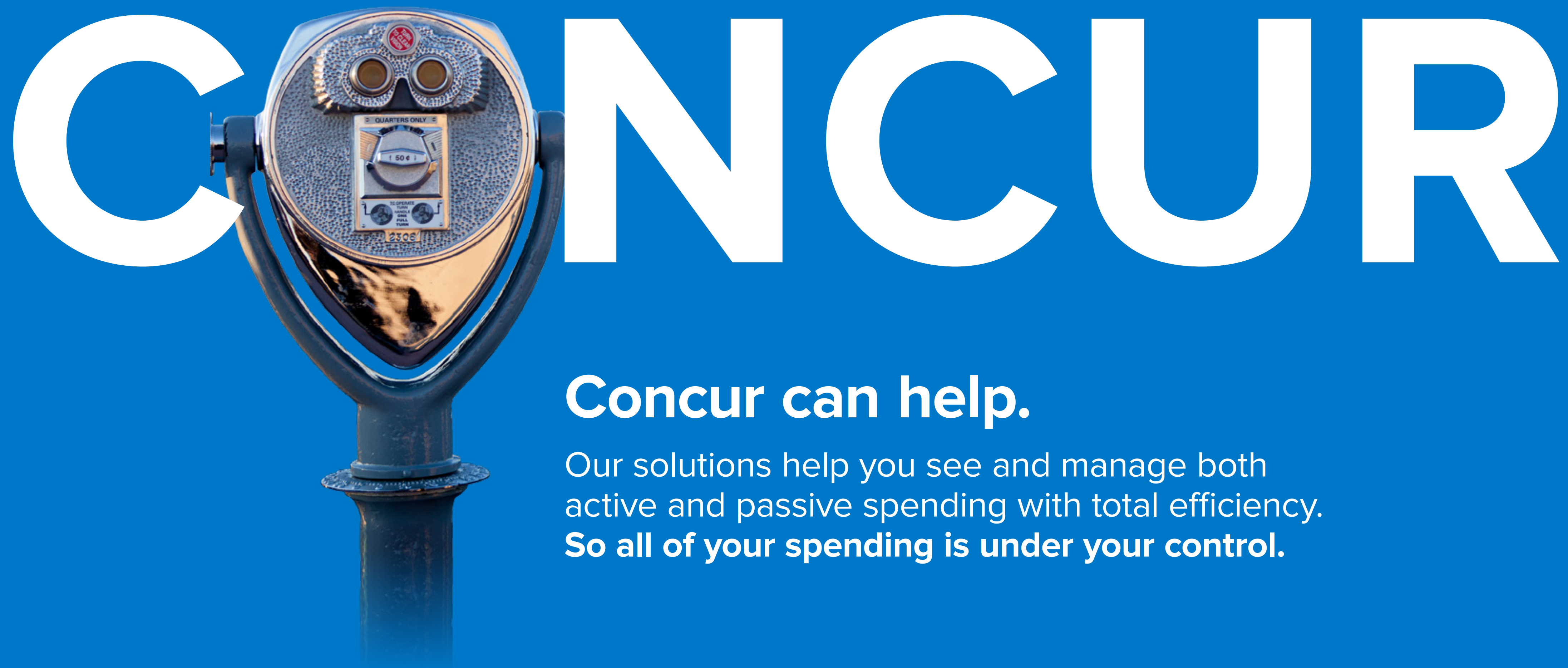
Bringing it home: the audit.

Padmini arrives back to the U.S. and completes her expense reports from her trip. She's diligent. She uses her corporate card whenever possible while traveling, and her expenses are within policy and easy to audit. Good for Padmini and her employer. But are all travelers in your organization like her?

To manage all spending, you have to monitor and audit all spending.

- Track all purchases travelers make, in- and out-of-system, to ensure they're within your policy.
- Identify employees who may be at risk of fraud and double-check potentially costly mistakes.
- Predict, collect and track passive expenses that can fly under the radar.

Auditing is a critical part of ensuring all types of spending are following policy.

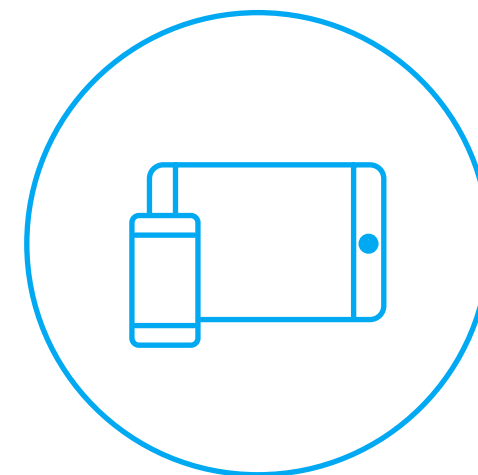


Concur can help.

Our solutions help you see and manage both active and passive spending with total efficiency.
So all of your spending is under your control.

Manage active spending.

Concur makes it easy for your people to make the best spending decisions for the business, and makes it easier for you to capture and manage all your spending—no matter where or when it happens.



Simplify searching and booking.

Concur Travel offers multiple ways to search for flight, hotel, rental car and more from a smartphone, tablet or any web browser. Guide your travelers' decisions with visual cues and color-coded aids to help them stay within policy.



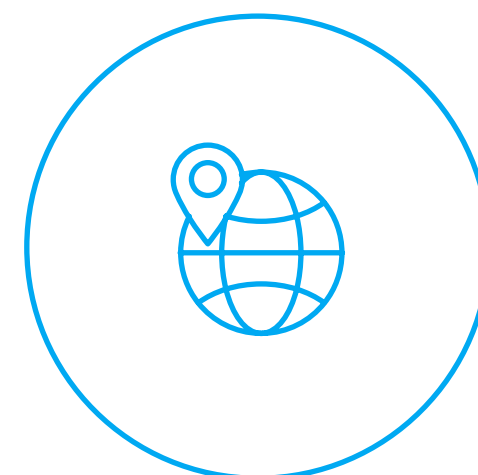
Say goodbye to paper and hello to better data.

Concur virtually eliminates manually intensive paperwork from your T&E process. Electronic receipts—from airline tickets to lattes to Uber rides—integrate directly with Concur Expense to create itemized expense reports and easily track spending.



Track itineraries, no matter where they're booked.

Concur TripLink captures itineraries directly from suppliers like IHG, Starwood and Airbnb and allows your travelers to forward travel itineraries made outside of your booking tool directly into your Concur system, so you still get your negotiated rates and policy checks no matter where travel is booked.



Ensure your travelers are safe.

Support your duty of care with a few clicks. Concur Messaging gives you an overview of travelers' locations and country-specific risk levels in one place. It's easy to initiate two-way communication via phone, text or email and track responses.

Manage passive spending.

With Concur, you can tap into a network of app partners whose solutions use Concur data to ensure you're getting the most out of your T&E budget and accounting for every dollar.



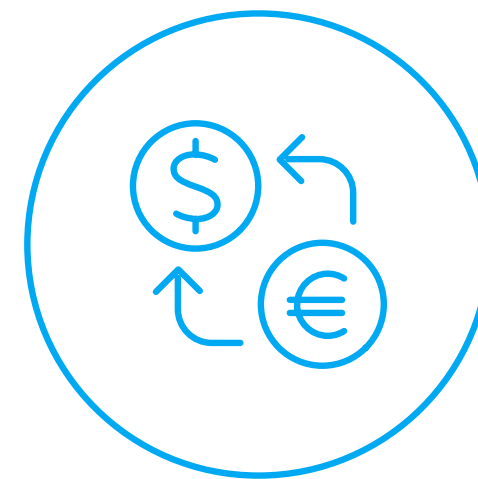
Unlock savings hidden in your T&E data.

Our partner Visage integrates with Concur Travel data to proactively identify booked trips that may incur roaming or additional mobile charges, so you can adjust mobile contracts before travelers leave and avoid overages.



Proactively manage tax liabilities.

Our partner Blackspark uses Concur travel data to create an all-in-one dashboard detailing tax implications for each employee and country, so you have full knowledge of your liability and can adjust plans accordingly.



Get more VAT back.

Our partners TaxBack and UVS automatically pull Concur travel and expense data to help you reclaim all the VAT costs you deserve.



Reduce your risk of fraud.

Our partner Oversight uses Concur T&E data to prevent expense report fraud. By analyzing employee behavior and patterns over time, Oversight helps you identify risks and easily reinforce the right behavior.

With Concur, you can accurately track (and more importantly, proactively manage) all your expenses—your active spending choices and the passive spending costs you incur. With Concur, everything is covered and budget control is back in your hands.



About Concur

Concur, a part of SAP, imagines the way the world should work, offering cloud-based services that make it simple to manage travel and expenses. By connecting data, applications and people, Concur delivers an effortless experience and total transparency into spending wherever and whenever it happens. Concur services adapt to individual employee preferences and scale to meet the needs of companies from small to large, so they can focus on what matters most. Learn more at concur.com or the [Concur blog](#).