

SAP Concur Solutions Outcomes Whitepaper

The New Normal: Setting Organization Expectations Powered by Data
**Planes, Trains, and Automobiles: Navigating
Business Travel in a Post-Pandemic World**

While gas shortages, terrorist attacks and economic downturns have caused organizations to pump the brakes on business travel before, the COVID-19 pandemic quickly brought it to a screeching halt.

Now, after 18 months of virtual meetings and endless choruses of “You’re on mute,” things are changing again. Offices are reopening, airplanes are coming out of hangars, and business travel is slowly preparing for takeoff.

This is not to say that travel managers are dusting off their old programs and setting things on auto-pilot. **The pandemic was a universal wake-up call – and a reminder that a strong travel policy is about more than just cost control.**



According to a recent study by American Express and American Express Global Business Travel, seventy-three percent of decision-makers want guidance on what their post-pandemic travel policies should look like to ensure employee safety, with seventy-eight percent anticipating that those policies will differ from what they were pre-COVID.¹

Employees have new expectations of their employers as well, demanding the ability to take a more active role in choosing how and when they travel. Creating a program that provides travel flexibility, while still meeting the financial and regulatory needs of the organization, could make the difference between employee retention and attrition.

The ever-evolving remote and hybrid work models further add to the complexity – increasing liability, while blurring the lines between reimbursable mileage expense and commutes.

How can travel managers and finance leaders cope with all of these new challenges? How can they adjust processes and policies to work for their travelers as well as the bottom line? Most importantly, how can they build a sustainable travel program in an environment that will inevitably continue to change?

We spoke with **Rachel D'Argenio** of Ernst & Young, **Kathy Nolfo** of Huron, and **Hansini Sharma** of Acquis Consulting Group to find out. This paper shares their insights on the trends and emerging best practices for navigating business travel in the latest iteration of the “New Normal.”



73%

of decision makers want guidance on post-pandemic travel policies.

Pre-boarding Check In: Employee Sentiment as a Policy Driver

Surveys by BCD Travel and SAP Concur consistently show that the majority of employees are ready to travel again. In the BCD survey of 736 business travelers worldwide, **sixty percent want to return to pre-pandemic levels of business travel, with another nine percent wanting to travel more than they did before the shutdowns were put into place.**²

The 201 Global Business Traveler Report conducted by SAP Concur and Wakefield found that Baby Boomers are the most likely demographic to push their employers to let them travel again (seventy-four percent), with eighty percent of all respondents concerned that both their professional and personal lives would suffer if they didn't get back on the road.³

However, not every employee – or company executive – is convinced that it's safe to travel; or that the amount they traveled prior to the pandemic was really necessary.

Organizations must define the new parameters around business travel, based on the company culture, the industry, and the pulse of their employees.

“Just as they did with setting policy around return-

ing to the office, company executives have to think through their approach to employee travel, and clearly, consistently communicate that revised policy to their employees,” explained Kathy Nolfo, Consulting Director, Huron. “Employees have to understand the travel requirements of their jobs, both domestically and internationally, and what's being done to protect them. If they are concerned about travel, what is the escalation policy if they want to opt out?”

Instead of making the travel decision for them, many organizations are putting their employees in charge of their own destinies.

“I'm seeing **more personalization** of travel than I've ever seen before; more choices. Employees who typically travel for work are given a choice as to whether or not they feel comfortable going, without that choice negatively impacting their jobs,”

explained Hansini Sharma, Practice Lead of Corporate Travel for Acquis Consulting Group. “Organizations are trying to do the right thing for both their business and their employees. And, the right thing, in this situation, is a big gray box.”

Preparing for Takeoff: More Direct Flights, Traveler Options, and Trust

Although many business travelers are more than ready to get back on the road, they want to do so on their own terms – with direct flights, premium seating, their choice of lodging, and the freedom to determine their own length of stay to reduce their potential for exposure.⁴ **In the Wakefield survey, travelers actually ranked having these options above wanting to know that their colleagues and the customers they visit are fully vaccinated.**⁵

“Having options empowers business travelers to feel really comfortable and confident in the way they’re conducting their professional lives,” Sharma said. “I think it’s also paving the way for a much broader conversation about how we build a managed travel program that enables people to make the decisions that they feel are the best for them at the time.”

Without providing at least some of those options, organizations run the risk of losing good people.

The Wakefield survey also found that thirty-one percent of business travelers would ask to limit their travel if their company didn’t implement policy changes to promote their health and safety. **Twenty-four percent of Gen Z and Millennial respondents would search for a new position if their needs weren’t met.**⁶

These attitudes are driving the democratization of travel policies and programs. “I think, in the past, so many travel programs

struggled because there wasn’t real trust between the company and employee. They operated under the assumption that the employee was trying to cheat them or make a quick buck by not expensing things correctly. But, that’s the exception, not the rule,” Sharma said. “I think the post-COVID era will create more of a sentiment of trust because we now have this universally shared experience that we got through together. We were all exposed to the same risk factors, and kept the business going together.”

Instead of organization-wide edicts, these programs are transforming into more collaborative efforts with company and employee working toward common goals.

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Acquis Consulting

Emergency Exits: Delivering First-class Duty of Care

While duty of care – the obligation of organizations to ensure the safety and health in the workplace – has always been part of the travel management conversation, the COVID-19 pandemic has propelled it to the forefront.

“In the past, some domestic companies didn’t worry too much about duty of care because their travelers were staying in nice hotels in safe environments, and their employees weren’t traveling to places prone to terrorism or natural disaster,” Nolfo said. “But, the pandemic was different. It affected every country and every organization – regardless of industry, regardless of size.”

The message became clear: no one is immune to potential risk. As a result, organizations began seeking out ways to ensure that they have the information they need about when and where their employees are traveling, how to contact them, and how to ensure their safety – no matter what mode of transportation they used to get there.

So, even though organizations are giving employees more choices regarding their travel, they’re also adding in controls upfront to make sure that no one flies under the radar.

“Whereas we may have seen preapprovals required for international travel or group travel in the past, today, companies are expanding those authorizations for all travel to strengthen duty of care,” Nolfo said. “We’re not talking about the green, yellow, and red-light philosophy within the booking tool. They’re setting up an approval process for every trip and are looking for ways to streamline that process through Concur® Request or another solution.”

In addition, organizations are adding sentiment technology to enable their employees to assess personal risk levels prior to traveling to specific destinations. Again, this makes employees active participants in their travel decisions, and enables all parties to more effectively make “go” or “no go” decisions.

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Kathry Nolfo, VP Consulting Director,
Huron

Avoiding Turbulence: Travel Reimbursements and the Hybrid Work Model

The rapid trajectory of the hybrid and work-from-anywhere models began as a source of survival during lockdown. But, for many organizations, those models quickly evolved from an emergency plan to a living, breathing proof of concept. People were productive. Work got done. Business kept going – and for most, it kept going while saving a significant chunk of the operating and travel budgets.

So, it's not surprising that many executives are re-evaluating everything from work policies to the benefits of eliminating – or at least paring down – their organization's physical footprints. While employers were strategizing, employees began exploring what life would be like if they didn't have to live near the office.

Based on United States Postal Service statistics, temporary change-of-address requests were up nearly twenty-seven percent in 2020, compared to 2019, with the bulk of those requests coming in during the first half of 2020.⁷ The majority of those movers were leaving large, densely populated, urban areas for small cities across the United States.⁸

This trend could have a significant impact on an organization's travel, expense and tax management.

“Whether you're looking at remote or hybrid work, you have to look at what that really means. There's a lot of diversity in terms of what it means to work

outside of the office, and any of these choices involve complexity for the client,” said Rachel D’Argenio, America Mobility Markets Leader for EY.

For example, if an employee who is working from “home” is actually working from a different building or place of business, it creates new potential corporate risk for the company. Employees who move from state to state or country to country could require different reporting and withholding obligations. That means organizations should have an infrastructure in place to track where employees are working on a daily basis to make sure they are reporting and withholding in the right jurisdictions.

Learn more about how supporting the “work from anywhere” shift can boost productivity, creativity, and employee retention.



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“We’re seeing a new trend where individuals want to move to a completely new location, which leaves companies grappling with what is allowable. How far is too far from the office in a hybrid model where the employee comes in two or three days a week?” D’Argenio said. “Is the company going to reimburse the costs of travel to the office? If the individual moves from New York City to a far less

expensive location to live, does the company have opportunities to adjust the pay he or she is receiving?”

The “right” answer will vary from organization to organization. The key is putting a policy in place that is responsive to employee needs, while still being mindful of controls, tax compliance and, ultimately, costs.



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America Mobility Markets Leader, EY

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Alternate Flight Plans: Mapping Out Contingencies, Just in Case

While contingency plans are nothing new, these “Plan Bs” are typically focused on disaster recovery and business continuity — keeping the business up and running in case of an unexpected event. Today, many organizations are getting more granular with those plans, and extending them to “if-then” scenarios as they relate to travel and travel expense.

“In the world of travel, we typically see disruptors in waves, so, you have time to get used to that disruption — typically, technology — before the next one hit,” Nolfo explained. “Now the disruptions are coming so fast that organizations don’t have the time to manage the disruption at hand before the next one hits. So, they have to tighten their approach, through contingency planning.”

In essence, organizations have to find a way to plan for today and tomorrow at the same time.

“Companies that have got a successful program or plan today, have to determine what’s going to happen if the rules of engagement change tomorrow. If there is a disruption, what is the desired outcome? That’s your endgame,” Nolfo said. “We’re actually working with clients to put together a set of audit rules, workflows, and messaging for both travel and expense compliance that they can activate if something occurs. The workflows are prebuilt into the system, all the documentation is there, and all of the stakeholders know the plan. All they have to do is flip the switch and put the plan in action.”

The idea is to set up the organization to stay one step ahead of the next disruption, so, it’s ready for anything and more resilient in the future.

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The Final Destination: Program Compliance

Although much has changed since March of 2020, projections indicate that a degree of normalcy is on the horizon. **Both the U.S. Travel Association and Global Business Travel Association have predicted a full recovery in the travel industry by 2025.** A recent report from Deloitte projects U.S. corporate travel could reach about 80 percent of pre-pandemic levels by the end of 2022.⁹

Although a post-pandemic environment brings new challenges to travel managers, it also provides an opportunity for travel managers to take a step back, and be more strategic about their approach to policy and program management.

“The one thing we can’t forget is that companies still made money in spite of not meeting face to face. That doesn’t mean that we don’t need business travel, but from a travel management perspective, I think it actually helps people be a lot more strategic with the way they spend their travel budget and how they leverage their partners,” Sharma said.

With all the changes that have come out of the COVID era, with all of the policy shifts and new complexities that travel managers now face, the one thing that hasn’t changed is the means to the end: travel program compliance.

“Compliance is at the core of everything,” Sharma said. When you follow the program, your duty of care is comprehensive. When you follow the program, you’re consolidating spend, which

enables stronger negotiation tactics and cost savings. When you follow the program, you have great data and analytics, and can gain comprehensive feedback so you can continue to adjust and improve.”

To drive that compliance, organizations are not only putting more time and effort in travel program development itself, but looking at ways to make compliance easier and more compelling for its employees. In some cases, that means moving from a mindset of “do this our way,” to one in which companies are adjusting processes to how their travelers like to work. They’re also getting creative, adjusting their programs in a way that incentivizes employees while driving behavioral change.

A CLOSER LOOK AT BUSINESS TRAVEL RECOVERY:

53%

of organizations will encourage use of a travel booking tool as a source of cost savings.¹⁰

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Employee willingness to travel is the second highest external factor impacting recovery.¹⁰

“I’ve actually heard of companies that were allowing their employees to use their TMC (Travel Management Company) for personal travel. It’s a great perk because employees can leverage company discounts, but, it also offers this added level of protection and duty of care that comes with a TMC booking that doesn’t happen when you book direct with the supplier,” Sharma explained. “Others are adjusting policies to allow for combined business and leisure travel, if it’s booked through the TMC.”

With all of the pain that came with the pandemic, it also has been a catalyst for positive change — particularly in the world of business travel.

“There’s a new energy around business travel. Employees are retraining employers as to what they want in a travel program, and companies are taking this as an opportunity to rethink their approach to travel management,” Sharma said. “They’re making changes to drive compliance and make business travel better for everyone.”



For more information on how SAP® Concur® solutions can help you on the road to business travel recovery and streamline your employee spend processes [visit us online](#) or [contact your account team](#).

This paper was developed in collaboration with:



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SOURCES:

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² https://www.businesstravelnews.com/Management/Survey-Most-Business-Travelers-Look-to-Match-Pre-Covid-Travel-levels?utm_source=newsletter&utm_medium=email&utm_campaign=eltrdaily&oly_enc_id=6899B1319867A3A

^{3,4,5,6} Global Business Traveler Report 2021, Wakefield Research Sponsored by SAP Concur, June 2021

^{7,8} United States Postal Service: <https://www.mymove.com/moving/covid-19/coronavirus-moving-trends/>

⁹ <https://www.washingtonpost.com/travel/2021/08/04/business-travel-recovery-pandemic/>

¹⁰ "Return to a world transformed. How the pandemic is reshaping corporate travel", Deloitte, August 2021

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