The presentation will begin shortly. Audio will be streamed directly via your computer speakers. Enjoy the webcast!
How to Bring Invisible Spend onto your Radar
A Solution Series Webinar

Serge Kogan | Director Global Value Advisory, Spend Management at SAP  s.kogan@sap.com
Kim Linsley | Sr. Director Global Value Advisory, Spend Management at SAP  kim.linsley@sap.com
Welcome

Serge Kogan
Director, Global Value Advisory, Spend Management
SAP

Kim Linsley
Sr. Director Global Value Advisory, Spend Management
SAP
Agenda

- Employee Initiated Spend
- Spend Visibility Challenges of Employee Initiated Spend
- Blind Spend – What it is. Who gets affected.
- Best Practices for Making Employee Initiated Spend More Visible
- Available Tools to Implement Best Practices
- Perspective from a VP Global Procurement
  – Interview with Kim Linsley
- Q&A
What is Employee Initiated Spend?

- Employee decides when to spend
- Employee decides what and who to buy from
- Employee decides how much to pay
- Employee decides what form of payment

- Transportation: air / train / personal car
- Meals and Lodging
- Entertainment (business meals, sports events)
- Seminars / Conferences / Marketing Events
- Office supplies / home office expense
What is Employee Initiated Spend?

- Employee decides when to spend
- Employee decides what to buy
- Employee decides who to buy from
- Employee decides how much to pay
- Employee decides what form of payment

- Transportation: air / train / personal car
- Meals and Lodging
- Entertainment (business meals, sports events)
- Seminars / Conferences / Marketing Events
- Home office expense
Why is Visibility of Employee Initiated Spend So Important?

81%
Finance leaders lack total visibility into expense, travel, and invoices (1)

22%
Cash flow analysis is the top priority of senior finance executives, yet of all businesses can only forecast their mid-term cash flow with accuracy. (2)

5%
Travel as percent of Revenue (3)

1%

1. SAP with research by Vanson Bourne, How Can Finance Leaders Deliver Intelligence Across the Business, 2017
Who is impacted? How?

- Employee
- Human Resources
- Accounts Payable
- Procurement
- Departmental Manager
- Treasurer
- Finance
- Audit

- Delayed reimbursement
- Low employee morale
- Missed early payment discounts
- Missed volume discounts
- Budget control
- Cash flow timing
- P&L reported in financial close
- Timely detection missed receipts
What is **Blind Spend**?

- Shows up on expense reports without prior notification
- Cash needs to be reimbursed to employees
- Company Billed cards need to be paid
- Invoices without P.O.s need to be paid
- Visibility is limited unless intelligent tools are used
Best Practices for Making Spend More Visible

1. Establish and enforce policy compliance
   Prevent unexpected spend

2. Generate and review bookings reports weekly
   Budget Control / Cash Forecasting

3. Link travel reservation system to expense tracking tool

4. Use Corporate Cards or P-Cards
   Daily transaction logs provide visibility ahead of statement (Budget Control / Cash Forecasting)

5. Eliminate paper processing of expenses, invoices
   Use electronic images, OCR, AI, ML to capture spend and categorize it as soon as it occurs.

6. Capture mileage with GPS-based mobile tools
   Eliminate need for manual mileage reporting.
Intelligence to Gain Spend Visibility

Standard Reports available from SAP Concur Travel & Expense
www.concurtraining.com
Intelligence to Gain Spend Visibility (continued)
Quantifying Benefits

Use mobile devices for receipt / invoice capture and expense approvals:

- Employees save 4.5 hours per month – that’s a week each year!
- Organizations experience 28% faster approval times.

**End-to-end T&E solution** provides 44% greater levels of compliance to company policy.

**Rebates:**
0.5% to 1.5% on amounts charged to corporate card

**Mileage Reimbursement Savings:**
Motus reported 20% average cost savings after moving from self-reported mileage to tools that automate GPS mileage tracking.

*Aberdeen Study 2016*
Interview

Kim Linsley
Sr. Director Global Value Advisory, Spend Management
SAP

- Mother of 4
- B.S. in Political Science
- Worked in different roles throughout procurement for 20 years
- Spend 4 years leading SAP global procurement through a digital and organizational transformation
- Joined the SAP Intelligent Spend Management COE in January
- Love to travel
- Passionate about helping people embrace change
Help in Spend Visibility
Tools available from SAP Concur

- **Concur Travel and Expense** for end-to-end travel planning and reporting
- **Concur Budget** for comparing actual expenses to period budget
- **Concur Mobile App** for receipt capture, expense reporting, submittal and approval, travel booking
- **Concur Request** for approval of spend prior to actual spend.
- **Concur Triplink** for linking bookings outside of managed program to expense tracking
- **Concur Drive** for automated GPS-based mileage tracking
- **Concur Intelligence** for dashboard and detail reporting of spend, bookings, accruals, unmatched credit card transactions,
Takeaways

1. What is Employee Initiated Spend

2. Understanding Spend Visibility Challenges of Employee Initiated Spend

3. Cross Organizational Impact of Spend Visibility

Questions
Thank You.

Contact information:

Serge Kogan  
Director, Global Value Advisory  
SAP Center of Excellence for Spend Management  
Email: s.kogan@sap.com
Follow all of SAP Concur

Learn more at concur.com

© 2020 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE’s or its affiliated companies’ strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.

See www.sap.com/copyright for additional trademark information and notices.