



SAP Concur 

SAP Concur Case Study | EXTERNAL

## **State Agency: Better process, better data and better controls**

How a State's commitment to increasing compliance resulted in significant improvements in government travel and spend management

# Quick Facts

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**Institution Name**

State Agency

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**Solutions**

- Concur® Expense
  - Concur® Travel
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**Industry**

State and Local

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**Institution Size**

- 70,000 State Employees
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**Why SAP Concur**

State leaders wanted a total expense management partner that understood public sector challenges and requirements and had a configurable solution that would mobilize the entire T&E process. SAP Concur delivered on all counts.

# The Challenge: Transforming Compliance, Efficiency and User Experience

From stacks of paper reimbursement forms to a **fully integrated and automated solution**, a State changed the game in government travel and spend management. Recognizing a need for greater compliance within government agencies, the State Accounting Office (SAO) sought to eliminate paper, manage spend, gain insight into actual expenditures, and enforce policy through leveraging Concur Travel and Expense®. In 2011, the SAO faced five major challenges in managing government travel and spend.

“What we really liked about the whole solution was that we could effectively enforce our policy and implement this SaaS solution across the state with **minimal implementation costs.**”

State Accounting Officer



## THE CHALLENGES

- **Paper-based and manual** – Government employees had to constantly route receipts and approvals to who they understood to be the appropriate party via email or through shuffling paper forms. Beyond the traveler's role in submitting expense reports or approvals, travel policy enforcement was also manual—meaning every review, cross-comparison, and policy check required human eyes and agency resources to complete.
- **Limited ability to track spend** – While the SAO knew of its agencies' general spend, it did not have access to detailed data which would allow both travelers and administrators to make more informed spending decisions, i.e. cities in which their travelers spend the most or hotels through which they receive the best rates.
- **Long reimbursement time for the traveler** – The length of time for the traveler to receive reimbursement was drawn-out due to the paper-based, manual process.
- **Minimal report capability** – To gain insight into detailed spend information, State government

employees sifted through paper-based reports, compiled spreadsheets, and calculated required totals to obtain the necessary information.

- **Lack of controls to efficiently and effectively enforce policy** – The primary driver for finding a solution to the State's spend management challenges was to better enforce policy. Recognizing potential fraud risks, the SAO took proactive steps to eliminate opportunities for errors within its travel spend by incorporating the travel policy into SAP Concur.

With these challenges before them, the State also wanted greater control in two of the state's primary areas of spending: mileage and per diem. Prior to SAP Concur, the agency relied on the traveler to provide several key trip details which created an unnecessary opportunity for human error and fraud. For example, after every trip the employee reported the number of miles traveled so the agency could base mileage reimbursement on that self-reported value. A similar operating model was based around per diem– the employee would self-report trip departure and arrival times so the corresponding per diem could be calculated.

While those steps may not seem complicated in



“The travelers no longer have to worry about coding expense types. The system is already mapped with the correct code.. The **traveler experience** has also improved because they always know the status of their expense report. With no manual data entry to PeopleSoft, the expense report can be approved quicker, resulting in speedy turnaround times.”

State-wide Travel Director

isolation, they represent a few of the many obstacles to increasing compliance and **effectively managing employee-initiated spend** in a government environment. Relying on the traveler to self-report expenditures without an ability to corroborate those values creates an opportunity for human error and fraud that the state was keen to resolve.

With a focus on increasing compliance, the State sought out the best solution in the industry that would meet the needs of state agency employees without limiting options based on its delivery (i.e. on-premises versus cloud).

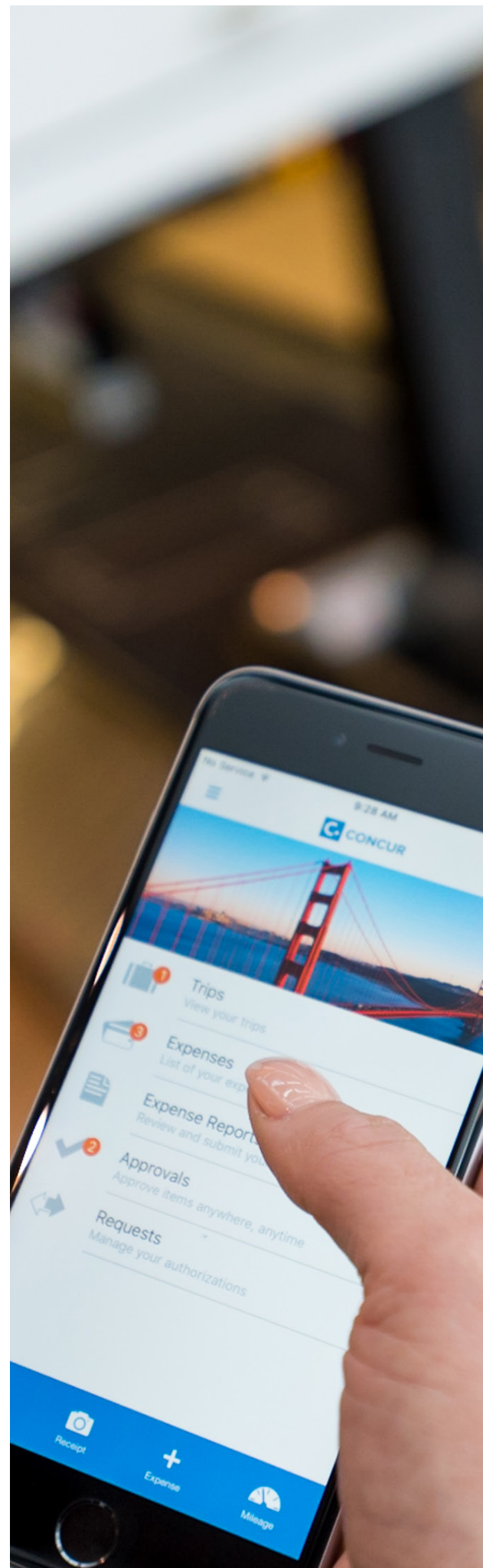
## **PARTNERING WITH SAP CONCUR**

The State chose Concur Travel and Expense as the best solution to achieve quality improvements resulting in better processes, better data, and better controls.

What the State liked about the solution, was they could effectively enforce their policy and implement the SaaS solution across the state with minimal implementation costs.

With an internal team of five to support nearly 70,000 employees and field questions about the system, it was essential for the State to transition onto the new solution as seamlessly as possible. With the support of an on site trainer, the SAO was able to avoid hiring a contractor to manage implementation or support.

Once they begun using SAP Concur, the State saw benefits immediately. Before implementation, the State agencies were auditing expense reports at every level of approval. There is no need for duplication of effort since the system is structured based off the State policy. In addition, the tool forced the SAO to rethink approval hierarchy and the State went from varying levels of approvals per agency to a limited number. The State also has specific audit rules built into the tool which assist with policy compliance and governance.



## SEEING IMMEDIATE RESULTS

Where the State Accounting Office is seeing the highest return in partnering with SAP Concur is in greater visibility and increased compliance.

For the State agencies, mileage fraud is a concern of the past. With the mileage waypoints in SAP Concur, the state has eliminated the need to ask the employee for the number of miles they traveled. From an agency perspective, it does not matter which route the employee takes—the agency will reimburse the employee for the shortest route and automatically calculate that value based on the departure and destination location.

Calculating per diem no longer troubles the State. Through configuring the SAP Concur solution to **automatically enforce** travel allowance rules, the agency no longer needs to be told when the employee leaves for a trip because that information is pulled from the employee's itinerary. Data which could easily be misrepresented or lost is now connected and directed to providing the state agency with insights it could not access before.

Across the state, the **user experience has greatly improved**. Based on an internal survey, 86% of the state's users who submitted at least six expense reports determined it was easy to approve reports in SAP Concur. Majority of users stated it took 0-3 days to successfully complete a expense report, from the date the traveler initially submitted it.

The State has benefited from travelers no longer

having to worry about coding expense types to the correct General Ledger account code. The system is already mapped with the correct code, so the user only needs to select the correct expense type for which they are seeking reimbursement. The traveler experience has also improved because they always know the status of their expense report. Anytime there is a change in the status of the expense report, the traveler receives an email. Approvers receive emails as well, notifying them that an expense report is pending approval. With the number of SAP Concur approvals limited and no manual data entry to PeopleSoft, expense reports can be approved quicker, which results in speedy turnaround time for the travelers.

With enhanced reporting capabilities, the State has found travelers to be more conscious of their actions. Specifically, state travelers are now making a greater effort to select vendors with cost-efficient rates. The State has much **more visibility** into hotel spend than ever before. The SAO can run reports in SAP Concur to see where the traveler stayed, how much the hotel was per night, etc. The insights enable the State to make more informed decisions and bring solid information to the table when it comes to things like hotel rate negotiations. Allowing access to spend reports across the organization has not only made the State's travel spend more transparent but has put valuable insights into the hands of government employees.

The State's configuration of SAP Concur is an end-to-end solution in terms of travel and expense, travelers can make reservations and create expense reports from anywhere. For example, when an employee has an overnight trip, the employee can take pictures of the receipts and directly upload the receipt into their SAP Concur account. With SAP Concur's mobile app employees can create and approve expense reports right from their smart phone— no more hassle of paper receipts. Approvers appreciate this feature as well because they can approve expense reports from anywhere.

In **embracing technology** that moves with the employee, the State offers its agencies the chance to utilize SAP Concur on a mobile platform.

An office once burdened by paper-based processes and manual spreadsheet entry now enjoys the benefits of a commercial off-the-shelf SaaS solution including automated workflow, improved processing time, mobile expense reporting, a user-friendly interface, and accessible insights. Through partnering with SAP Concur, the State automatically enforces regulatory policy and analyzes spend data in an interconnected travel and spend management system. The state-wide adoption of Concur Travel and Expense enabled it to gain visibility into employee-initiated spending and increase compliance across its agencies.



### **BETTER USER EXPERIENCE**

With the help of SAP Concur's mobile application, the SAO sees happier users. 86% of employees surveyed stated it was easy to get an expense report approved.



### **IMPROVED COMPLIANCE**

By pre-building their policies into the SAP Concur system, the State was able to automatically enforce travel rules to improve policy compliance and reduce potential fraud.



### **GREATER VISIBILITY**

With the data that SAP Concur provides, the State has gained greater visibility into spend allowing them to make informed decisions and negotiate better rates with vendors.

## ABOUT SAP CONCUR

SAP® Concur® solutions take companies of all sizes and stages beyond automation to a completely connected spend management solution encompassing travel, expense, invoice, compliance, and risk. For more than 20 years, these leading, innovative solutions have kept customers a step ahead by delivering time-saving tools, connected spending data, and a dynamic ecosystem of diverse partners and apps. User-friendly and business-ready, SAP Concur solutions unlock powerful insights that help businesses reduce complexity and see spending clearly, so they can manage it proactively. For more information, visit [concur.com](https://concur.com).

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