



# 13 Key Features

## Every T&E Tool Should Have

September 2018

# Summary

Travel expense management (TEM) has changed a lot in recent years. Especially Software as a Service (SaaS) tools have disrupted the way expenses are managed. What once were very innovative tools for risk-loving companies, have now become the gold standard in many companies. However, with more than 100 companies offering expense management solutions, it can be difficult to choose the right option for your company. This guide helps you ensure a good fit between your companies' needs and the TEM tool you choose.

## Key Findings/recommendations



### Choose a SaaS tool as your preferred solution.

SaaS TEM applications are dominating the market anno 2018 as they offer superior functionality combined with better value pricing and you don't have to burden your IT team with updates or maintenance.



### Mobile-friendly SaaS tools

that "read" a picture of a receipt and automatically transfer this info into an expense report are the preferred choice for companies looking to simplify their expense process and increase employee happiness.

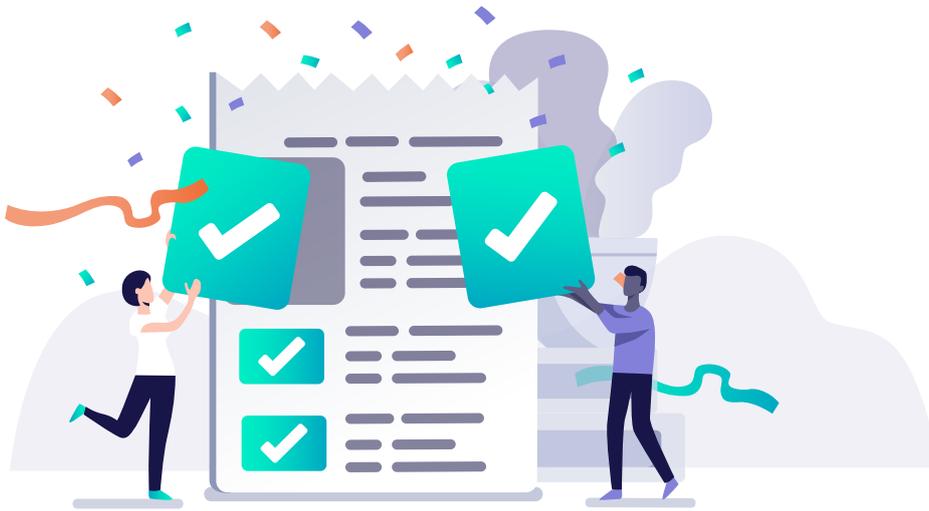


Ensure your expense management solution of choice has **experience with the countries and industries you are operating in**, and that there is an easy integration with your back-office.



### User-friendliness of the TEM application

is the best predictor of high adoption rates and usage, which will determine whether the implementation of your expense management tool is as success.



**Travel expense management (TEM) has changed a lot in recent years. Especially Software as a Service (SaaS) tools have disrupted the way expenses are managed. What once were very innovative tools for risk-loving companies, have now become the gold standard in many companies. Yet, not all TEM tools are created equally.**

**Are you thinking about making the jump with your company? This report lists 13 key factors to consider when choosing an expense management solution.**

Discover [here](#) how Deloitte Belgium is saving

**🕒 2500**

**billable man-hours per month by using Rydoo**

With more than 1.3 trillion USD spent last year on corporate travel worldwide (GBTA, 2018), travel expense management is becoming more and more important for most companies.

Corporations are actively trying to gain control of their travel and expense (T&E) budgets, and expense management tools are on the rise. This shouldn't come as a surprise, as submitting, controlling and analyzing expense report data is a time-consuming and tedious task for employees as well as finance departments, that can easily be completely automated by TEM tools, such as Rydoo Expense.

 **63%**

of companies have already (partially) automated their expense control processes.

According to Gartner (2017), 54% of companies have already (partially) automated their expense control processes, while PayStream Advisors (2017) estimates this number to be already 63%. This number will only keep growing, making the market for TEM applications a double-digit growth area worth about one billion USD.

Gartner (2015) estimates that there are more than 100 software vendors offering a TEM solution, so how do you choose the one that will be a perfect fit for your business? Spending some time and effort in choosing the right TEM application for your business will save you lots of headaches, frustrations, time and money down the line.

The right travel expense management tool will make the entire process:



hassle-free and easy to use for your traveling employees.



produce relevant reports for your finance department to track and monitor expenses.



integrate perfectly with the ERP or accounting software you already use.

**ROI**

have a great return on investment (ROI) by reducing the time your employees need to spend on unnecessary tasks.

A bad fit, however, between a TEM tool and your companies' needs might result in low usage rates by your employees, frustrations, low-quality data, useless expense reports and time-consuming manual interventions might be required to keep everything running.

To make it easier to choose the right tool, we compiled a list of things to keep in mind when looking at expense management application options. The following 13 criteria are critical when evaluating the different tools available.

*“We notice that our employees find Rydoo efficient and user-friendly. Very soon they all find their way into Rydoo, whether they are employees that travel a lot, or those who stay at home to do the administrative work.”*

**Cindy Peeters**, Finance Director of **Deloitte Belgium**

*“The capacity for the tool to recognize elements and pre-populate the information for you is a big time saver and it’s one of the elements that we liked about Rydoo when doing the demos.”*

**Pierre Fauvel**, Financial controller of **Irdeto**

*“Educating employers on the rules of a different country can be challenging, especially when dealing with complex regulations such as German per diems. (...) Rydoo’s built in per diem module was really incredible - Now we simply tell employees to use the app to create their trip and everything will be calculated for them.”*

**Marisa Werle**, Operations Manager of **Parakar**

**1. User friendliness:** A TEM tool is only useful when your employees actually use it. User-friendliness is a key factor in deciding which travel management solution to adopt, as the last thing you want is to frustrate your employees with a poorly functioning or difficult to use application. Travel management solutions with high satisfaction and adoption rates will contribute to a more fulfilling work environment for your traveling employees and result in better expense reports and higher quality travel and expense data.

**2. OCR:** Most providers of TEM tools today allow users to snap a picture of the receipt and upload it to the system. This is a great improvement compared to collecting all physical receipts and manually filling in expense reports. Yet, not all providers offer the same functionality with what happens with the pictures. Some providers still require users to manually fill in expense lines, while more sophisticated tools “read” the image and automatically fill in the expense report. These more sophisticated tools generally use Optical Character Recognition scanning (OCR) to convert (“read”) the image into data.

**3. Industry compliance reporting:** Regulated industries require extra tools to ensure compliance with local laws. While some TEM tools are niche-players and have been developed to deal with the specificities of certain industries, most are industry-agnostic. To be able to serve these industries better, some of the industry-agnostic expense management systems have added specific functionality and reporting for certain industries such as financial services, healthcare, education and governments. Make sure to check whether this is the case for your industry.

**4. Localization:** There is a great degree of differentiation between the different TEM solutions when it comes to “localization”. Every country has different regulations and laws when it comes to tax reporting, digital receipt requirements, mileage rates, per diems, etc. Understanding how well the TEM tool you are considering is adapted to your local market will save you many headaches in the future.

*“Here at Deloitte we work with SAP. We set up a bi-directional interface through which we upload all our data in our ERP. When we then still want to make some changes corrections in the expense reports, they will also automatically be adjusted in Rydoo. The implementation went smoothly because Rydoo is complementary to SAP.”*

**Cindy Peeters**, Finance Director of **Deloitte Belgium**

This is especially important if you operate a multinational company and want to implement a TEM tool in the entire company. While some TEM tools merely translate their app in the local language, others go the extra mile when taking into consideration local laws. Do you want to go paperless? Then it is especially important to check whether your vendor has obtained the necessary certificates or rulings to do so in every country you operate.

**5. ERP integration:** Your perfect TEM solution should integrate seamlessly and effortlessly with your back-office. Many, if not all SaaS TEM tools provide integrations with accounting and administrative software packages and systems. Yet, not all of them will integrate as deeply or as easily. Choosing a TEM that will easily integrate with your current systems and automate workflows is therefore a must.

**6. Anywhere, anytime:** While most – if not all – SaaS tools are available on different devices, including mobile, this is often not the case for on-site expense management systems. However, today’s leisure traveler is used to mobile consumer applications, and will no longer accept unpractical and mobile unfriendly systems. Business travel has no choice but to follow the consumerization trend and align with the lifestyle of their employees. Having a mobile TEM application is therefore crucial for the satisfaction and adoption rates of your employees, and it will save them time while they are on the road.

### Figure: a line-up of possible integrations for expense management solution Rydoo

Accounting and Finance



Productivity



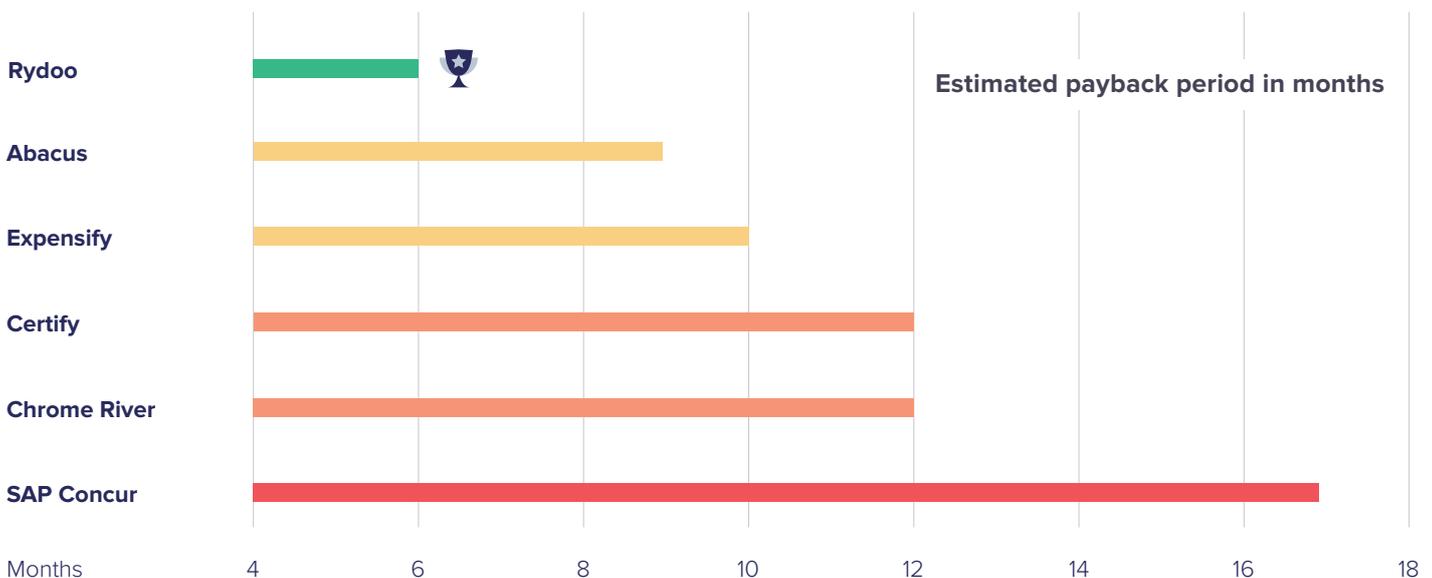
VAT Reclaim



**7. Pricing and ROI:** Pricing strategies vary widely across TEM tools. On-site software packages are usually more expensive, as you pay upfront for all the whistles and bells of the product, even if you don't use them. SaaS solutions undoubtedly dominate the market today, as they are more budget-friendly and scale better together with your organization. With most SaaS solutions, you pay for what you use. Their pricing model is usually based on the number of transactions or the number of users. User-pricing is preferred, as paying per expense report might stimulate the wrong behavior, with employees submitting their expenses in batches at the end of the month instead of in real time. Make sure to check whether you will have to pay for all users or only active users, and whether there are any pricing add-ons for extra features, heavy use, implementation costs, etc. Cancellation policies also widely differ, with SaaS solutions in general being more flexible than on-premise packages.

Related to pricing is the return on investment of different tools. As the different TEM applications have different degrees of automation, the amount of man hours saved will differ. A cheaper TEM tool might therefore not necessarily provide a higher ROI.

**Return on investment of different TEM solutions according to business solutions review platform G2crowd.**



Source: G2Crowd ([https://www.g2crowd.com/reports/grid-report-for-expense-management-spring-2018?gated\\_consumer=94a30ec2-c306-42d5-bdb3-02ef743c2ffc&tab=data-adoption](https://www.g2crowd.com/reports/grid-report-for-expense-management-spring-2018?gated_consumer=94a30ec2-c306-42d5-bdb3-02ef743c2ffc&tab=data-adoption))

*“We trialed the platform and we felt that Rydoo had the features we were looking for. From digitizing receipts to the fully integrated process of approvals and finance controlling, it was able to cover all our needs.”*

**Koen Dierckx, CFO of Van Breda Risk**

*“With Rydoo, it’s easy to limit expense parameters within the tool. It also identifies duplicate expenses for us, which saves a huge amount of time. On paper, this was not possible. It’s quite an advantage for us in finance.”*

**Christine Darquenne, CFO of Lineas**

*“With Rydoo, everything is visible. It’s transparent. We have access to all the data for all the company, for the department, for the manager and the user. We have full control.”*

**Christine Darquenne, CFO of Lineas**

**8. Functionality:** The features that are offered by every TEM tool differ strongly. While some applications offer currency conversions, off-line mode, mileage tracking using Google Maps or even automatically import your Uber- or Lyft-ride into your expense report, others only offer basic functions. The more functions your TEM tool has that your employees will actually use, the more time they will save.

Another differentiator is the flexibility of tool settings. Not all travel expense management systems allow you to customize their app to your company and needs. Moreover, while some solutions easily let you configure everything yourself, others require a lengthy and difficult configuration process for which you might even have to hire consultants. Custom configurations are important, however, as it will make your travel expense management tool more user-friendly and easier to use, which will in turn result in higher adoption rates, better expense reports, higher-quality data and more cost-savings.

**9. Reporting:** TEM tools can be very useful in helping you unlock many insights about expenses in your company. As expense apps digitize the entire expense management process, it is a small step to turn that data into knowledge. Good TEM solutions provide you with a user-friendly dashboard and help you generate relevant reports and datasets. These could potentially help you save money or increase employee satisfaction. For example, insights about how often your employees use certain hotel or restaurant chains could help you negotiate a discount rate with said chains. Or data on employee spending patterns could help you control and forecast budgets better.

**10. Experience:** While some TEM packages focus on a niche market, others are more general and tailor their product to many different markets and companies. By choosing a TEM tool provider that has clients that are similar to you in terms of company size and industry, you can ensure they will have experience with your needs and will be able to provide you with a performant and well-suited product.

*“We were impressed by the reactivity of the Rydoo team half a year ago, when our office in Ireland really took off. There was a mileage calculation that I was not able to setup in Rydoo. I reach out to customer success and within a week, the feature was made available to me.”*

**Marisa Werle**, Operations  
Manager of **Parakar**

*“The threshold to implement Rydoo is very low: no high investments in technical consultants and no lengthy implementation periods. And the benefits after two years are even greater. The app has evolved tremendously and we are using so many new features without having to get anyone evolved from IT or from Rydoo.”*

**Koen Dierckx**, CFO of **Van Breda Risk**

**11. Service:** A good TEM tool should be easy for your employees to use, so they will probably not need much support. Yet, choosing a TEM provider that offers you a good after-sales service can save you much effort and time down the line in case a problem occurs. Look for companies that have a responsive hotline or chatbot function in your language that is available on your terms.

**12. Updates and maintenance:** The main benefit of using a SaaS tool lies in the constant updates and maintenance these companies perform on their product. You will always have an innovative and up-to-date software to work with, adapted to changing environments and market trends, without having to update the system yourself. On-premise software in general requires tedious and time-consuming manual updates and maintenance, time most IT-departments would like to be spending on something else. However, some SaaS TEM tools update their systems and provide innovations faster than others, so make sure to ask for a roadmap of future innovations and update frequency. Smaller providers with a narrower geographic footprint might struggle to invest to the levels required to build a solution with wider market appeal.

**13. Security and privacy:** Make sure the organization who will take care of your data takes data protection seriously. The EU has set the standard with its General Data Protection Regulation (GDPR). Respect for these data protection rules is a bare minimum. On top of that, the gold standard today for data storage in the cloud is using ISO 27001 certified hosting providers, while encrypting data in transit as well as at rest and protection against DDOS attacks and viruses are a must to make sure your data will be safe, and you will always be able to access it. Many SaaS companies also offer solutions for companies which have particular security considerations.

# Conclusion



Don't feel forced to buy a TEM solution offered by your current provider of office software.

While these solutions have the benefit of ensuring a tight fit with your back-office, they might not provide the functionality you are looking for or come with a much higher price tag.

Choosing the right travel expense management tool for your company is important, as it will increase satisfaction for traveling employees, save you costs by reducing time spent on filling in and controlling expense reports and provide you with more insights about budget spent on travel in your company.

Choosing the right TEM tool might seem like a daunting task, as there are many different options available. However, by narrowing down the options based on our list, you will have your perfect TEM tool up and running in no time. The main differentiator of the available solutions lies in the degree of adaptation to specific countries and sectors, the degree of automation of the whole expense submission process, the integrations offered with your back-office, reporting and data analysis.

Don't feel forced to buy a TEM solution offered by your current provider of office software. While these solutions have the benefit of ensuring a tight fit with your back-office, they might not provide the functionality you are looking for or come with a much higher price tag. Many specialist SaaS TEM solutions integrate seamlessly with your back-

office, while at the same time offering a more user-friendly interface, a mobile application your employees will love, superior functionality and better automation of workflows. Rydoo, for example, is loved by over 500.000 professionals in over 60 countries. Employees love Rydoo because it is extremely user-friendly, saves them a lot of time and puts the fun back in traveling for business. Finance and accounting departments love the seamless integration with their ERP systems such as SAP and Microsoft Dynamics, while IT departments can just lean back and let Rydoo do all the work.

Review sites can help you assess what other users think of applications. However, keep in mind that TEM solutions that offer free or freemium versions tend to generate a disproportionate amount of reviews compared to paid versions because of the sheer number of free users. On the flip side they will typically struggle when it comes to offering support, so many negative reviews will likely focus on this issue. Review sites that utilize social profiles like LinkedIn and Twitter offer more confidence than those consisting of anonymous reviews. Reading case studies and analyzing existing reference customers will also help you validate the effectiveness of the solution.

#### Further readings



[Rydoo Hub](#)

#### References

- Gartner (2015).** *Technology Overview for Travel Expense Management Applications.* 12 p.
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- GBTA (2018).** *GBTA BTI™ Outlook. Annual Global Report & Forecast.*
- PayStream Advisors (2017).** *2017 Travel and Expense Management Report. Exploring the Value and Use Case of Leading Travel and Expense Management (TEM) Automation Software.* 40 p.



**Rydoo offers you worldwide compliance and financial control. We reduce your corporate travel costs and the time you spend on administrative tasks by at least 75%.**

Rydoo reinvents and simplifies travel and expense management to a few clicks and photos, whilst saving time and optimising costs.

As a result, all employees will benefit from a stellar user experience and enjoy an excellent booking tool (93% adoption within the first month) offering the best hotels and flight fares all in one place and, when needed, they can take a photo of receipts to be reimbursed. With the very same tool, finance directors gain visibility on actionable data and hidden costs via integration of company policies. Rydoo covers the full scope of any trip or expense and can be tailored to companies' needs: travel only, expense management only or both.

**Find out how Rydoo can help your company save time and resources managing expenses.**

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