



2020 Travel & Expense Management Insight Report

A Buyer's Guide to Modern Travel & Expense
Software and Purchasing Use Cases

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Introduction

“Uncertain” appropriately describes the current environment around business travel. The COVID-19 pandemic has changed Procure-to-Pay (P2P) and Source-to-Settle (S2S), but travel and expense management (TEM) stands out as the most drastically changed function in the back office. Airports and hotels sit empty, and many conferences, events, and meetings have shifted online. This reality leaves questions around the importance of TEM software, what its future looks like, and how it can help businesses weather both the pandemic and a post-COVID-19 world.

There is still a business case for TEM tools because despite less travel, companies continue to create expenses. TEM won't stop being a priority for organizations, but its use and functionality will need to change to keep up with what businesses need. It is up to TEM providers to identify and adjust to this new business environment and their clients' evolved requirements. The providers that successfully met customer demand before the pandemic will stay successful as long as they continue to prioritize the customer.



Executive Summary

Executive Summary

Primary Takeaways

Level's research finds that most organizations are using software in their expense reporting process. Solutions built in-house and ERP-based software have popularity, but most organizations use a third-party TEM tool. Data indicates that the volume of expense reports has gone down for many businesses over the last year, and most organizations that have already implemented software are using it less. Still, expense management software remains an attractive option—nearly half of respondent organizations reported that COVID-19 has made automation more appealing. This indicates that many companies see benefits from using the software beyond solely managing employee travel.

The primary takeaways from this year's travel and expense research are listed below:

- » **Companies using TEM software typically have a more modern and efficient back-office.** When looking at companies with the same monthly volume, organizations using TEM software have much quicker expense report cycle times. Most organizations' biggest complaints about their expense process reveal problems with frustrating manual processes and delays in routing, approval, and reimbursement. All of these processes are made significantly worse by using a spreadsheet or paper-based TEM system. By using automation tools, organizations are able to achieve more benefits than their manual counterparts and build a more efficient process overall. These organizations don't stop at TEM but also automate other processes. Those using TEM software embrace broader digital transformation across the back-office and are more likely to also have software in processes like accounts payable (AP), accounts receivable (AR), procurement, and sourcing.
- » **Third-party, cloud-based TEM software is the best option for companies looking to automate expense management.** Companies have three options when it comes to automating their expense reporting process: cloud-based third-party tools, ERP-based tools, and homegrown ones built using in-house technological resources. Both have advantages and disadvantages; however, third-party tools can present less of a technical and financial commitment than building one internally and tend to have more advanced features than ERP-based tools. Third-party tools added features in reaction to COVID-19, and respondent organizations were more likely to say they used their software more frequently during the pandemic than respondents using other tools. Third-party software presents the most modern tool for organizations looking for a scalable, high-tech solution.



Data Summary

For this report, Level Research surveyed over 300 professionals involved in or with knowledge of their organizations' payments process, as well as travel and expense management policies. The study includes respondents at the team member, analyst, middle management, and executive levels operating in many different functions, including accounting and finance, human resources, and IT. The respondents also represented a wide range of industries and revenue segments. Sample sizes vary across the charts included herein, due to logic that dictated which questions they received.



Travel & Expense Management Across Organizations

Travel & Expense Management Across Organizations

Organizations use a variety of different methods and practices to manage their expense reporting structure and travel policies, which, in turn, means TEM looks very different across companies. There are several factors that affect this process, including annual revenue, industry, expense report volume, and percentage of employees traveling regularly. **Table 1** shows several important data points from respondent organizations to give insight into the TEM process at different companies. This can be used to benchmark against similar organizations and conduct a current state analysis.

Table 1

BENCHMARK	SME	MIDDLE MARKET	ENTERPRISE
EXPENSE REPORT METHOD			
ERP	9%	18%	19%
Homegrown	6%	8%	14%
Paper	21%	10%	8%
Spreadsheet	51%	28%	20%
Third-party TEM	13%	35%	39%
BOOKING METHOD			
Corporate TMC	15%	19%	28%
Booking tool	23%	53%	56%
Travel website	63%	28%	17%



PERCENTAGE OF WORKFORCE TRAVELING Pre COVID-19

Under 10%	30%	15%	9%
10-24%	31%	33%	38%
25-49%	19%	31%	28%
Over 50%	20%	22%	25%

EXPENSE REPORT VOLUME

Less than 500	92%	55%	23%
500-5,000	6%	34%	49%
Over 5,000	1%	11%	28%

EXPENSE REPORT VOLUME CHANGE

Increase	8%	14%	27%
No Change	23%	20%	14%
Decrease	69%	67%	59%

REMOTE ENVIRONMENT

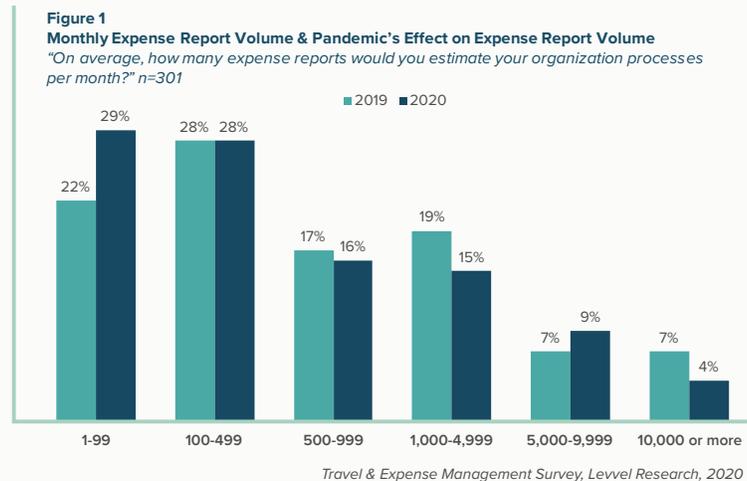
Yes	78%	86%	96%
No	22%	14%	4%

EXPENSE REPORT PROCESSING TIME

1 day or less	19%	6%	11%
2-5 days	54%	61%	64%
1-2 weeks	25%	29%	19%
More than 2 weeks	2%	3%	6%

With the creation of specialized tools and other technological advances, the way businesses manage their expenses has changed considerably in the past decade. Traditionally, many organizations collected paper receipts and filled out expense reports by hand. The expense reporting process has come a long way, as very few organizations can maintain this outdated method. Changes like this and others show the importance of examining how TEM has changed over time. Here are a few of the most notable trends gathered from this year’s study.

» **A Dip in Expense Report Volume Has Slowed Adoption and Frequency of Tool Usage:** Survey results indicate that the volume of expense reports is lower compared to last year (**Figure 1**). Not only does year-over-year data give evidence of this, but when asked outright how their expense report volume has changed, most indicate that volume has decreased in the past year. When respondents were asked why their volume has changed, unsurprisingly, many pointed to COVID-19 as the reason behind this slowdown.

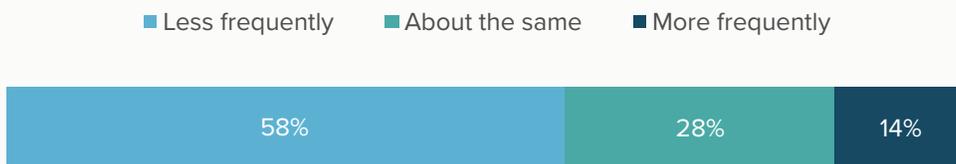


Because of the pandemic, business travel is at an all-time low, meaning many employees no longer need to file expenses for plane and train tickets, hotel rooms, or meals on the road. Level Research asserts that for this reason, the previously steady increase in adoption of TEM tools has slowed, and those organizations that already have a tool in place are using them less frequently (**Figure 2 on following page**).



This slow down doesn't spell out the end for TEM software, but providers must switch their approach to prove more value to companies. This could be seen through a messaging change or through the addition of features that let businesses adjust to the realities of a pandemic business environment, and prepare them for life after it.

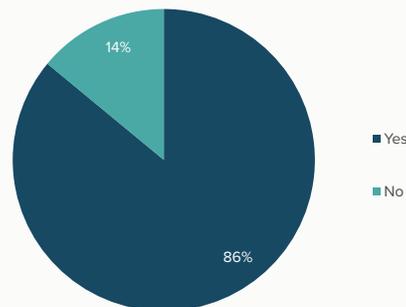
Figure 2
Pandemic's Effect on TEM Tool Usage
"How has the COVID-19 pandemic affected your organization's usage of its TEM tool?" n=199



Travel & Expense Management Survey, Level Research, 2020

- » **TEM Tools Still Have an Important Role to Play:** There are many signs that TEM tools retain importance in helping organizations weather the pandemic and its wake. For example, respondent organizations indicated that remote work is the new norm, with nearly 90% saying that part of their company shifted to a remote environment (**Figure 3**). Research shows that remote work has a tendency to exasperate existing issues

Figure 3
Remote Work Shift
"Has any part of your organization shifted to a remote environment during COVID-19?" n=301



Travel & Expense Management Survey, Level Research, 2020



for managing back-office processes, including managing expense reporting. This has been consistent across Level’s procurement and AP studies, and TEM is no exception, as many respondents said that COVID-19 had made existing challenges worse. This is particularly true of organizations that retain a manual expense reporting and approval structure. Additionally, it seems that allowing employees more flexibility to work remotely will be an option that outlasts the pandemic.

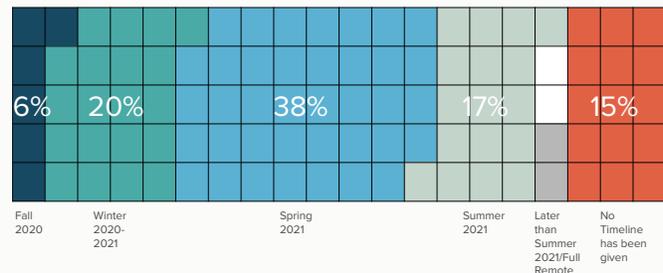
Therefore, TEM tools remain important for companies looking to modernize their back-office processes, which many have expressed interest in doing. A large percentage of organizations have said that COVID-19 has made automation more appealing. There is also a sizable group of companies that still have employees traveling, which makes certain TEM features even more appealing, such as the ability to track employees’ location history in case of health and safety concerns. More broadly speaking, companies are looking to improve their spend visibility, reduce fraud risk, and digitize their processes, all of which travel and expense automation enables.

» **Most Companies Expect a Return to Normal in Mid-2021:**

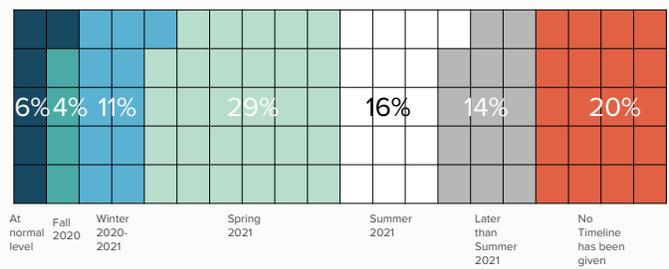
The question of when the world will return to normal has been top of mind for everyone. There’s hope that, with recent vaccine news, the end is in sight. But the questions that follow are when businesses will feel comfortable sending employees back into physical offices, what that return to the office entails, and when there will be normal business-related travel again. Respondent organizations believe that travel volumes reaching pre-pandemic levels will tail a return to offices (**Figure 4**).

Figure 4
Expected Office Return

“When does your organization expect its workforce to return to the physical office?” n=260



“When does your organization expect its workforce to return its pre-pandemic work-related travel volume?” n=291



Travel & Expense Management Survey, Level Research, 2020



Close to 60% of survey respondents indicated that they expect their organization to send employees back into offices some time between January and May of 2021. The timeframe for work-related travel is later, with close to 60% of respondents saying that volume will rebound after Spring 2021. TEM providers would be smart to ensure that their tool is “post-pandemic” ready by this date, so that it appeals to businesses that want to take precautions for getting employees back out on the road.

Challenges

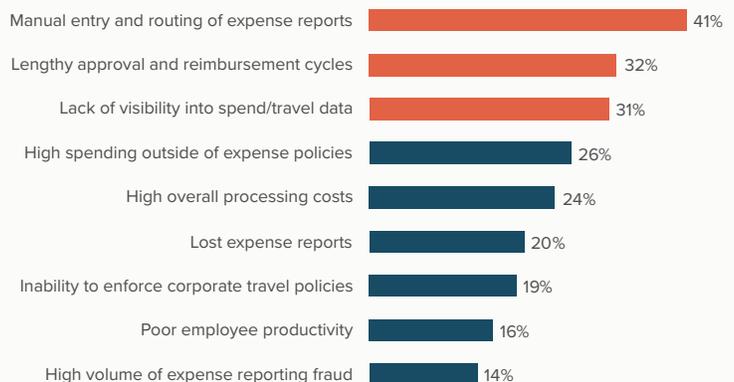
Organizations see a number of different challenges in managing their expenses. The most prevalent difficulties are fostered by maintaining a dated process; manual entry and routing of expense reports, lengthy approval and reimbursement cycles, and lack of visibility into spend rank as the most demanding aspects of TEM (**Figure 5**). Not only are these challenges typically worse amongst those using simple spreadsheets or paper, but they are also worse amongst those using a dated electronic solution, such as a tool built and maintained in-house or a one built into (or a simple add-on of) an ERP.

Those using a homegrown tool are almost twice as likely to list manual entry and routing as a challenge than those using a cloud-based, third-party tool. Both ERP and homegrown tool users are more likely to complain of an inability to enforce travel policies.

Figure 5

Travel & Expense Challenges

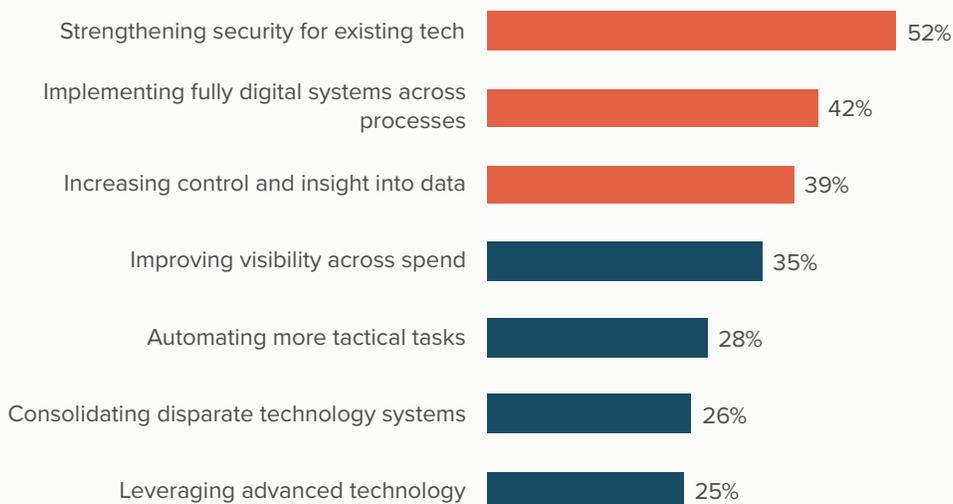
“Which of the following best describes your organization’s top issues or challenges with its travel and expense management processes or solutions?” n=301



Travel & Expense Management Survey, Level Research, 2020

These challenges are reflected in the initiatives companies are taking to improve their expense reporting. Respondent organizations most frequently listed strengthening security, implementing fully digital systems, increasing control and insight into data management, and improving spend visibility as their top aims for the next year (**Figure 6**). Guarding against fraud and maverick spend has always been a top goal for organizations looking to improve their expense reporting. However, this year, this focus has emerged as the clear number one focal point for organizations of all sizes and all automation levels. This may be because the remote-working business environment creates low spend visibility and has companies trying to maintain a culture of accountability and trust when it comes to business expenses.

Figure 6
Back-Office Initiatives
 “How is your organization prioritizing the following initiatives for improving back-office / business processes over the next 12 months?” n=301



Travel & Expense Management Survey, Level Research, 2020

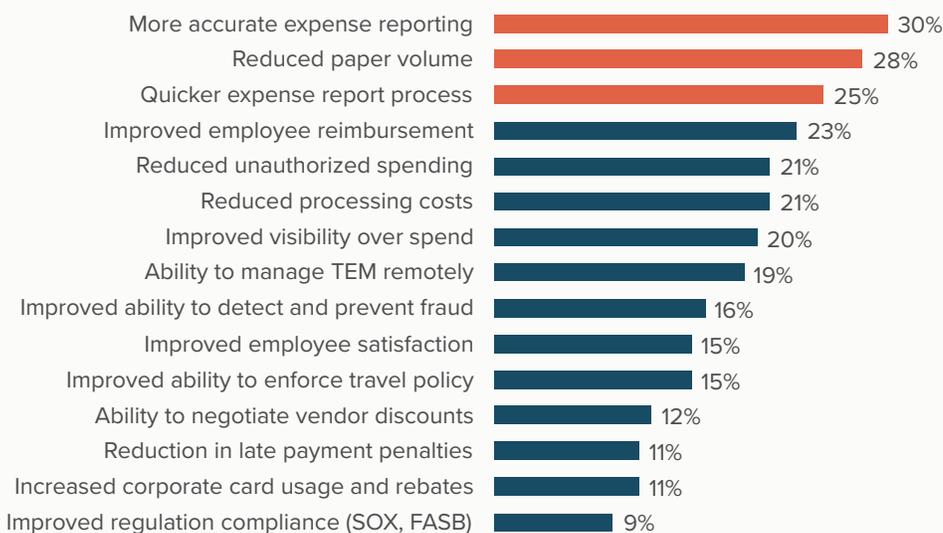
Other goals are much more divided by a number of different factors. Automating tactical tasks is a bigger focus for those using homegrown and ERP-based tools than it is for third-party software users, especially when looking exclusively at those with high expense report volumes. This suggests that, while homegrown and ERP tools may work when a company is first looking to automate, they lose their appeal as a company grows.

On the other hand, implementing fully digital systems and consolidating disparate technology systems is a goal more common in those using a third-party tool. This group is also more likely to use an automation tool for tasks other than TEM (i.e., AP, procurement, contracting, etc.) and generally has a more favorable view of incorporating software into other processes. In Level Research’s view, this gives software providers evidence that they should focus on ensuring their tools are able to communicate with other back-office software, either by partnering with other software providers who offer non-TEM software or offering this software themselves. Increasingly, companies are moving away from a siloed approach to their finances and towards one that consolidates and provides visibility across all processes.

Benefits

Among respondent organizations using a TEM tool, the most commonly listed benefits (**Figure 7**) are improved expense report accuracy, reduced paper volume, and time saved creating and processing expense reports. Not only do these benefits make employees jobs easier, but they also make them more productive and able to focus on the core functions of their jobs. By reducing time and resources dedicated to expense reporting and increasing their accuracy, automating TEM also saves organizations money and makes them more efficient.

Figure 7
TEM Software Benefits
“What would you say are the top benefits to your organization in using TEM software?” n=164



Travel & Expense Management Survey, Level Research, 2020

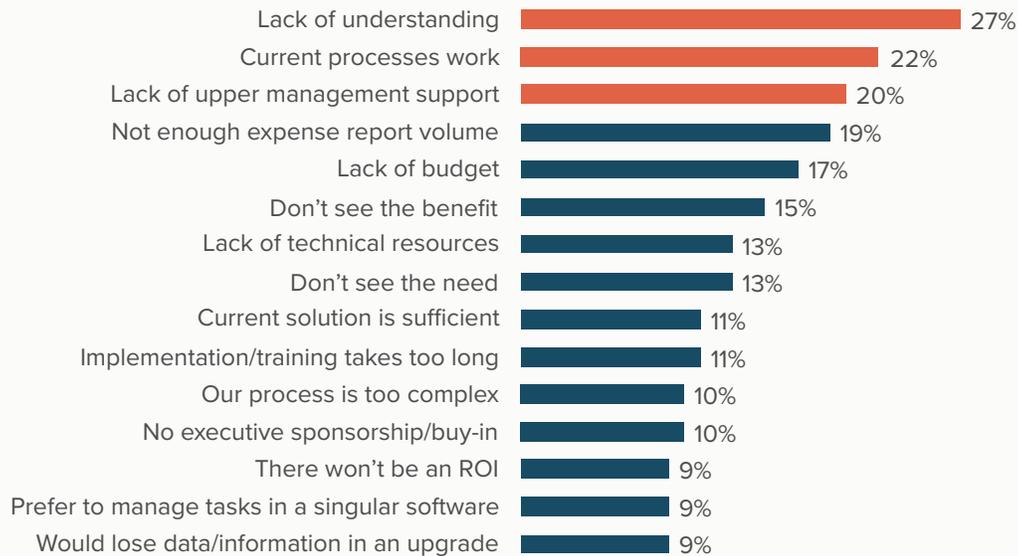


Many of these benefits are much more common amongst certain segments of respondent organizations, notably travel frequency and percentage of workforce working remotely. The respondents with a higher percentage of their workforce working remotely were twice as likely to list reduced unauthorized spend as a benefit than those organizations with a higher percentage employees working in offices. This bolsters the belief that TEM automation helps organizations working remotely reel in maverick spend and gain control over their expenses. Organizations with a very high percentage of their workforce traveling were over three times more likely to list improved compliance and nearly two times more likely to list improved travel policy compliance as benefits.

Barriers

Most companies see that there are advantages to automating TEM. Among companies not using a solution, lack of understanding on the software, their current process working fine as is, lack of buy-in from upper management, and lack of travel/expense report volume are the most frequently listed barriers to adoption (**Figure 8**).

Figure 8
Barriers to TEM Tool Adoption
“What are the primary reasons your organization has not adopted a TEM tool or software tool?” n=136



Travel & Expense Management Survey, Level Research, 2020



The belief that an organization does not have the expense report volume to justify investment in a specialized tool may be valid, and companies should keep in mind that software providers usually have a volume range their product is designed for. So, while a company may not have enough monthly expense reports to warrant using one TEM solution, this doesn't mean there isn't a tool out there that better suits their needs. Software designed for lower report volume is often intended for smaller organizations that do not need advanced functionality. This usually comes at a lower, more flexible price to ensure that companies aren't paying for complex features they're not using.

Additionally, the volume at which organizations begin to adopt TEM tools may be lower than many would speculate. Data shows that once at the 100-499 monthly expense report level, there is a near 50/50 split on those using a tool versus a manual process. For companies with over 1,000 expense reports, almost 80% use a tool (half of them using a third-party tool). The data also shows that the higher the volume, the more likely an organization is to use a third-party tool in particular. Homegrown solutions peak at the 1,000-4,999 monthly report level but decrease after that in favor of other software, with 55% of highest volume level using third-party software.

Lack of education on this software, the most frequently cited barrier, contributes to and perpetuates several other barriers. For example, without the prerequisite knowledge on what's available, companies are likely to believe that there is not a software designed for their situation. They may believe there is not a better alternative to manual processes and that they do not have the language or information to make a viable pitch for adoption to senior leadership. The key to overcoming many barriers is education on the tools and the enterprise value they bring.



Travel & Expense Management Software



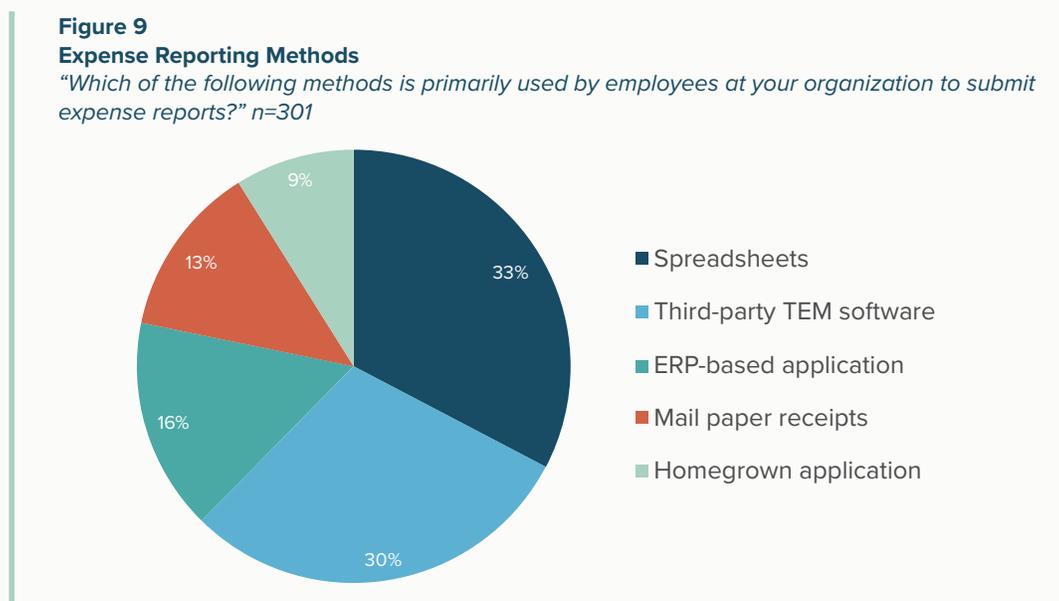
Travel & Expense Management Software

Types of Software

Implementing TEM automation is not as simple as deciding to purchase software. Lack of understanding is a large barrier for a reason—the TEM software marketplace can be confusing. Businesses looking to automate are met with a number of options for software. There are potential providers and features to take into consideration and entirely distinct categorizations of tools available. Level Research breaks the types of TEM tools into three distinct classifications:

- » ERP-based—simple tools that are included in or added on (with minimal effort) to an organization’s existing ERP or accounting software
- » Tools developed by an organization’s in-house technology resources or via collaboration with a third-party to create a fully custom, homegrown software
- » Third-party, cloud-based automation software designed specifically for travel and expense management

Figure 9 shows what methods organizations use to process expense reports and provides a breakdown in utilization between the three methods.



Travel & Expense Management Survey, Level Research, 2020



16% of respondent organizations manage their expenses using an ERP-based software. This category of software presents an easier proposition than homegrown or third-party software. If an organization already has an ERP or accounting software, adding an expense module is a simple supplement to existing technology that does not require the cost or time the other tools typically come with. Additionally, employees already have training on the software, and the company's financial information is already in the ERP.

This category of tool offers a seemingly attractive option for those looking to introduce technology to a manual process using minimal resources. But ERP-based software is typically clunky and difficult to use, which usually results in hesitation from employees to actually utilize the tool. ERP-based tools also have far fewer features than third-party tools, leading Level Research to question how much these tools automate as opposed to simply digitizing. Third-party tools automate many of the steps involved in filing and approving expense reports, whereas ERP-based ones simply shift the existing manual process on to the computer, retaining many of the flaws and delays associated with a paper-based process.

Because they lack this level of automation, respondent organizations using ERP-based tools ranked themselves behind in automation to those using third-party software. These same respondents also said they were more likely to switch in the next year and were less likely to say implementation surpassed their pre-automation expectations.

A less common way to automate TEM is to build a system internally. This route requires a significant amount of in-house resources to build and maintain the tool with the hope that the result will be a fully customized software designed specifically to address the nuances and problems of an individual organization. Homegrown tools are typically found in large organizations that have highly specialized needs that they feel will not be met in an off-the-shelf software. These types of tools are as powerful and useful as an organization is willing to invest in making them.

Unfortunately, these tools often lag behind third-party and ERP-based tools. Respondent organizations using homegrown tools have the slowest report approval cycle times and rank themselves as the least automated of the three software options. This type of software is difficult to update, making it much less scalable and dynamic than a third-party tool. Respondent organizations using homegrown tools used their software less frequently (as a result of COVID-19) than those using other software. They were also more likely to say their software implementation fell short of expectations and were over twice as likely to say their organization was likely to change tools in the next year. Homegrown tools often lack the basic functionality of a third-party

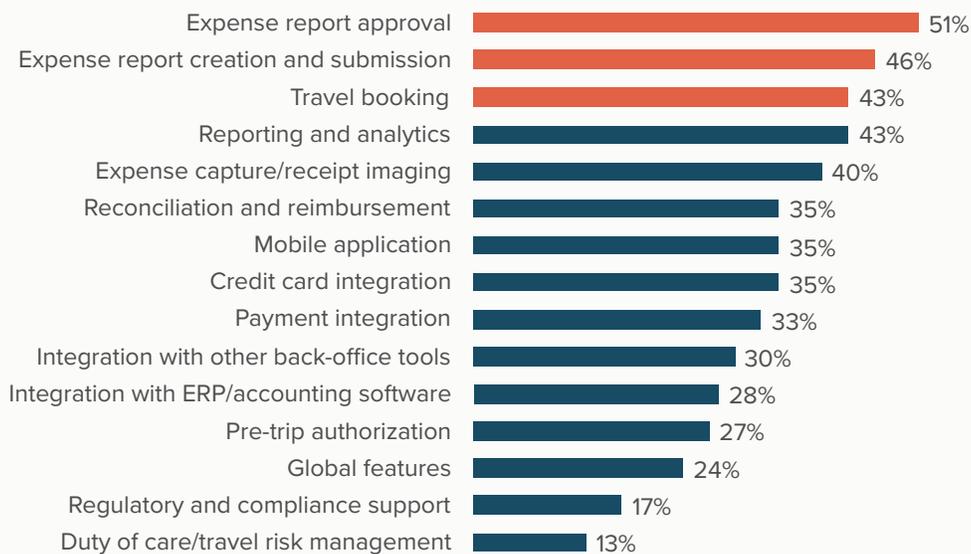
offering, as shown by these respondents listing mobile apps, credit card integrations, reporting, approval, and imaging as low as one-fifth the rate of third-party tool respondents.

The most popular option for expense reporting software is a third-party, cloud-based tool. These are built by providers with the primary intention of automating as many steps of travel and expense management as possible. They feature a large number of features and are updated regularly to make sure the tool is taking advantage of emerging technology and relevant to the issues seen amongst businesses. In lieu of COVID-19, providers of this software were quicker to add features and adjust pricing than the other software categories. This is why they have continued to be used more frequently than homegrown or ERP-based competitors. This adaptability and scalability are what part of what make them the best option for businesses looking to automate TEM.

Core Travel and Expense Management Features

Expense management is a broad process that encompasses a wide range of spend beyond booking employee travel. It involves accounting, HR, and even procurement. Many employees use this software regularly, and because it involves a number of different functions, advanced TEM tools have a multitude of features. **Figure 10** shows the most prevalent features in the TEM software that respondent organizations use. Each feature is then described in detail below.

Figure 10
TEM Tool Features
"Which of the following features are included in your organization's TEM tool or software?" n=164



Travel & Expense Management Survey, Level Research, 2020



Expense Creation/Receipt Imaging

Definition and Capabilities: Expense capture is one of the essential features in a TEM tool. This feature enables employees to enter line item expenses into the software. Most tools don't require users to individually type out each expense but allow them to take pictures of their receipts. Once imaged, expenses are itemized via Optical Character Recognition (OCR). This saves employees a great deal of time and frustration and frees them up to concentrate on the core focuses of their job, rather than saddling them with irrelevant busy work.

Who Benefits: In this case, everyone benefits. Non-finance/accounting employees don't have to spend significant time doing expense reports and accounting departments have more accurate information with the receipt evidence in a centralized location.

Expense Report Submission, Routing, and Approval

Definition and Capabilities: Submission and approval is the natural next step and is equally important to a TEM tool. Once all expenses from an employees' trip or project are in the solution, they are ready to be submitted as an expense report. Once submitted, they are routed to the designated approver. Advanced tools will enable the routing workflow to handle detailed rules, including spend thresholds and limits, multiple approvers, and out of office designations.

Who Benefits: The primary beneficiaries of this feature are managers and accounting departments, who have a clear audit trail for when a report was approved and by whom.

Mobile Application

Definition and Capabilities: In most tools, a mobile app is merely a nice-to-have feature, but in expense reporting it's a must-have. Because the tool will inherently be used while traveling, it's important for it to be accessible on-the-go via mobile application. The tool being accessible via smartphone also lets employees take pictures of their receipts.

Who Benefits: Mobile applications benefit non-accounting employees, who don't have to hoard receipts and remember expenses for when they have access to a desktop tool.

Reconciliation and Reimbursement

Definition and Capabilities: The second an employee spends money on something work-related, they begin wondering when they'll be reimbursed for it. Reimbursement is not something all TEM tools have, but it is pivotal to the process. For this reason, solutions often integrate with payroll systems or enable direct deposit reimbursement themselves.

Who Benefits: This feature gives employees insight into when they'll be paid back for expenses, which goes a long way to increasing employee satisfaction.

Pre-trip Authorization and Travel Booking

Definition and Capabilities: This feature lets employees book their travel and submit approval for trip plans. It also solves the alternate purpose of enforcing company travel guidelines. By handling the booking and approval up front, much of the friction behind unapproved travel is front loaded and avoided. Advanced tools incorporate corporate travel policy to set limits on spend, preferred vendors, and destination. Some booking tools also let employees save frequent destinations/itineraries for trips made regularly. This feature is often white labelled or handled via partnership.

Who Benefits: By helping avoid out-of-policy travel, booking and pre-trip authorization benefits both staff-level employees and their managers.

Credit Card Integration

Definition and Capabilities: Many TEM tools integrate with an organization's corporate credit card program. By integrating with these cards, spend is pulled into expense reports when the transaction occurs. Some providers will even offer their own corporate card programs, designed primarily for smaller organizations that may not be enrolled in one yet.

A trend amongst TEM providers is offering virtual credit cards alongside their plastic ones. These virtual cards offer all of the benefits of a physical credit card but add security and anonymity. They can be designated for a specific transaction amount, product type, or time period.

Level Research has also observed more cutting edge TEM providers combining the report approval and workflow with credit card integration features. This can produce something of an "eProcurement-lite" tool that can be used by organizations that may not have a formalized procurement process or structure. This has the ability to centralize organizational spend even more than the tool's primary objective of capturing travel expenses.

Who Benefits: With corporate card integration, employees no longer have to manually fill out expense reports. Additionally, the employer gains spend visibility and can restrict spend categories so maverick spend is eliminated.

Duty of Care/Travel Risk Management

Definition and Capabilities: Duty-of-care features address the safety and well-being of out-of-office employees. Tools with duty-of-care functionality alert risk managers and employees' direct managers on their location in the event that a global political or weather event occurs. Prior to the pandemic, duty-of-care features were seen as increasing in importance but more of a nice-to-have than a necessity. COVID-19 has proven that these features are critical. In early 2020, companies had to find out where employees were and recent employee travel in order to determine whether or not they were exposed to COVID-19 to determine a quarantine schedule. With government travel bans and restrictions, the pandemic even left some employees stranded and unable to travel back home. Duty-of-care features are created precisely for events such as those of this year. Advanced features have risk dashboards that display global geopolitical events and list employees that may be at risk as a result of them.

Who Benefits: Duty-of-care benefits at-risk employees and organizations looking to ensure the safety of their employees.

Global Features and Regulatory/Compliance Support

Definition and Capabilities: For multinational organizations, it is pivotal that their TEM software is usable in and outside of their home country. This means that most leading tools have the ability to convert currency, translate languages, and confirm that all taxation standards are being met.

Compliance features are important for companies operating domestically and globally. TEM tools monitor for duplicate reports, detect fraudulent expenses, and alert users to any suspicious activity. When audits are necessary, leading tools have features to streamline this process to make sure companies are following corporate and legal regulations and not exposing themselves to potential financial and reputational damage

Who Benefits: The primary beneficiaries of these support features are accounting teams and leadership, both of whom are responsible for organizational compliance.

Reporting and Analytics

Definition and Capabilities: Data on expenses can be tough for organizations to consolidate, creating a hurdle to controlling cost and ensuring compliance. Companies that manage their expenses through a solution are able to see reporting data so they can analyze data across the organization and drill deeper into information concerning departments, teams, employees, cost centers and supplier/vendor. This gives organizations insight into patterns in spend activity and empowers them to strengthen vendor relationships, consolidate spend, and eliminate bad spending habits.

Who Benefits: Because reporting and analytics is the concern of accounting departments and finance teams, they are the ones that benefit from this feature, although it does positively impact the organizational bottomline.

Buyers Guide Recommendations

Lack of understanding of what's available is one of the biggest hurdles to deciding whether or not to adopt a TEM solution. Many organizations don't know where to start, what to look for, or what to prioritize. Companies that understand the benefits to automating and have identified that it fits with their organization should not let the crowded software marketplace hinder them from implementing TEM software. Below are some of the best practices for choosing a tool.

Choose a Tool that Meets Today's Demands

Per Level Research, most organizations have portions of their workforce working remotely. Choosing a solution that creates business continuity in an environment with remote work should be a priority. The visibility, processes, and security of TEM should remain whether employees are in the office or not. Even prior to the pandemic, remote work was becoming increasingly popular, and it's surely not going to come to an end when the pandemic is over. TEM software should be cloud-based and accessible across platforms, whether on mobile phone or desktop.

Bring All the Stakeholders to the Table

One department may spend the most time in a TEM tool, but this doesn't mean it doesn't affect other parties. Bringing everyone who has a stake in the software selection to the table is hugely important to ensuring it is used by employees. This could include accounting departments (who will rely on the solution for reporting and auditing), managers (who will be required to use it to approve expense reports), IT (who will have a role in the tool's everyday functioning, data security, and ensuring it integrates with other business systems), and end-users. All traveling employees



who will be filing expense reports. All of these stakeholders will be evaluating different aspects of the tool, and involving everyone in the decision making will lead to selection of software that employees are willing to use.

Choose a Solution that Meets the Needs of the Individual Organization

Companies are often tempted to rely on information from previous workplaces, online ratings, and conferences in evaluating and choosing software. All of these sources have important roles in selection, but they neglect the individual needs of singular organizations. Every company has unique needs and considerations that must be taken into account. Volume of expense reports, percentage of traveling employees, and existing technology all need to be considered in choosing a solution.

TEM software is not one-size-fits-all, and most are designed with a target customer in mind. Some are built to be simple and easy-to-use for SMEs, some are built specifically for industries with different processes and terminology, and some are built exclusively to integrate with one set of ERPs. Companies should be sure to keep their own organization in the front of mind to ensure that a company gets a return on investment in this software.

Consider Where the Organization is Headed

Companies can outgrow software. They can reach a level where the solution can no longer handle their report volume, doesn't offer enough features, and otherwise cannot meet their needs. To some extent, this is unavoidable, but mapping out not only what the organization looks like, but where its trajectory is leading it is important to consider. This doesn't mean the company has to adopt a confusing, high-tech tool that is full of things that they don't use. However, it does mean they should be looking at a tool that can scale alongside them. The best tools grow with organizations, so they can add on features and adjust functionality as they expand and mature in the business lifecycle.

Conclusion

At the beginning of the COVID-19 pandemic, many were quick to write off business travel as dead, not only questioning its importance during the pandemic but wondering whether or not it had a role to play after the crisis. This left expense management software in a confusing spot about its future. But businesses still need to manage their expenses, and investing in software to assist with this process is still an investment worth making. Level Research maintains that TEM providers are some of the most innovative technology companies out there, and it is this level of creative problem solving that will ensure the relevance of the space for years to come.



Paramount WorkPlace

Paramount WorkPlace develops, sells, and supports advanced web-based and native mobile requisitioning, procurement, accounts payable, and travel and expense solutions for mid-market and enterprise organizations across a range of worldwide industries. Paramount WorkPlace Payments provides enterprise users with the option of adding automated ACH payments within the Paramount WorkPlace Spend Management solution for a fully centralized standalone P2P platform. The user interface offers flexible Procure-To-Pay automation and robust expense reporting that is easy for employees, effective for management, and powerful for accounting. Paramount WorkPlace offers a comprehensive web-based corporate travel management solution

Founded	1995
Headquarters	Detroit Michigan
Other Locations	Colorado, Georgia, North Dakota, Vermont, Ontario, Canada
Number of Employees	35-50
Number of Customers	770, with over 171,000 global users
Target Verticals	All industries, with focus on Healthcare, Non-profit, Local Government, Professional Sports, and Hospitality
Partners / Resellers	RSM, Professional Advantage, LBMC, Velosio, BDO Canada
Awards / Recognitions	President’s Club for Microsoft Dynamics; Blackbaud Financial Edge and NXT Procurement Platform of Choice; Microsoft Gold Development Partner

Solution Overview

The Paramount WorkPlace software can be deployed in SaaS/cloud-based and on-premise environments. It is offered as a standalone solution as well as a certified out-of-the-box seamless integration to leading ERPs including Microsoft Dynamics (GP, NAV, SL, AX, Dynamics 365 Business Central), Sage ERP (100, 300, 500), Sage Intacct, Blackbaud Financial Edge NXT, Acumatica, Acumatica Construction, and Oracle-NetSuite via ERP-specific APIs. Paramount WorkPlace also offers tailored integrations for other ERPs, such as SAP, Infor, and industry-specific solutions using its Data Integration API toolset. The solution features multi-company, multi-language, and multi-currency support as well as global taxation options (including HST, VAT, and GST). For system security, the solution leverages roles-based controls and several industry-



driven authentication protocols including single sign-on, active directory, OAUTH2, and two-factor authentication.

Travel Management

Paramount WorkPlace Travel is an integrated solution that allows users to manage travel and expense from the same platform. Organizations can consolidate all corporate bookings in one easy-to-use tool, with access to competitive travel deals through aggregated content, smart fares, extra amenities, and negotiated corporate discounts. Administrators and approvers have the ability to easily manage travel requests and costs, with configurable spend limits, automatic flagging of high fares, and alerts on possible savings. During employee trips, Paramount WorkPlace Travel automatically populates traveler expense reports with purchased items and services for user convenience, syncing trip receipts with expenses. In addition, Paramount WorkPlace offers travel customer care via phone, chat, and online with flight cancellations, emergency situations, new reservations, and last-minute travel changes 24 hours a day. For post-trip review, Paramount WorkPlace Travel includes dynamic capabilities for travel spend analysis, including reporting with real ROI calculations and easy to use reports.

Expense Management

Paramount WorkPlace offers pre-trip authorization functionality with approval workflow capabilities. The Paramount WorkPlace Approval Workflow engine supports transaction-based or independent line-level approvals through unlimited approval steps and paths. Additional approval options include project, position, and ad-hoc approvals. Approvers can approve travel plans through the application, by responding to email notifications, or by using the Paramount WorkPlace Mobile App available for Android and iOS. Users can populate line items within the dashboard, which are then sent to the appropriate approver. Approved pre-trip travel requests are available for users to convert to expense reports, providing full visibility into the original approvals.

When traveling, users can submit expense reports through the Paramount WorkPlace web-based application or via the Paramount WorkPlace Mobile Application. Users can take a photo of a receipt or attach an existing photo to an expense item during entry and approval process. The solution leverages OCR data capture technology to extract receipt details, and these details are automatically attached to expense reports where the date, description, and amount are assigned to the expense item, along with the original receipt image. Paramount WorkPlace's mobile application features an Entry Assistant that helps the user correct any information on the expense sheet with additional entry options from which the user can choose. Mileage tracking is available via integration with Google Maps.

GL distributions and line splitting capabilities ensure that credit card and expense lines can be quickly and accurately allocated to multiple GL accounts, projects, expense types (e.g., fixed price and daily per diem amounts by type or by country/region), or other conditions. End-users can also create their own list of expense types specific to their business needs.

Paramount WorkPlace Travel and Expense Attendee Tracking features enforce compliance for both internal and external users' expense reporting requirements. External users can be quickly and easily identified by name, title, and company, and the solution offers the ability to add custom defined attendee types, expense categories, and products based on the specific needs of the organization. The Attendee Tracking feature comes with an integration option for the National Provider Identifier list, which allows companies to search external organizations by NPI number, name, and address data. This helps to streamline data entry and compliance for regulatory reporting requirements, such as the Open Payment/Sunshine Act.

The Paramount WorkPlace solution offers a credit-card management interface to help users manage expenses purchased with both corporate and personal cards. Paramount WorkPlace offers direct integration with any corporate cards that support Open Financial Exchange (OFX) communications. The solution also features a configurable file-import map capability to accommodate client-specific banking requirements. The solution can import Level 3 data, including merchant name, address, invoice number, and line item details such as item description, quantity, and product codes. Imported credit card expenses are automatically distributed to the correct expense report based on card assignments to ensure they are processed quickly.

Implementation and Pricing

Implementation of Paramount WorkPlace varies depending on the organization's size and the licensed solution. The typical go-live duration is 60-90 days. Paramount WorkPlace and authorized resellers offer one-to-one comprehensive training and department-wide training, as well as training workshops and on-demand custom training. Customers receive support via toll-free phone and email, as well as access to an online customer center with learning materials. Paramount WorkPlace can be deployed based on a contract term for SaaS, subscribed to and hosted by a 3rd party, or on-premise as a perpetual license with annual maintenance.

About the Author

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Major Bottoms Jr is a Research Consultant for Level Research based in Charlotte, NC. He plays a key role in the analysis and presentation of data for Level's research reports, webinars, and consulting engagements. Major's expertise lies in the Procure-to-Pay, Source-to-Settle, and travel and expense management processes and software, as well as technologies and strategies across DevOps, digital payments, design systems, and application development.



About Level

You're going to use technology to change the world. We're going to help you create it. Whether you are reinventing your company, creating an industry-changing product, or making existing products even better with new technologies—we exist to make your endeavor a success story.

Our experts help unleash your engineering team's potential. You know that you need to transform your software development lifecycle, and you need to move quickly. We bring seasoned experts to work with you to not only get the processes and tooling right, but to win with the human element of this critical transformation.

