

# TRAVEL EXPENSE REPORTS ARE ARDUOUS AND EXPENSIVE



Travel expense reports are one of the major time sinks and causes of expenses in businesses. This is the result of a recent study carried out by the GBTA Foundation and HRS, which surveyed more than 500 travel organizers in international companies.

According to the study, each travel expense report for an average business trip requires 20 minutes of processing time and causes 53 Euros in costs. Furthermore, these reports tend to be prone to mistakes. **Roughly one in five travel expense reports is wrong and requires additional 18 minutes and 47 Euros to fix its errors.**

With reference to Germany, where - according to a business travel analysis by VDR - 175.8 million business trips were carried out last year, this would equal to processing costs in billions - and a significant workload for the employees. What is treacherous about these numbers is that they are often unidentified as indirect costs.

“On the lookout for potential savings most businesses only pay attention to direct costs, as in train tickets, flights or hotel fees. Yet, process optimization in travel expense report processing can have much more saving potential. Key to this is an automated and digitalized process, which outdates manual input and tracking receipts,” says Tobias Ragge, CEO of HRS. Using this method, an HRS customer were to save up to 50 percent by digital expense tracking.

In Europe, 81 percent of all expense reports are still tracking via paper receipts. Mobile vouchers, such as Smartphone-photographed receipts, which are supported by 61% of all North American companies, remain a niche in Europe (16%).

Scanned receipts, which are the standard in North America (81%), only get used by 40% of all European companies. Furthermore, when it comes to digital receipts e.g. via e-mail, Europe (33%) stays far behind North America (62%), Latin America (56%) and Asia/Pacific (41%).

What most businesses handle professionally are flights. Here, payments which are made by using business assets (e.g. company credit card) are used twice as often when compared to hotel bookings, where employees usually pay upfront and get reimbursed by their employer at a later date.

With digital payment options, the unpopular advance payment is no longer required. All relevant data can also directly be processed by the company. **With detailed information and a high information quality, businesses are able to identify further potential cost savings in their travel expenses.**

Tobias Ragge said: “Entrepreneurs should view hotel stays holistically - from the booking, check-in and payment to the expense report and archiving. Each of these steps comes with a significant cost saving potential.”

The GBTA Foundation and HRS asked 533 travel managers in businesses on a global scale (42% Europe, 38% North America, 12% Latin America and 8% Asia/Pacific). The survey was carried out

from September 22nd to October 6th 2015.

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