SAP Solution in Detail
SAP ERP

SAP® TRAVEL MANAGEMENT

THE TRAVEL MANAGEMENT SOLUTION FOR THE PUBLIC SECTOR

Keeping travel costs down in the public sector concerns officials and constituents alike. But responsible job performance calls for frequent travel. To introduce effective travel guidelines, public offices and governmental bodies need to introduce software like the SAP® Travel Management application. The SAP software offers many ways to save on costs while increasing cost transparency. With support for end-to-end workflow integration – from submitting a travel request to approving a request and paying out costs afterward – the SAP Travel Management application is an essential element in any effective travel policy for the public sector.

THE BEST-RUN BUSINESSES RUN SAP™

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WHAT IS AT STAKE?

STREAMLINING PROCESSES IN THE PUBLIC SECTOR

"Modern state – modern administration." These and similar catch phrases clearly express the trend to streamline processes in the public sector. Internal processes are under scrutiny too. A substantial cost factor with large potential for optimization is the cost of business and educational trips. The second-largest cost factor within personnel expenditures is travel expenses.

This concerns the reduction of direct travel expenses, like costs for accommodation, transportation, and meals. However, equally significant targets for streamlining and transparency are indirect travel costs: approval procedures, data archiving, and payment processes. The challenges involved in optimizing travel expenses are growing while the stakes just get higher.

Among the major issues are:

- Increasing travel costs
- Lack of transparency in structure and nature of travel costs
- Lack of compliance with corporate travel policies and negotiated rates
- High cost incurred through manual processes and back-office work
- Different software systems in place working with different sets of master data

The challenges to achieve strategic travel management include:

- Applying travel guidelines when booking transportation and accommodations while reducing the manual audit work and shortening processing time
- Comparing reservation data with actual billed expenses
- Simplifying business travel processes for travelers
- Integrating data across different software applications and harmonizing the software landscape

The following trends are decisive for optimizing processes and costs in travel management:

- End-to-end integration
- Direct data entry and process automation
- Transparency and compliance
- Integration of an online booking engine
- Digital document archiving
- Use of corporate credit cards

The backbone of the travel planning functionality supports the detailed management of your organization's travel policy.

Although there are numerous challenges, there is also a variety of methods and approaches to manage your business travel expenses. However, positive action is required. For example, the process chain from making the travel request to settling payments must be optimized. Travel policies have to be established, and compliance with those policies supported. The SAP® Travel Management application can facilitate this process.

SOLUTION SCOPE

SUPPORTING THE ENTIRE BUSINESS TRAVEL PROCESS

SAP Travel Management can support public administration bodies as well as institutions and private economic enterprises in the management of their entire business travel process. The software supports the submission of travel requests, approvals, and online booking. It helps your employees comply with legal directives concerning travel expenses. It assists you in determining proper taxation, payment methods, and cost control via the funds management functionality within the SAP for Public Sector solution portfolio.

As an integral part of the SAP for Public Sector solution portfolio, SAP Travel Management can interact with specific solutions within the portfolio to provide support for funds management, cost accounting, and HR management. SAP Travel Management provides all the functions, forms, certificates, and valuation tables you need to carry out electronic travel management efficiently. An electronic approval process simplifies and speeds up the processes (see the figure).

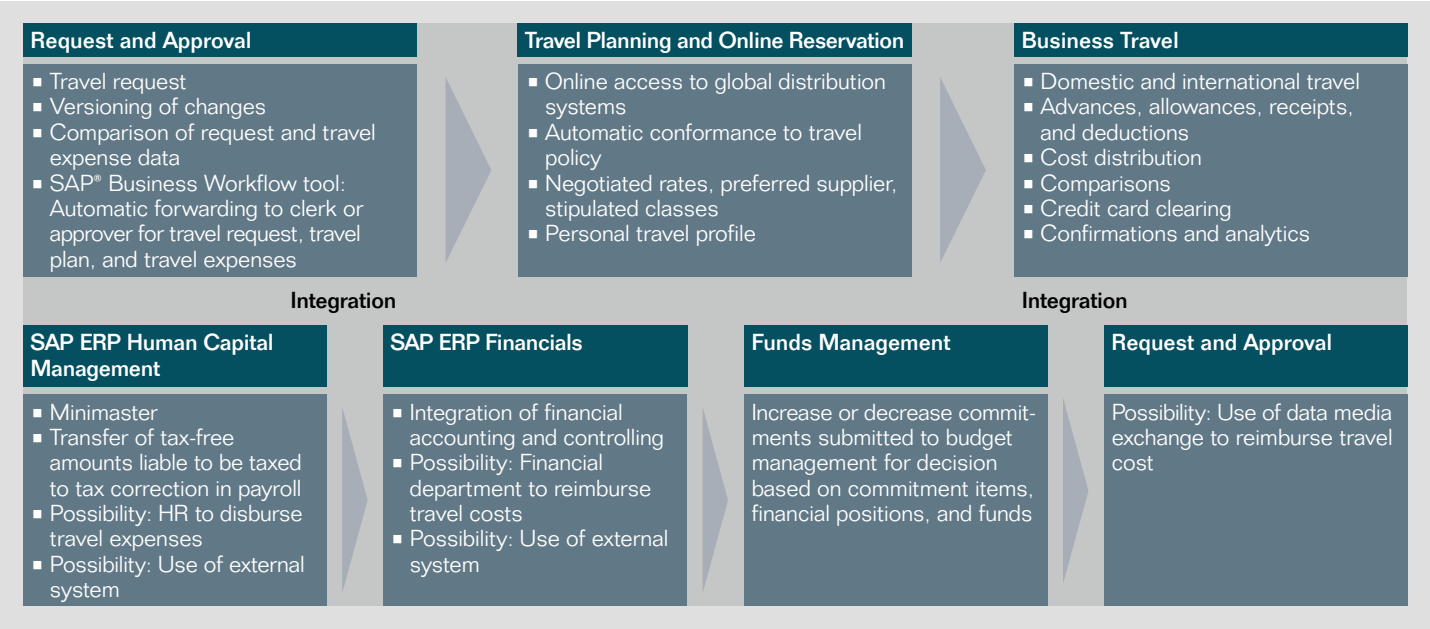

Figure: Comprehensive Integration of SAP Travel Management

TRAVEL PREPARATION AND ONLINE BOOKING

USING AUTOMATED WORKFLOWS

Electronic Processing of Travel Requests

SAP Travel Management covers the following activities within a single application:

- Creation and submission of travel requests
- Supervisor approval of business trips
- Reservation of the approved means of transport and accommodation
- Commitment of funds

The details of this procedure look like this: The traveler fills out an electronic travel request and includes the purpose of the business trip, the transportation and accommodations required, and the expected costs. A request for a travel advance can be included in the travel request, and travel alternatives in the form of documents may be attached. All employee master data is extracted from the integrated HR software to populate the travel request fields, which accelerates the processing of the travel request. The decision to approve, reject, or return the request for adjustment can follow rapidly, facilitated by the completeness of the travel information in the request and especially the summary of expected costs and required funds for travel.

The approval process is supported by the SAP Business Workflow tool, which transmits the request to the in-box of the manager in charge of performing the next step. Piles of paper are minimized, and processing time is reduced. The funds management functionality within the SAP for Public Sector solution portfolio commits the funds covering the estimated total cost of a business trip automatically. If the estimated cost changes at a later date, the funds committed are changed to reflect this. After the trip, the electronic workflow compares the travel expenses of the approved version with the actual costs incurred and automatically releases the sum if it falls below the originally requested travel expenses.

Online Booking

The electronic travel request process can be thoroughly integrated with the online booking functions in SAP Travel Management. This allows the travelers themselves to reserve the necessary transportation and accommodations once they receive approval of their travel request from their manager. The software supports them in booking their trip in accordance with the travel guidelines and your organization's travel policy.

Online booking can be used as a separate process step, letting the traveler book a trip online without making a prior request. The reservation can then be routed via a workflow to the respective supervisor. Once the trip is approved, any tasks still open – for example, booking tickets to activate the flight reservations – can be performed by an affiliated travel agency.

The advantages of online booking by the travelers themselves or their designated assistants are obvious:

- Service charges for telephone bookings at travel agencies can be reduced drastically.
- Travel managers and strategic sourcing departments can negotiate rates more effectively.
- Time-consuming preliminary research on the Internet and transfer of results found to a travel agent fall away.
- Travelers automatically follow corporate travel policies when they book.
- The estimated travel costs are immediately apparent to travelers and their managers.

Real-time reservation data comes directly from the reservation software connected, in which the negotiated rates are already loaded and used by SAP Travel Management. Different software is available for:

- Global Distribution Systems (e.g. Amadeus, Galileo)
- Hotel Reservation Service (HRS)
- Direct interfaces to low-cost carrier engines

Individual customer interfaces can also be realized.

Travel Policy

The backbone of the travel planning functionality supports the detailed management of your organization's travel policy, including:

- Negotiated rates
- Preferred providers
- Prescribed travel classes for each employee category – business or economy, for example
- Distance, location, and time dependencies
- Exception conditions

This supports maximum compliance with travel policies and thus reduces the direct travel expenses.

TRAVEL EXPENSES

DIFFERENTIATING BASED ON DIVERSE TRAVEL CRITERIA

Travel Expenses

SAP Travel Management supports the accounting of lump sums for accommodations, meals, travel expenses, and per diem expenses, as well as expenses based on receipts. The legal or organization-specific per diem expenses can be differentiated based on criteria such as travel expense group, pay grade, type of trip, class of vehicle, and other characteristics. It is possible to map individual travel arrangements and how they differ due to internal travel reasons – for example, seminar attendance or service activities.

Trip Types

Dialog management and the applicable accounting rules can be defined to reflect the requirements of individual trip types, for example:

- Domestic travel
- International travel
- Multiple trips in one day
- Short business trips

Advances and Partial Payments

Advances can be made for a trip. Once approved, they can be applied as cash advances or through electronic payment methods. When the trip is completed, the advance is automatically subtracted from the actual receipts submitted in SAP Travel Management.

Stopover

The stopover functionality of the software can settle complex domestic and international trips exactly. Based on precise input of date and time of border crossings and duration of stay at single destinations, the software can calculate the relevant per diem expenses.

Deductions

Deductions for free meals, accommodations, and daily allowances are calculated automatically. The values of the deductions are configured in SAP Travel Management, which can generate the appropriate documents automatically.

Trip Segments, Passenger Bonuses, and Private Cars

Trip segments and their breakdown can be entered with the exact date. Justifications for using a private car and information on passengers and extra luggage can be added as needed.

Optical Document Archiving

Optical archiving of original documents using bar codes can be realized by integrating SAP ArchiveLink® software with SAP Travel Management, which further reduces the use of paper. The electronically archived documents can be automatically linked to the respective travel expenses. With a mouse click, the electronic documents can be immediately called up for administrators, auditors, travelers, and those responsible for providing approval.

Credit Card Clearing

A key factor in optimizing the business travel process chain is credit card clearing. Although new models are offered by credit card companies that often require diverse handling, each is supported in SAP Travel Management. Some common models include corporate cards assigned to the accounts of individual employees, corporate cards assigned to a corporate account, and central cards from a travel agency used collectively by several people.

Employees benefit from extended payment terms, increased flexibility during travel, and easy online transfer of credit card receipts to the related travel expenses. For the businesses, the elimination of the management of advance payments helps streamline process management, control funds better, and improve cash flow.

In addition to the transparent allocation of payment items to individual trips, reliable reporting data is available.

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INTEGRATION

REAPING SIGNIFICANT BENEFITS WITH SAP ERP

Integrating SAP Travel Management with the SAP ERP application brings significant benefits in process management, especially where travel management is concerned.

Financial Accounting

By extending your integration to include the SAP ERP Financials solution, you gain advantages in booking and payment of travel expenses. Accounting results can be forwarded directly to financial accounting for posting with no additional data entry required. Payment to employees can be made in various ways: through the payroll, through the payment program in accounting, or through electronic data exchange. Business trips can be settled on a daily basis or a weekly basis. A period-related repetition of statements or a return statement due to subsequent changes of master data and travel data is possible at any time.

Human Resources

Through integration with the payroll function of the SAP ERP Human Capital Management (SAP ERP HCM) solution, you gain sure support in applying the correct taxation to travel expense reimbursements. Further advantages result from integration with SAP ERP HCM: existing personnel master data can be extended for SAP Travel Management. If the personnel administration functions of SAP ERP HCM are not used, you can use a special "minimaster," which is likewise based on personnel number but contains only the master data relevant for travel management.

Public Sector Management

Integration with the funds management functionality within the SAP for Public Sector solution portfolio extends the support of SAP Travel Management to cover budgeting operations and expense commitment management. This enables you to assign travel expenses directly to financial positions, commitment items, funds, and other account assignment objects.

Cost Accounting

By integrating the cost accounting functionality in SAP ERP Financials, you can assign travel expenses directly to different cost accounting objects, for example, cost centers, internal orders, or work breakdown structure elements. The distribution of costs can be specified across multiple trips per employee or within a single travel expense document. For a single trip, cost can be distributed across various levels. Total cost, cost per stopover, costs for certain distances, and costs of certain receipt documents can be distributed differently.

SAP Travel Management provides flexibility at all levels. Because the software uses Application Link Enabeling technology, you have the option to use SAP Travel Management with the financial accounting or HR management functionality in SAP ERP Financials and SAP ERP HCM respectively. You can also set up a separate instance of SAP Travel Management that works separately from other software.

DISTRIBUTED SYSTEMS

ESTABLISHING SECURITY AND STABILITY

Security aspects, structural constraints, or IT issues can result in the decision to use distributed systems. The decision to use on-premise hardware, a service provider who runs your system operations off-site, or software as a service (SaaS) are key factors that must conform to IT strategy and requirements for data security.

In this context, SAP Travel Management provides flexibility at all levels. Because the software uses Application Link Enabeling (ALE) technology, you have the option to use SAP Travel Management with the financial accounting or HR management functionality in SAP ERP Financials and SAP ERP HCM respectively. You can also set up a separate instance of SAP Travel Management that works separately from other software.The following deployment configurations are possible:

- Integration of SAP Travel Management, HR, and financial accounting
- Integration of SAP Travel Management and HR functionality, with financial accounting functionality installed separately
- Integration of SAP Travel Management and financial accounting with HR functionality installed separately
- SAP Travel Management installed separately from HR and accounting functionality

SAP Travel Management can be installed and used on-site, or it can be run off-site by an external service provider. The importance of distributed systems and their automatic communication with each other works to your advantage. If you use SAP Travel Management hosted by a service provider, you have the benefit of always working with the latest release of the software, which exchanges data with your on-site HR, finance, and cost accounting software. This gives you flexibility in travel management and stability in your core applications.

REPORTING
USING HIGH-QUALITY, TIMELY DATA

The success of your strategic travel management operations depends essentially on the quality and timeliness of the data and indicators you use. In practice, travel managers tap many different sources. This results in a time-consuming matching process in which data from travel agencies on sales volume and service categories and data from the corporate card business are examined. Evaluations are made of the billed travel cost structures, travel costs on projects must be cleared, and relevant cost centers and other controlling units must be accessed. SAP Travel Management helps support efficient analysis with uniform data consolidated within a single solution that can be accessed promptly by all who need it.

For operational analysis of real-time data within the SAP ERP application, standard reports for travel planning and travel expense statements are available to SAP Travel Management. You can use them to address specific questions, such as:

- Total travel costs per organizational unit or cost center
- Total travel costs per employee per year
- Open advances that are older than *x* months
- Settled documents that exceed defined ceilings
- Income-related cost statement
- Value-added tax recovery
- Who is where
- Who travels most

What's more, you can easily customize reports with the ad hoc query tool.

More powerful analytic applications come with the SAP NetWeaver® Business Warehouse (SAP NetWeaver BW) component. This software combines the latest data warehousing technology with in-depth business know-how from SAP. The data, extracted from the productive SAP Travel Management software, is made accessible for different user groups according to their specific requirements. In addition to the necessary data structures included in the standard version of SAP Travel Management, a number of Web queries are provided as business content in the standard functionality of SAP NetWeaver BW.

The data can be broken down by organizational area and displayed in seconds. Filtering and sorting lead to fast and meaningful results. Values exceeding set thresholds as well as exceptions can be defined individually to detect and react to deviations from plan data promptly. Using the reporting agent function, exceptional values can be published on the Web or sent directly to the responsible employees or departments. Evaluations such as a graphic showing the geographical distribution of hotel reservations are available with a few mouse clicks.

Visualization with SAP BusinessObjects™ Business Intelligence Solutions

When processing, analyzing, and presenting key figures, it is important to remember that different users require different views of the data. Travel managers and controllers require flexible, highly detailed analyses. Managers, groups, department heads, and executive board members require figures that are easy to handle for their area of responsibility, with emphasis on graphical representation in dashboards. The following tools from SAP BusinessObjects™ business intelligence (BI) solutions fill precisely these needs:

- SAP BusinessObjects Dashboards software to compose interactive, graphical dashboards
- SAP BusinessObjects Web Intelligence® software as an online tool for ad hoc queries
- SAP Crystal Reports® family of offerings for creating sophisticated, meaningful reports with extensive layout options
- SAP BusinessObjects Live Office software for users who work from the Microsoft Office environment and access reports

Find Out More

To find out more about the SAP Travel Management application, call your SAP representative today or visit us on the Web at www.sap.com/industries/publicsector/public/index.epx.

QUICK FACTS

www.sap.com/contactsap

Summary

The SAP® Travel Management application can support public administration bodies as well as institutions and private economic enterprises in the management of their entire business travel process. The software supports the submission of travel requests, approvals, and online booking. It helps your employees comply with legal directives concerning travel expenses. It assists you in determining proper taxation, payment methods, and cost control via the funds management functionality within the SAP for Public Sector solution portfolio.

Business Challenges

- Increasing travel costs
- Lack of transparency in structure and nature of travel costs
- Lack of compliance with corporate travel policies and negotiated rates
- High cost incurred through manual processes and back-office work
- Different software systems in place working with different sets of master data

Key Features

- **Electronic processing of travel requests** – Create and submit travel requests, supervise approval of business trips, reserve approved means of transport and accommodation, and commit funds
- **Online booking** – Allow travelers to reserve the necessary transportation and accommodations themselves once they receive managerial approval of their travel request
- **Cost accounting** – Quickly and accurately calculate travel expenses for accommodations, meals, travel expenses, and per diem expenses, as well as expenses based on receipts

Business Benefits

- **More efficient travel planning** through preliminary Internet research and transfer of results to a designated travel agent
- **Lower rates** through effective negotiation with external travel agencies
- **Higher compliance with corporate travel policies** through integration of the company catalog of preferred hotels in the workflow
- **Faster approval of travel requests** through greater transparency of costs

For More Information

To find out more about the SAP Travel Management application, call your SAP representative today or visit us on the Web at www.sap.com/industries/publicsector/public/index.epx.

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