

SAP Concur Solutions Outcomes Whitepaper

*The New Normal: Setting Organization Expectations Powered by Data*

## **Why Your Expense Management Solution Is Critical to **Corporate Sustainability****

**THE BEST RUN**





In many ways, the global pandemic acted as a collective reboot, serving up a not-so-gentle reminder of just how fragile life, the economy, and the world, can be.

Now, as the masks come off and a sense of normalcy begins to outshine the pandemic pallor, companies are quickly recognizing that they can't revert back to the way they did business before. Expectations, across their ecosystem, have fundamentally changed.

Providing a paycheck is no longer enough to attract and retain employees. People now demand the assurance of safety, a fair and equitable work environment, and the flexibility to strike their own version of a work-life balance.

**While turning a profit is still the expectation, it is no longer the only expectation.**





Employees, investors and consumers alike are increasingly looking beyond the balance sheet to how responsibly the company operates. They seek out organizations that engage in practices that are good for people and the environment, as well as the bottom line — and have the documentation to prove it.

As a result, company leaders, in all industries, are moving corporate sustainability to the top of their agendas – elevating it from a public relations sound bite to a critical, corporatewide strategy for longevity and growth.

So, what does sustainability really entail? How do companies begin to put a strategy in place? And how can effective T&E management contribute to its goals?

We spoke with Sally Crotty, Senior Consultant at TCG Consulting and Sylvain Muller, Product Strategy Lead — Sustainability at SAP Concur, and member of the Global Business Travel Association (GBTA) Sustainability Committee, to find out.



**80%**

of business travelers are more inclined to work for an organization with a sustainability policy.<sup>1</sup>

# Sustainability: What It Is, Why It Matters

Although “sustainability” is a word that most of us hear on a regular basis, there is still some confusion around what the term actually means. One of the biggest misconceptions is that sustainability is simply a recycled term for the ecology movement from the 1960s and 1970s — and that it is solely focused on environmental impact.

While protecting natural resources is a key pillar of corporate sustainability, the imperative is much broader, and more holistic than that. Corporate sustainability is a business approach that enables organizations to create long-term shareholder value by embracing opportunities and managing risks derived from social, environmental, and economic developments.<sup>2</sup>

It’s a principle founded on the belief that, while corporate growth and profitability are important, it is equally important to achieve those financial results without negatively impacting the environment, the community, or society as a whole.

From a practical standpoint, that means organizations have to consider three, intersecting pillars as they operate their business:

---

## SOCIAL SUSTAINABILITY

This is the “people” pillar — how companies impact their employees and the communities around them. This area includes things like fair pay,



work-life balance, and promoting diversity and inclusion in the workplace. It’s about keeping employees safe, creating a healthy work environment, and giving them the opportunity to learn and advance.

By promoting social sustainability, companies benefit their staffs, drive economic growth in the communities around them, and create an environment that ensures they will keep and attract the talent they need to sustain the company over time.

---

## ENVIRONMENTAL SUSTAINABILITY

This is the “planet” pillar — how companies preserve natural resources, like land, water, energy and air by reducing the greenhouse gases they generate, including:



- The direct emissions from owned or controlled sources for business, including fuel combustion, emissions from company vehicles, and leaks in air conditioning, refrigeration units, and the like.
- Indirect emissions from the generation of purchased electricity, heat, cooling, or steam that the company consumes, but does not produce.
- Other indirect emissions that occur in a company’s value chain, including purchased goods and services, employee commutes, and business travel.

It is clear how the plant pillar and the people pillar intersect. The less attention you pay to the environment, the more detrimental the impact on employees and the community. Without clean water or clean air, there can't be people sustainability, all of which affects the company's ability to survive, as well.

---

## ECONOMIC SUSTAINABILITY

This is the “profit” pillar — ensuring the business can grow in a sustainable way, maintain profitability, and benefit shareholders over time.



These three pillars of sustainability form what is now known as the triple bottom line. Instead of reporting on financial performance alone, companies are increasingly expected to measure and report their social and environmental impact with the same rigor.

The goal is to strike a balance between the three: not focusing so much on profit at the expense of people or the environment, but, at the same time, not focusing so much on environmental sustainability that day-to-day processes are so tedious that it has a detrimental effect on your staff, their productivity, and your viability as a company.






# Beginning the Journey to Greener Pastures

With so many moving parts, beginning a sustainability initiative can seem a little overwhelming. The best way to start is to step back, and identify where your company is today.

“Establishing a baseline is a pivotal point, so you can understand where you’re starting from, and set your objectives from there,” explained Sylvain Muller, Product Strategy Lead — Sustainability at SAP Concur. “Once you know where you are, you can seek out the solutions and strategies to help you achieve those objectives.”

Most companies already have a mature framework in place for measuring and forecasting economic performance, and typically, a long-term plan. Employee surveys, compensation benchmarking, and equity assessments can help leaders understand how their company measures up on the people aspect of sustainability, and where they have gaps, as well.

While both of these areas are critical, we’re going to focus the remainder of this paper on improving environmental sustainability, and how to utilize your end-to-end travel and expense management solution to support these goals.



“Establishing a baseline is a pivotal point, so you can understand where you’re starting from, and set your objectives from there. Once you know where you are, you can seek out the solutions and strategies to help you achieve those objectives.”

Sylvain Muller, Product Strategy Lead  
Sustainability, SAP Concur

# Digging into your Travel and Expense Landscape

Typically, when organizations talk about environmental efforts, the conversation turns to recycling, power conservation, going paperless, or green buildings. Although all of these initiatives are important, they don't tackle one of the greatest sources of greenhouse gas emissions for most non-manufacturing companies: business travel.

"Travel represents five percent of global emissions, with corporate travel making up around 30 percent of that figure. While, on paper, that doesn't seem like a lot, it is substantial," explained Sally Crotty, Senior Consultant for TCG Consulting.

Considering the fact that, in 2019, travelers logged more than 460 million business trips in the United States alone<sup>3</sup>, it's easy to see how those small percentages can make a big impact.

The type of travel, and the length of the journey, make a difference, too. For example:

- One round-trip ticket from London to New York City generates more emissions than what the average person in 56 countries produces in the entire year.<sup>4</sup>
- First class produces five times the amount of CO2 emissions as Economy class because of the distance between the seats, and the fact that some seats are typically empty.
- Business class produces three times the emissions of Economy class<sup>5</sup> for the same reasons.

In recent years, some leading organizations have begun to drill down to just how much of an effect employee travel is making on the environment — with some staggering results.

"It's quite astounding to know that business travel can actually account for more than half of a non-manufacturing company's carbon footprint," Crotty said.

While it is often the biggest contributor, air transportation is not the only aspect of business travel that makes an impact. Accommodations and ground transportation play significant roles as well.

Many luxury properties have higher emissions than more economical hotels. Some may have greener practices than others — like not washing towels every day, investing in fuel-efficient heating and cooling systems, or utilizing local food vendors and more eco-friendly cleaning products. Mass transportation and shared rides leave less of a footprint than a rental car. Electric or hybrid rental cars do less damage than gas guzzlers.

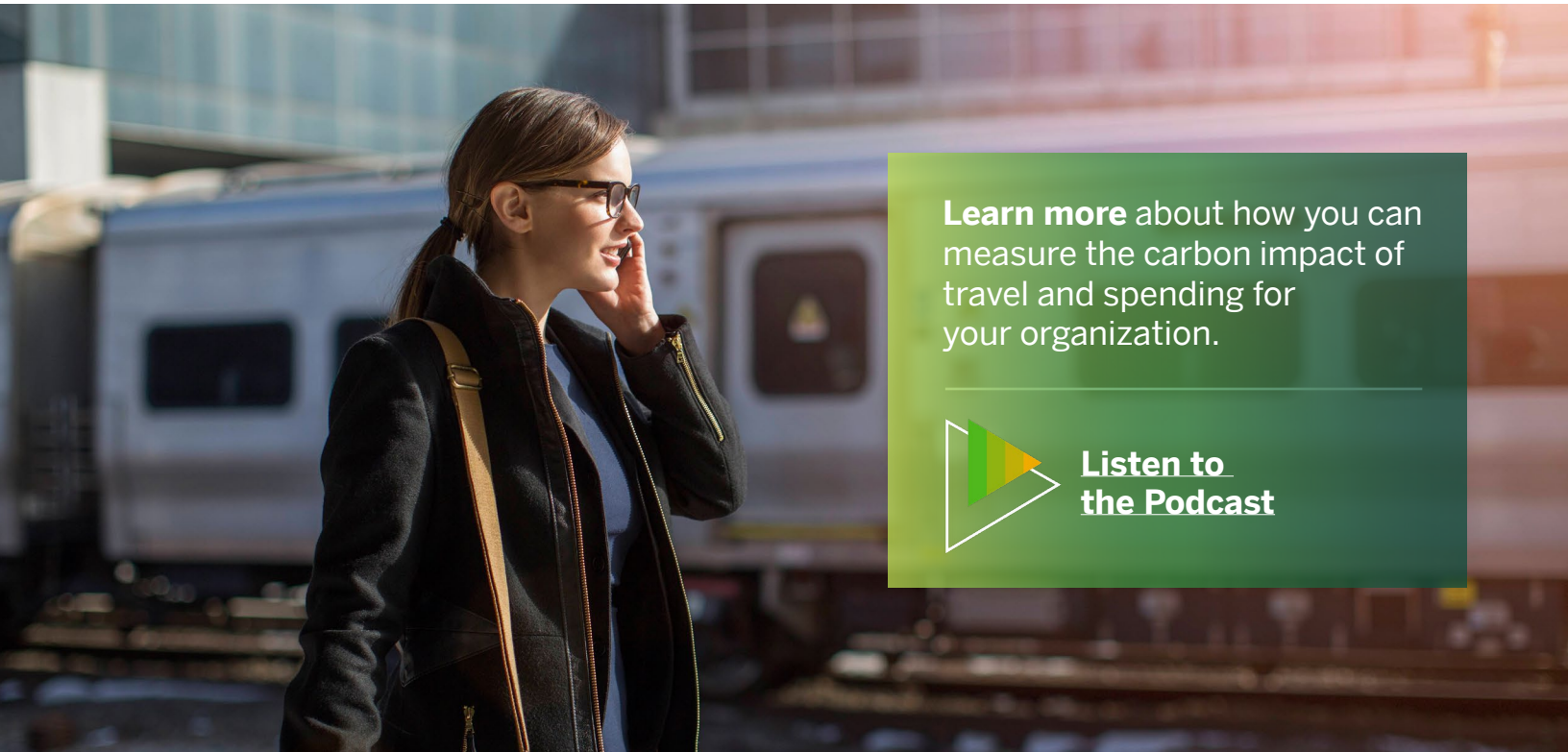
"It's quite astounding to know that business travel can actually account **for more than half** of a non-manufacturing company's carbon footprint."

Sally Crotty, Sr. Consultant, TCG Consulting

Even how organizations manage the expense reimbursement process makes a difference. Are travelers still capturing paper receipts or can they capture those images on their phone, and have them flow automatically to the right field on the expense report? If travelers or back-office personnel are still copying documents, or if any part of the end-to-end reimbursement process can't be managed digitally, the company's carbon footprint increases in kind.

Is all of this to say that every responsible company has to forego business travel or send employees on 10-hour train ride instead of going by air? Not at all.

But, by being aware of how business travel contributes to your carbon footprint and by understanding patterns by looking at your travel and expense data, you can begin to identify areas where behavioral change could reduce emissions without putting a burden on employees or profitability.



**Learn more** about how you can measure the carbon impact of travel and spending for your organization.



**Listen to  
the Podcast**



# Setting Realistic, Tangible Goals and Objectives

It's important to note that sustainability is not a once-and-done proposition. It is an ongoing process, requiring goal-setting, governance and fueled by incremental achievements over time.







"If you want to become net zero, first look at where you are today, and chart out a timeline to achieve that," Muller said. "Although, currently, much of the reporting on greenhouse gas emissions is voluntary, there are organizations that focus specifically on measuring corporate emissions to help companies gain an understanding of where they are."

One such organization is the Carbon Disclosure Project (CDP) which helps companies disclose their environmental impact, as well as provides reports on corporations that are leading the way in reducing their emissions, which can be helpful for benchmarking.

"There are also science-based targets, which provide companies with a clear path of how to reduce emissions in line with the Paris Agreement goals, which is aimed at reducing emissions to limit global warming to 1.5 degrees Celsius," Crotty said. "Organizations that commit to those goals, also commit to producing reports to track progress."

After creating the macro goal — like becoming net zero in x years — use your historic travel data to define realistic, actionable micro goals to achieve it.

## FOR EXAMPLE:

-  The fastest way to reduce emissions is travel avoidance, particularly when that travel involves day trips. Consider adding approvals or additional guidelines when travel is a simple in-and-out, to ensure the trip is necessary, and to see if it can be handled virtually instead.
-  Consider implementing a travel-free week once a quarter.
-  If there is a true need for air travel, opt for economy over business class. Even reducing the percentage of annual business class flights by 50 percent annually will make a positive impact.
-  Work to convert shorter trips from planes to trains or other, less polluting ground transportation.
-  Revise your travel policy to allow employees to take direct flights. Keep in mind that the dollars saved in carbon offsets may actually make the direct flights less costly overall than indirect ones.
-  Fly newer, more efficient airplanes, rent hybrid or electric cars, and stay at hotels that embrace green standards.

These are only a handful of options. The point is, just setting a goal to lower your carbon footprint is not enough. It requires a roadmap to get there, based on your company's current state. This is true for non-travel related sustainability initiatives as well.

In addition to getting your own environmental house in order, broaden your scope to include your entire value chain of vendors, suppliers and strategic partners.

“Procurement plays a key role in selecting preferred providers. In addition to negotiating special rates, seek out preferred providers that demonstrate sustainability credentials,” Muller said. “Contact your current suppliers, travel management companies, and strategic partners to understand what their carbon footprints are, if they report, and what kinds of sustainability initiatives and emission-reduction programs they have in place.”

“

Contact your current suppliers, travel management companies, and strategic partners to understand what their carbon footprints are, if they report, and what kinds of sustainability initiatives and emission-reduction programs they have in place.

Sylvain Muller, Product Strategy Lead  
Sustainability, SAP Concur

”





# Planting the Seed Throughout Your Organization

To be effective, sustainability has to be a collective effort, across your organization as well as across your partner ecosystem.

Instead of mandating policy changes, our experts recommend first engaging employees to identify how well they understand sustainability, how they relate the topic to the role, their willingness to participate, and their thoughts on the initiative. Use that insight to guide your program and policies around it.

Then, create a continual stream of communication to keep that engagement strong, and reinforce the goals, the purpose and their role in the initiative.

“Collaboration, communication, and education are really key,” Muller said. “None of us like mandates, in either our personal or professional lives. Raising awareness, and keeping employees engaged and motivated are critical to success. They are the people who will drive your program through their actions.”

Muller recommends communicating through multiple channels.

“I’ve seen companies create Team spaces, Slack channels, and newsletters focused on sustainability to create a constant flow of communication to keep the momentum going,” he said. “Some are focused specifically for frequent travelers with very targeted messaging, while others have broader distribution.”

Of course, what employees observe is as critical as communication.

There has to be alignment between the values an organization articulates and what it practices. So, it’s critical that leaders from the C-suite on down get involved, stay involved and lead by example.



“Raising awareness, and keeping employees engaged and motivated are critical to success. They are the people who will drive your program through their actions.”

Sylvain Muller, Product Strategy Lead  
Sustainability, SAP Concur

# Empowering Employees to Make Sustainable Choices

When it comes to driving sustainability, particularly as it pertains to business travel, it is imperative to guide employees to make eco-friendly choices.

“Having an end-to-end T&E management solution greatly contributes to a sustainability program’s success, because the way to reduce environmental impact is to make more sustainable choices in the planning stage, when employees are best positioned to avoid and reduce emissions for the trip they are getting ready to book,” Muller said.

For example, if an organization is using the Concur® Travel online booking tool, its leaders can add a customized sustainability message on the home screen, and offer prompts, suggest different modalities, and flag the most environmentally friendly options, as well as preferred vendors, as the traveler goes through the booking process. If it’s a day trip, a prompt appears to confirm that the travel is actually necessary.

If the traveler can get to his or her destination by rail instead of air, in a reasonable amount of time, the solution will automatically produce an onscreen message prompting that person to consider changing his or her mode of transport, and pulls up both options on screen, for review.

It also educates travelers, as they search for travel options, so they understand how choosing a carrier that uses Sustainable Aviation Fuel versus one that is still powered by fossil kerosene impacts CO2 emissions. They see emission comparisons

for their choices, as well as cost comparisons. So, they are not only equipped to make the optimal booking decision, but actually build their knowledge on environmental sustainability as they go.

Those same kinds of prompts drive travelers to hybrid or electric rental cars, as well as safe, “green” hotel properties, and those that offer e-receipts.

In addition, to encourage employees to make sustainable choices, some countries, like France and Germany, have started replacing traditional corporate car allowances with “mobility budgets.” These mobility budgets give employees the freedom to choose how they want to get from point A to point B — so, they can opt for more environmentally friendly options, such as mass transit, ridesharing, or even bike rentals — and expense the costs through their T&E solution.

It’s important to note that none of these approaches add time or complication to the booking or reimbursement process, nor do they force employees to always choose the most eco-friendly option. They simply present the travelers with options, and gives they the freedom to make the best choice — for themselves, for their company, and for the environment.



## Charting Your Progress

Just as company leaders consult financial and performance dashboards, they need that same world view to chart their sustainability progress throughout the year.

“We have a reporting capability that can show trends on a monthly basis and measure against your established baseline,” Muller said. “Typically, there is seasonality to take into account. For example, most companies have a decrease in travel in November and December. So, it’s important to look at your data on a regular basis to get a true picture of your progress, and the impact of specific initiatives, such as a quarterly, travel-free week.”

“I think it is important to understand that the tools that companies need to manage sustainability, from a T&E perspective, are already available today, and are quickly evolving. There is no reason to wait.”

Sylvain Muller, Product Strategy Lead  
Sustainability, SAP Concur

This ongoing governance is also key to creating a culture of continual improvement.

For example, leaders can drill down through the data to see why certain regions or departments have a higher carbon footprint — or are trending up while others are trending down. Is this a business development area, where one-day, face-to-face trips are necessary to close the deal? Or is it a department used to monthly team meetings that could just as easily be handled virtually, even if it’s only six months out of the year? By understanding the why behind the behavior, organizations have a better opportunity to drive change.

In addition, there are applications that enable leaders to gauge the impact of the initiative from an employee perspective. By overlaying employee sentiment data with operational spend data, leaders can better understand the correlation between the employee experience and sustainability, as well.

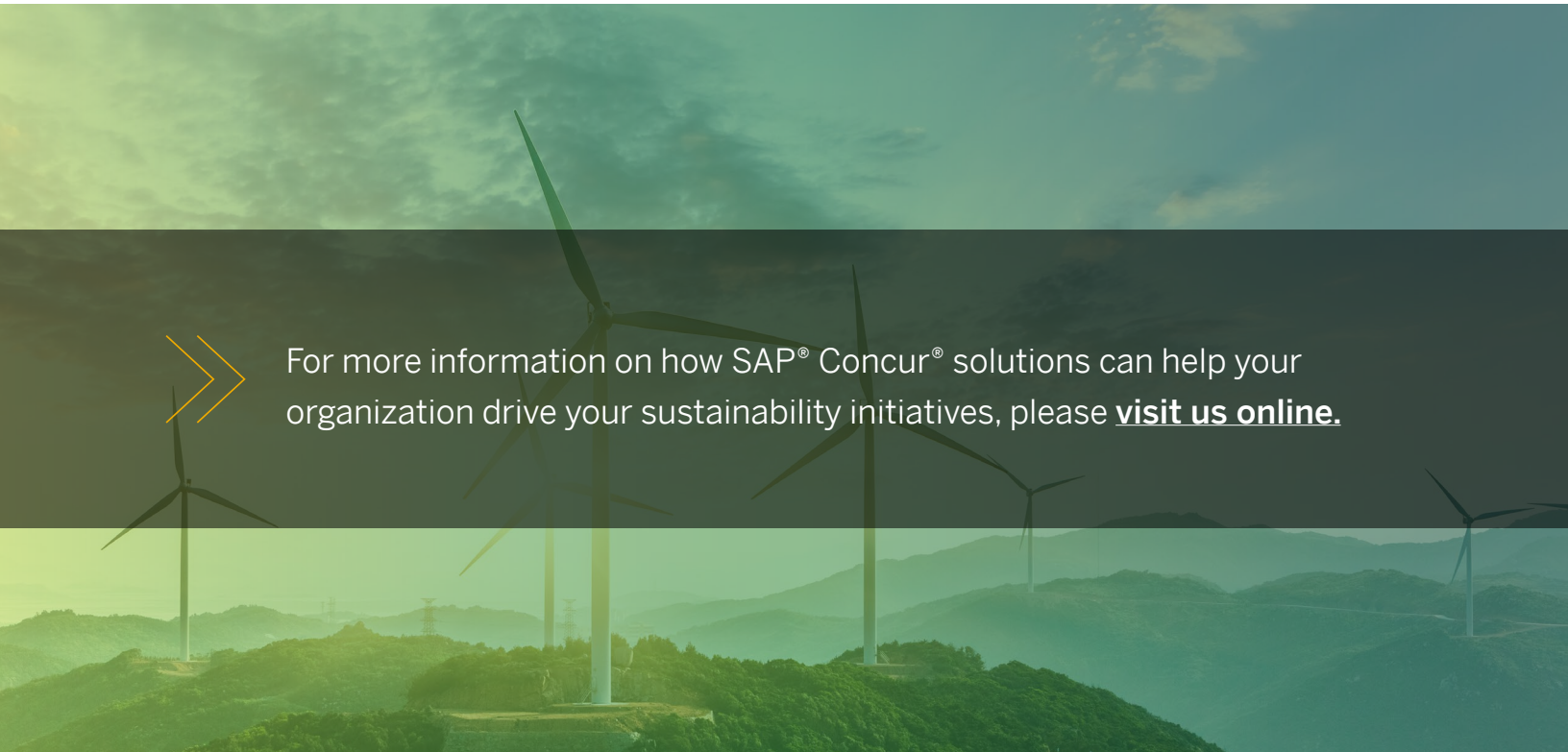
“I think it is important to understand that the tools that companies need to manage sustainability, from a T&E perspective, are already available today, and are quickly evolving,” Muller said. “There is no reason to wait.”

# Preserving the Future by Taking Action Today

Although sustainability programs do take a concerted effort and behavioral change, the outcomes are worth the effort.

“When companies put programs in place that reduce emissions, they not only do the right thing for the environment, but they do the right thing for their business. Most organizations with sustainability strategies in place increase their bottom line, are more likely to retain employees, and attract more shareholders,” Muller said.

“The inherent goal of sustainability is to ensure the world will continue to be a place where people can live and future generations can thrive. That means the company will have the workforce, the customers and the opportunity to deliver against its mission for years to come.”



For more information on how SAP® Concur® solutions can help your organization drive your sustainability initiatives, please [visit us online](#).



Follow SAP Concur



Learn more at [concur.com](https://concur.com)

WP BUSINESS OUTCOME SUSTAINABILITY ENT enUS (05/22)

© 2022 SAP SE or an SAP affiliate company. All rights reserved. No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company. The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary. These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty. In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platform directions and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions. SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. See <http://www.sap.com/corporate-en/legal/copyright/index.epx> for additional trademark information and notices.

## SOURCES:

<sup>1</sup> Corporate Travel Sustainability Index, 2021

<sup>2</sup> <https://guides.library.yale.edu/c.php?g=296179&p=2582471>

<sup>3</sup> <https://www.wri.org/research/business-travel-ghg-emissions-analysis>

<sup>4</sup> <https://www.fastcompany.com/90632762/its-time-to-reassess-the-role-of-business-travel-in-global-warming>

<sup>5</sup> <https://www.reuters.com/business/aerospace-defense/corporate-business-travel-carbon-budgets-loom-airlines-2021-10-10/#:~:text=Flying%20business%20class%20emits%20about,to%20a%20World%20Bank%20study.>