

# Global Expense Management Index #1





# Global Expense Management

## A changing world

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Market trends are constantly changing. Companies rapidly respond to the dynamic in the current economic and social situation. Due to the COVID-19 pandemic, new strategic decisions have been taken to achieve business goals.

Strong, steady leadership from the finance department is critical to address immediate concerns about stabilizing the business in the near term, and positioning it for recovery. The challenges are many and varied: with some companies losing up to 75 percent of their revenues in a single quarter, cash isn't just king — it's now critical for survival.

Therefore, yes, expense management has strongly changed.

For this first time, we have decided at Jenji to launch an Index. We looked at various data. We regrouped information, we identified tendencies, we interpreted figures.

Definitively, transformation is the key word!

**Enjoy your reading!**

# Part I The sectoral gap



The current situation has divided businesses into two key groups: those for which business sales (mainly online) are exploding, and those for which consumer interest in their products and services becomes lower every day.

As the pandemic is still unfolding globally, different waves still keep Europe and the world in its grips. Nevertheless, two tendencies are clearly identified. There are remarkable differences in performance across, but also within, sectors.

We noticed one key stationary trend: companies expensed in a different way due to the crisis.

# 98%

Despite the sanitary crisis, those companies expensed 98% of the amount realized during the pre-covid period. No significant changes can be seen in their spending behavior.

Companies that have activities requiring physical proximity took a look at their end-to-end customer journeys and built in more steps that visibly addressed safety. By having the team “on the ground” they worked pretty much as usual. The difference was in the way they managed their business. They redesigned the process with increased use of protection and sanitization for any equipment service, incorporating contactless interaction whenever possible via electronic work orders, touchless signatures, and minimal face-to-face dialogues.

# Part I The sectoral gap



**From 33%  
to 50%**

With the sanitary crisis, some companies' expenses decreased by 33% to 50% compared to before the crisis. A decrease of one-third means a lot in terms of financial strategy and expenses policy. In this group, travel expenses are at the front line.

The task is challenging for industries that rely heavily on in-person interaction, including a wide swath of sectors from banking and insurance to hospitality, telecommunications, and industrial services.





# Part II The two sides of Business Travel



When the COVID-19 pandemic halted travel around the globe, business travelers had to pivot quickly from in-person meetings and events to virtual platforms.

Travel patterns have changed but not all companies stopped entirely. The ones travelling nationally still continued to do so. Thus, figures differ according to the company culture, the type of business and the industry.

## Flights

As of today, it represents **5%** of total expenses created. C-level enterprises are the ones booking flights for business purposes.

80% of companies have not booked flights for more than one and a half years now.

## Trains

After March, **50%** of companies expensed only 10% to 15% of their normal booking volume before the crisis.

After March, **30%** of companies expensed exactly the same amount as before the crisis.

The rest was in-between. Here also, sector influences it.

# Part II The two sides of Business Travel



The Global Business Travel Association projects it will be 2025 before total business travel volumes return to pre-Covid levels and, according to the International Air Transport Association, January 2021 was worse than December 2020 for air travel.

When travel does return, however, it will be a changed industry in terms of the share of volume per market.

## Hotels

One of those effects is more dramatic rate swings – particularly in hotels – from quarter to quarter. Flight and hotel correlation is no longer accurate.

For those enterprises which are still booking, the volume is around **15%** of pre-pandemic levels.



Transaction data for car rental was clearly lower than expensed for the second half of 2020, but it didn't fall as low as hotel data.

# Part III The digital acceleration



In just a few months' time, the COVID-19 crisis has brought about years of change in the way companies in all sectors and regions do business. They have **accelerated the digitization** of their customer and supply-chain interactions and of their internal operations by **three to four years**. This is reflected in the way they are today using digital expense management solutions.



During this period, it has become more difficult to bring paper to the Accounting or Finance Department.

So, even if receipt digitization is not a new topic, the current COVID situation has accelerated this adoption manifold.

Those figures have been stable since 2017

## BEFORE COVID



**83%** of receipts/invoices paper scanned

**17%** of receipts/invoices digital scanned  
(PDF, email, confirmation...)

## SINCE MARCH 2020

**78%** of paper receipts/invoices

**22%** of digital receipts/invoices

**+5%**



# Key Learning | A surprising Index

Despite this complex period, the number of active users has increased. There have been fewer expenses but users have increased by **22%** on average. Digitalization has been accelerating and changing the expense management market, especially since the COVID-19 pandemic.

While some companies are facing a significant drop in revenues, others are succeeding. These contrasting trends have fostered a noticeable gap in the amounts expensed.

Regarding expenses, their nature completely changed, switching from travel to IT spends. Physical meetings have been replaced by virtual platforms, plane tickets by IT equipment.

Organisations had to adapt, digitizing their expense management and looking for a better solution with fewer processes and more agility.



**Changing**

**Contrasting**

**Expanding**