

Finance in the New World of Work

Hong Kong



With little doubt, 2020 will be remembered as the year when working from home became a norm. The years of digital transformation preceding it has removed some of the bigger stumbling blocks associated with this mode of work. Transformation, however, didn't quite reach some of the more mundane processes in organisations – finance and administrative processes, for instance, remain manual and tedious.

The SAP Concur Finance in the New World of Work study takes a look at the expectations of employees across Asia Pacific for finance and administrative processes to better support new ways of digital work and life, including less time spent and hassle around expense claims, more flexible business travel arrangements, and better support for remote working.

FINANCE TRANSFORMATION IS LAGGING IN HONG KONG

45% of Hong Kong organisations still run manual finance and administrative processes, taking up employee time that can otherwise be used for productive work, a situation that may be costing Hong Kong US\$342 million of GDP.

Workers and managers are spending 2.6 hours workday every month handling expense claims. Managers spend over 5.5 hours monthly submitting their own claims, and reviewing and approving their subordinates'. This is a clear drag on business output.

LESS HASSLE AND TIME SPENT ON EXPENSE CLAIMS

The study found that 56% of employees are less than satisfied with the current amount of time and effort they spend on finance matters and they want improvements in:

- Speeding up the entire expense claim process (52%)
- Filling up expense line items progressively over the month and have them consolidated automatically into an expense report (47%)
- Submitting expenses anytime and anywhere via laptops and PC (39%)

42% of managers also wish to be able to spend less time on reviewing and approving expense claims.

“Culture and employees are our competitive advantage. We're really encouraging diverse thought and perspectives throughout the innovation and delivery of our products. ”

Alexandra Lopez

Chief Procurement Officer at Cisco Systems

Research Methodology

The SAP Concur brand commissioned the Finance in the New World of Work Study 2020, which was conducted by Asia Insight (www.asiainsight.com) in May 2020. The study was conducted across Asia Pacific with 2,012 respondents who are finance and expense users from organizations with more than 250 employees. Markets featured in the study are Australia, China, Hong Kong, Indonesia, India, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, and Thailand. Respondents work in the financial services & insurance, retail, manufacturing, public sector/government, healthcare, education, technology, professional services and automotive industries. In Hong Kong, 102 respondents were included in the study.

*To calculate the savings to be reaped from automating manual expense claim processes, Asia Insight created an economic loss model based on macro-economic data compiled by the International Labour Organization (ILO). This model divides the GDP of each market by its total number of workers to derive the average output per worker. The model then assumes a 10% reduction in wasted expense submission/review/approval time, and multiplies it by the number of information workers in each market to get the economic gain per market. These market gains are then aggregated to project the overall Asia Pacific gain of US\$21.5 billion. Similarly, gains can be projected for individual businesses. ILO statistics show that the average output of one hour of a worker's time in Asia Pacific is US\$7.70. If a business currently incurs 10,000 man-hours per month on expense claims and could save 10% of that time, it would have conserved 1,000 man-hours per month, translating to a benefit of US\$7,700 x 1,000 or US\$7,700 per month or US\$92,400 per year.

A STREAMLINED AND PERSONALISED BUSINESS TRAVEL AND EXPENSE MANAGEMENT EXPERIENCE

For many organisations, business travel management is piecemeal and disjointed. 45% of respondents were less than satisfied with the time and effort they take to manage business travel and 45% are less than satisfied with the software they are using to manage it. When asked what can be improved with their current organisations' business travel system, travellers wanted the ability to:

- Spend less time in the entire process of booking and managing their business travels (47%)
- Ability to auto-fill business travel-related expenses (41%).
- Real time alerts (37%).

BETTER SUPPORT FOR REMOTE WORK

Remote work has become the default for many organisations, but depending on the employee's home environment, this new normal can be a positive or negative development. Some 59% of the respondents said they feel more productive working from home, but 45% of respondents also cited the loss of productivity during official work hours due to distractions as their top challenge.

Companies can adapt their operations to enhance remote work through with better employee support. Many employees (94%) enjoy the option to work from home, but want to be robustly supported by their organisations when doing so, both in terms of infrastructure and finances. Almost three quarters (61%) of respondents expect their employers to subsidise or fully pay for the expenses needed for a productive working environment at home.

RECOMMENDATIONS FOR TRANSFORMING FINANCE OPERATIONS



Automate expense and business travel management

Automation takes repetitive, manual aspects out of routine finance and administrative tasks, saving employees and managers time so they can focus on meaningful work. Importantly for the finance organisation, they provide visibility and control, and facilitate compliance – leading to higher organisational efficiency, stronger fiscal control and ultimately greater business ROI.



Make business travel more streamlined and personalised

Organisations should strive to give business travellers a seamless, personalised travel management experience that's integrated with their expense process. This means employees can use the same platform to book flights and hotels, make itinerary changes and receive real time alerts. Spending on third-party travel apps can be automatically submitted for expense claims.



Better support for remote work

Many employees will continue to work from home in the near future. This means organisations' current way of managing expense and travel must also adapted to run efficiently in remote work environments. Expense policies should also be reviewed to accommodate potential new employee expenditures including broadband internet access, IT peripherals and mobile plans.

As we begin to see normalisation post-pandemic, businesses will change their focus – from crisis, to recovery, to growth and resiliency. Efficiency, agility and the ability to innovate are going to be more important than ever.

Finance organisations must transform to enable them to achieve these three qualities, so that they can truly support the business, helping it resiliently deliver customer value for the new era.

Learn more at www.concur.com.hk

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