Update Your Playbook

Improve travel and expense management through gamification and mobility

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With across-the-board rate increases in air and hotel forecasted for 2013, travel and expense management professionals face a new challenge: how to maximize constrained budgets with innovative solutions that meet the expectations and demands of today’s younger workforce. The traditional travel and expense management playbook has relied heavily on policies and controls for influencing employee behaviors to better manage costs, but these methods are becoming less effective. We believe that adding mobility and gamification to the playbook can be part of the solution.

The workforce is changing. Generation X and Millennials, who make up over half of the workforce, have fundamentally different attitudes towards technology and communication in the workplace compared with Baby Boomers. Preliminary studies show that the “stick” approach to influencing behavior is not as effective with this demographic, making policy and controls a less viable stand-alone option for motivating compliant and cost conscious actions.

Mobility is the new “business-as-usual”. Consumer and workplace life has been infiltrated by mobility as the use of smartphones and tablets explodes, placing new demands on organizations for easy-to-use enterprise mobile experiences. By bringing enterprise travel and expense management capabilities to the mobile device, organizations can make compliant employee actions, like booking on the preferred corporate tool, easier and more accessible.

Compliance may not be top of mind. Gamification—an incentives-based approach using competition and collaboration to motivate desired behaviors—can help align the interests of employees with the cost and compliance aims of the organization. Together these strategies can enable corporations to leverage the changing dynamics of the workplace to influence employees at key points in the travel and expense process.

Of course, one size doesn’t fit all. To successfully drive behavioral change, a mobility and gamification strategy should be tailored to each organization’s people, process, technology and culture. In particular, capturing insights from disparate sources of travel and expense data will be important to sustaining that change.

Getting gamification and mobility right is worth it. The results can be two-fold: a more engaged workforce and relieved pressure on budgets.
Introduction

Following years of tight budgets, corporations are finding that traditional methods of optimizing travel and expense management, such as tighter controls and punitive policies, are yielding limited returns. According to American Express Global Business Travel, one half of hotel reservations across companies of all sizes are made outside of the approved travel booking tool.³

We believe there is a better way. The next wave of the travel and expense management playbooks will rely less on the “stick” and more on the “carrot” through innovative concepts such as mobility and gamification.

One key challenge facing companies is how to make travel policies accessible and compelling enough so that employees will be motivated to comply. Through mobility – communicating travel policy at any point in the travel process via digital devices such as smart phones—companies can facilitate adherence. Gamification—an incentive-based approach to motivating employees—can inspire positive travel and expense behavior. Importantly, both mobility and gamification can help drive alignment of corporate and employee interests in the travel and expense arena.
Shifting Market Forces Reshaping Traveler Engagement

Three major forces are reshaping the way that travel and expense management professionals engage the workforce:

• Workforce demographics are shifting as Boomers begin to reach retirement age and Generation X and Millennials make up a large portion of the workforce.

• Mobility is fast becoming an integral part of corporate operations.

• As budgets remain flat and business travel prices escalate, pressure is mounting to optimize costs.

Given these trends, moving towards positive reinforcement to influence and motivate employee travel behavior will help travel and expense managers increase program compliance and capture savings.

Figure 1 | Market forces
1. New Workforce—New Habits

With Millennials and Gen Xers expected to comprise over 70 percent of the workforce by 2020\(^2\), a demographic tidal wave is hitting the workplace. Compared with their Baby Boomer brethren, Millennials and Gen Xers have fundamentally different attitudes and expectations towards technology, learning and communication. Those differences have profound implications for the way that corporate managers should engage with and motivate these employees.

Millennials, the so-called “digital natives,” have been exposed since early childhood to digital technologies and entertainment. Not surprisingly, Millennials, and their Gen Xer counterparts, display an aptitude and affinity for all things digital both at home and work (see Figure 3). Organizations are responding to the change. According to a study by the Entertainment Software Association, 70 percent of major employers utilize interactive software and games to train employees.\(^5\)

Further complicating the job of corporate managers, Millennials are likely to ignore or break corporate technology policies. According to Accenture research, more than half of working Millennials are either unaware of their companies’ IT policies or are not inclined to follow them.\(^7\) To lure this new workforce, travel and expense managers must provide state-of-the-art technologies that engage employees in the ways they want to be engaged, without compromising enterprise security.

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Figure 2 | Percentage distribution of the labor force by generation

Figure 3 | Percentage of each generation that say they...

- Use Twitter
- Posted video of themselves online
- Use Wireless internet away from home
- Create social networking profile

Source: Pew Research\(^6\)
2. Surging Mobility Tide

With smart phones nearly ubiquitous, and sales of tablets surging, mobile capabilities are considered a "must have" in the workplace. It's not just the consumer market that is booming—enterprise purchases of smart phones and tablets are quickly rising too. According to GigaOM, shipments of tablets to the enterprise will actually exceed those to consumers starting in 2015.8

The consumer mobility experience is shaping employee expectations for corporate mobile capabilities. Many employees now expect their corporate technologies to be as accessible and easy to use as their personal devices and applications.

Companies have not yet fully met this demand: 45 percent of employees think that the hardware and software devices they personally use are more useful than the ones provided at work.9 Clearly however, corporate managers realize they need to respond—more than two-thirds of companies rank mobility as a high priority this year, according to a recent Accenture global survey of CIO's.10

3. Budget Crunch

Corporate travel and expense management budgets are being squeezed. With the world’s economies stuck in slow-growth mode at best, we expect only modest increases in travel budgets—yet the cost of travel is expected to swell. American Express predicts its Global Business Travel clients will see across-the-board rate increases in air and hotel in 20131 (see Figure 4), two travel categories which make up more than 70 percent of travel and expense costs for American Express' large corporate clients.11

These pressures are creating a crunch on travel and expense budgets. Most companies do not have the option to significantly reduce business travel as it helps sustain growth. Travel and expense management professionals must find creative ways to fully optimize budgets to deliver additional value to their organizations.

Figure 4 | American Express global business travel 2013 forecasted rate increase by region

<table>
<thead>
<tr>
<th>Region/Property</th>
<th>Air</th>
<th>Hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>APAC Economy Short Haul</td>
<td>-2%</td>
<td>0%</td>
</tr>
<tr>
<td>EMEA Economy Short Haul</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>NA Economy Short Haul</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>LATAM Economy Short Haul</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>APAC Business Class Long Haul</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>EMEA Business Class Long Haul</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>NA Business Class Long Haul</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>LATAM Business Class Long Haul</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>APAC Mid-Range Property</td>
<td>14%</td>
<td>16%</td>
</tr>
<tr>
<td>EMEA Mid-Range Property</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>NA Mid-Range Property</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>LATAM Mid-Range Property</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>APAC Upper-Range Property</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>EMEA Upper-range Property</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>NA Upper-Range Property</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>LATAM Upper-Range Property</td>
<td>28%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: American Express advisory services1 Expert Insights global business travel forecast 20131
The Promise of Mobility

Workplace Challenges

Often, communications about policy updates are overlooked in the day-to-day bustle of work. Traditional memos or updates on the corporate travel booking site may not be timely or memorable enough to influence behavior. Many employees may be unaware of, or simply ignore, corporate travel and expense policies when booking trips. Mobility can be used to address these challenges, directly influencing employee behaviors.

Influencing Behavior When it Matters

Long gone are the days when access to travel planning was only available from a desktop computer or landline telephone. Offering mobile travel capabilities to employees at key decision points in the travel lifecycle can improve the user experience and encourage compliance. For example, employees can book travel and update itineraries with their mobile device (see Figure 5).

By bringing travel and expense guidelines directly to employees, mobility reduces the likelihood that employees will use a consumer-focused mobile travel application instead of following company policy. We believe that mobile devices can help keep policy more top-of-mind as employees make decisions.

Figure 5 | Key travel and expense process decision points

<table>
<thead>
<tr>
<th>Key travel and expense points to influence behavior</th>
<th>Book</th>
<th>Travel</th>
<th>Pay</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choose booking channel (mobile vs. web or corporate tool vs. consumer application)</td>
<td>Decide where to purchase any incidental expenses (e.g., meals, taxis, etc.)</td>
<td>Select payment method for it (e.g., corporate card vs. personal card)</td>
<td>Prepare expense submission</td>
<td></td>
</tr>
<tr>
<td>Select travel vendors for transportation, lodging</td>
<td>Make any incidental charges while away</td>
<td>Collect receipts</td>
<td>Submit receipts and expense forms for review/approval by due date</td>
<td></td>
</tr>
<tr>
<td>Confirm alignment to corporate travel policy, request approval</td>
<td></td>
<td></td>
<td>Track reimbursement and rewards</td>
<td></td>
</tr>
</tbody>
</table>

Value opportunities

▲ Transparency/data
▲ Traveler engagement
▲ Corporate payment incentives
▼ Travel vendor incentives
▼ Incidental travel costs
▼ Travel costs

Source: Accenture
Expense Reporting Simplified

Mobile expense management can also improve traveler convenience and reporting accuracy and timeliness. For example, by enabling employees to photograph receipts and manage and submit expense reports, mobility helps reduce the headache of holding onto receipts and waiting for approval to be reimbursed. Managers can review and approve expenses submitted digitally while employees are still on the go.

Maximizing Mobile Functions

An important consideration in devising a mobility solution is figuring out how to maximize the many features of mobile phones to help improve traveler experience and policy compliance (see Figure 6). For example, many companies push text notifications in emergency situations to keep employees informed and safe. Simply having a mobile or tablet application that replicates an online site only provides a measure of convenience.

Fully incorporating these mobile features at key points in the travel and expense process will allow travel and expense managers to reach employees in the places it matters in ways that influence desired employee behavior.

Figure 6 | Mobile feature applications

<table>
<thead>
<tr>
<th>Mobile Feature</th>
<th>Potential Applications</th>
<th>Potential Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portability</td>
<td>Booking on the go</td>
<td>Enterprise: Routes employees to corporate solutions as opposed to consumer applications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee: Reduces risk of non-compliance</td>
</tr>
<tr>
<td>GPS</td>
<td>Provide recommendations</td>
<td>Enterprise: Promotes options within policy during travel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee: Identifies suggestions from company and colleagues while traveling</td>
</tr>
<tr>
<td>Camera</td>
<td>Receipt capture</td>
<td>Enterprise: Reduces T&amp;E processing expenses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee: Facilitates expensing process</td>
</tr>
<tr>
<td>Text</td>
<td>Alerts and updates in emergency situations</td>
<td>Enterprise: Helps communicate emergency plans and keep employees safe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee: Provides valuable information and alerts</td>
</tr>
<tr>
<td></td>
<td>Push policy notifications</td>
<td>Enterprise: Enables real-time alerts about policy to ensure communication</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee: Facilitates compliance and avoids risk of not being reimbursed due to non-compliance</td>
</tr>
<tr>
<td></td>
<td>Send alerts for “key wins”</td>
<td>Enterprise: Engages employee by rewarding compliant behavior</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee: Provides reinforcement for compliant behaviors</td>
</tr>
</tbody>
</table>

Source: Accenture
Innovate with Gamification

We are not talking about board games. By using game mechanics such as competitions and leader boards to influence behavior, gamification presents an opportunity for travel and expense managers to have a more interactive dialogue with employees. Gamification is growing in popularity because it helps enterprises capitalize on the appealing power of games to engage users and shape their behavior. Unlike traditional methods of imposing controls or policy mandates, gamification taps natural competitive and collaborative human instincts to increase employee engagement.

Figure 7 | Application of game mechanics

Examples of "game mechanics" are:
- Points
- Levels
- Challenges
- Trophies & badges
- Virtual goods

Companies are using these mechanics for employees to:
- Set goals
- Track performance
- Improve performance
- Capture real-time feedback

These gamification ideas lead to improved:
- User behavior
- User satisfaction
- User experience
- Loyalty & engagement

Source: Accenture

Gamification and Travel and Expense Management

There are several key decision points throughout the travel and expense management process where gamification can be used to provide positive reinforcement for behaviors that align with company policy or that help save the company money. Such reinforcement may take the form of monetary rewards or recognition and praise.

Consider these examples:

- A corporation posts travel and expense scores of individuals and departments on its intranet. Travelers or departments exhibiting the most cost-conscious behaviors would receive higher scores on the leader board and bragging rights over their peers as the most "savvy travelers". Taking it a step further, if the corporate culture merits some form of material reward, the company could enter the five highest scorers in a drawing for a tablet or a team outing.

While some companies have developed elaborate ‘games’ to educate employees or incent behaviors, others have made simple changes to existing tools and processes to introduce game mechanics (see Figure 7). To some degree, gamification is about creating a more collaborative relationship between employer and employee—an especially important dynamic given changing employee expectations about how they engage with their employers.

Gamification has recently seen success in the health and wellness field. With the rising cost of health care, companies are increasingly teaming with their employees to encourage better health practices. For example, RedBrick Health, a Minneapolis-based health care company provides an offering that uses game mechanics, such as awards and competitions. These mechanics encourage employees to make responsible health decisions such as exercising at the gym or choosing healthy snacks. The points that employees earn for these decisions link into existing internal rewards platforms and can be redeemed for rewards. RedBrick’s clients have seen a substantial increase in employee engagement, as well as a reduction in health risks, resulting in a 2.8:1 return-on-investment over two years.12
Customizing Gamification

By 2014, over 70 percent of the Forbes Global 2000 will have at least one gamified application according to Gartner. But, Gartner cautions that 80 percent of gamified applications will fail to meet business objectives by 2014, primarily due to poor design. It is critical to design a gamification solution that is tailored to your organization’s culture. Companies should build gamification solutions around four considerations: people, process, technology and organization (see Figure 8).

People—Appealing to your employees
Imagine employees receiving automatic, location-based alerts providing policy guidance on their smart phones, instead of having to search through email archives for booking procedures. With the demographic makeup of the workforce changing, that’s the kind of communication that employees expect and appreciate. Savvy utilization of the mobile channel, such as sending real-time reminders, can initiate a more interactive and pointed dialogue with employees about expense management.

Process—Integrating at the right point
Identifying the most common points of program non-compliance—such as booking outside of the company’s travel booking tool—is a starting point for designing an effective gamification solution. The key to truly changing behavior, however, will be to influence or remind employees at the moment when they are making decisions and reward desired behaviors. Then, understanding what drives employees to use other tools—loyalty to a specific hotel chain or lack of familiarity with policies—will be the next consideration.

Technology—Integrating travel and expense data
For several large corporations that are in the process of designing gamification solutions, a key success factor is having access to accurate and consistent travel and expense data. One company we spoke with mentioned the importance of having a single global platform from which to source this data. The benefits are two-fold: simplification, since information comes from a common source, and streamlining, since fewer system integrations may be needed. Other companies manage multiple platforms by engaging a third party technology provider to consolidate and reconcile data across the organization.

Gamification applications should be capable of integrating with existing systems and data sources. Data accuracy is important when using a solution that monitors and tracks behavior. Employees are unlikely to embrace gamification if they feel that the information used to evaluate behavior is unreliable, or that their efforts to participate are not adequately recognized.

Organization—Fitting the culture
Perhaps the most important consideration for designing a gamification solution is to monitor alignment with the organizational culture. A highly motivated sales force, accustomed to posting and rewarding sales performance, may be receptive to competitions or leader boards. Conversely, a collaborative team-based culture may respond less positively to individual competitions because they may create a “winners vs. losers” dynamic. Creative ways of appealing to collaborative environments may include awarding points for sharing knowledge or recommended practices. Different game mechanics and constructions will be appropriate for different organizations.

Figure 8 | Incorporating gamification

People
Assess DEMOGRAPHIC characteristics of the workforce that may influence adoption.
Example
• What percentage of your workforce is Generation X or Millennial?

Technology
Identify and integrate with SYSTEMS and TECHNOLOGIES that are already in place.
Example
• How will any gamification solution integrate with existing tracking and measurement systems?

Process
Consider PROCESSES that are already in place to ensure consistency and transparency.
Example
• How will this integrate into existing travel booking and expense submission processes?

Organization
Incorporate any CULTURAL considerations that could influence game design or mechanics used.
Example
• Is the culture competitive or collaborative in nature?

Source: Accenture
Like many large multinationals, Accenture, the global consultancy and outsourcing company, incurs significant costs supporting employee travel; in 2012 its global air travel costs exceeded $550 million.

To better manage those costs, Accenture launched a global change program resulting in increased employee compliance and millions of dollars in annual savings. The key to this program’s success was a gamification application called “MyTravel Summary”.

The application, displayed on each employee’s intranet landing page, is linked to travel data sources that track individual employee travel statistics. It shows employees in plain language how their travel decisions impact Accenture, as well as the environment. Travelers can see, for example, how many tickets they booked out of policy, how much savings they missed, and the CO2 impact of their travel decisions. Providing this degree of transparency enables Accenture to influence employee travel behavior.

MyTravel Summary was part of a broader range of travel policy changes. Mary Bastrentaz, Accenture’s Managing Director of Global Travel and Events, feared that these changes would engender significant employee backlash. But to her surprise, the overall response was positive. For the first time ever, employees could see the impact of their travel decisions, she noted. Bastrentaz said that ultimately “people really want to do the right thing” and MyTravel Summary is “bottom up creating a cost-conscious culture.”

In light of the successful initial launch of MyTravel Summary, Accenture is expanding its functionality. Users will be able to compare their travel behaviors with co-workers within their business groups and geographies. A pilot program to reward employees with “Smart Traveler” badges and discounts on personal travel for outstanding travel behavior is also underway. Bastrentaz believes that these changes will encourage further engagement and deliver business benefits for Accenture.
Once a mobile and gamification initiative is designed, the major challenge companies will face is how to implement and sustain the changes it engenders.

**Start small**

Start by piloting the program with a subset of your travelers, focusing on a specific functional area or business line within a single geography. This will allow you to learn and evolve your program ahead of further launch.

**Team with service providers**

Clearly setting expectations up front and closely collaborating with your travel or expense management providers can help facilitate a smooth design and implementation process.

**Iterate, but not too quickly**

It is important to evolve the program as you learn more about how your employees are engaging with gamification. But don’t rush. Allow sufficient time for your workforce to adjust and adopt desired behaviors. We recommend somewhere in the range of 3-6 months before making any major changes to the program.

**Integrate employee feedback**

Listen to employee feedback and combine it with your success metrics to identify where to make adjustments. In order to maintain the success of a gamification program for the long term, you should heed feedback from your employees so that the program continues to meet the evolving needs and characteristics of your workforce.

**Track your success and share**

Tracking the success of your program is an important component for verifying that the change will be meaningful and sustained. Insights on program success should be shared with the broader employee community to help maintain cross-organizational support.

**Steps for Implementing and Sustaining Change**

- Start with a pilot in a specific part of your organization
- Team with your service providers throughout the process
- Gather feedback from your employees
- Track success metrics from the start
Conclusion

Travel and expense professionals have a significant opportunity to shape employee behavior by leveraging mobile capabilities and gamification. These strategies, which have been used successfully in employee health and other enterprise applications, have shown good initial success in delivering employee engagement and savings to travel and expense management.

The drive for action is clear. It’s time for travel and expense managers to update their playbooks for the digital age. Companies have likely exhausted punitive approaches to travel compliance that may have worked in the past. Moreover, such approaches are out of step with today’s younger workforce which is accustomed to the use of digital devices both at home and work.

Mobile and gamification initiatives, if designed and implemented to meet the nuances of your organization, can have a big payoff: a highly engaged workforce, increased compliance and potential cost savings.
Footnotes

1. American Express, “American Express Advisory Services’ EXPERT INSIGHTS Global Business Travel Forecast 2013,” 2013. Note: All predictions are for likely changes in rates American Express Global Business Travel clients can expect to pay. These changes are not a prediction of average published rates by airlines or hotels.


4. For the purposes of this study we defined the generations as follows:
   1) Millennials are those born between 1980 and 2000, 2) Generation X are those born between 1965 and 1979, 3) Baby Boomers are those born between 1946 and 1964.


12. RedBrick Health

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 261,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$27.9 billion for the fiscal year ended Aug. 31, 2012. Its home page is www.accenture.com.