Business Traveller Management – What Service Model Should You Implement

As the Business Traveller problem gathers pace companies are researching how they manage the issue within their companies. Many are preparing business cases for internal consumption on why and how they will manage this sometimes complex issue.

Companies differ in culture, operational practices and technologies and quite often knowing where to start can be an issue.

One element to examine is the service model to deploy in the company. In this article we will examine a number of different models that can be deployed in order to bring about the optimal solution for the company.

1 - Manual Management Of Traveller Data

Most companies that are employing elements of business traveller management are working on a manual management of data extracted from the traveller or various systems such as travel agency data.

Employees that are asked to complete internal excel forms or Tax provider calendars can do so haphazardly, or not in a timely manner, so the ability to stay ahead of compliance risk can be compromised.

Travel agency outputs are vast and travel agencies very rarely parse or sort the data to present it in a meaningful way. Travel agencies manage travel on a 'one way' sector basis so a single travel trip can appear on multiple lines, and the trips need to be joined up before any meaningful analysis can take place. Certain legs of trips may be booked outside of the travel agency system so the ability to get a full picture of events can be limited. Most travel managers will regard that 80-90% compliance with booking tools are a success. The Global Business Travel Association also claims only 40-50% of companies used a managed travel programme. Many other companies implement travel policies and allow travellers to book within certain classes of service or spend limits in hotels etc.

If the data has been gathered then this is only the first stage of the process. The data now has to be analysed and checked against prevailing legislation. Many mobility managers will have a good grasp of their domestic legislation but may struggle to keep up with the ever-changing global legislation in Tax and Immigration. An expert in the UK Appendix 4 system may struggle with the Nordic Multilateral Treaty regulations.

A further difficulty lies with the consistency of this approach. Most business travel regulations are predicated on cumulative travel within a set period so the need to manage and keep the data consistent is critical if thresholds are to be managed. Doing so can involve advance Excel skills but even then, the analytic element of the output is only as strong as the knowledge set of the person analysing the data.

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2 - Analysis Of Data By Rules Engine/Technical Software

If the first model is employed to collect the data it makes sense to analyse the data by using an industry rules engine. Many Tax Providers and Immigration companies provide such systems as part of their standard product provision and there has been a surge in this product area recently.

If we take the extension of the first model now to include the rules engine element we can then get greater data and information based on the algorithms present in such systems.

In this model the data can be analysed without a change management programme or introduction of new processes for travellers. Existing data sources can be harnessed and directed to the rules engine.

The rules engine will deal with the accumulation of travel data and when a certain threshold or trigger is reached an alert can be sent to the relevant Tax or Immigration team. This can be run as a background process while mobility teams get on with higher value tasks. Automating takes away the tedium associated with the manual analysis of the data. As alerts are issued mobility teams only have to deal with actual incidents rather than analyse extensive data and find no issues.

Levels of automation can be as simple as Excel files upload on a daily / weekly basis all the way up to full automated integration with Travel agency systems to set up an Automated Programming Interface (API) with the rules engine. Explore with your service provider whether they can provide a tax and immigration rules engine.

3 - Supplement Data Gathering With Traveller Input

The next model seeks to enhance the data quantity and quality by supplementing the travel agency data with direct entry by the traveller via a smartphone or portal service. In this way the data that may be missing from travel agency systems can be collected and added to the existing data set. If previously booked travel data changes then any corrections can easily be applied at the smartphone level.

Within continental Europe or the US much business travel can take place in personal

vehicles or travel modes not available in travel agency systems. Similarly travel agency data really only means that a traveller booked a ticket – not necessarily that they actually travelled to that location. In many travel events the final location may not actually be the location of the destination airport. By booking a flight to Dusseldorf for instance, a traveller could be in three different countries within an hour by hiring a car. As the traveller is mobile they may not be able to access company systems or VPNs to update information, but almost every traveller will have access to a smartphone, allowing them to update travel information.

By communicating the personal nature of tax and immigration breaches in a change management programme, adoption can be high if the traveller understands the minimal effort needed to update information via a smartphone. Several short button presses can be less cumbersome than dealing with a tax audit or immigration breach.

In the same way as model 2 the accumulated data can then be analysed by the rules engine and the outputs examined. Companies can decide whether alerts or notice of thresholds are communicated to the traveller or managed in the background by tax or immigration teams.

This model allows for a greater use of data analytics to feed into resource planning and scheduling as potential tax or immigration breaches can be managed and communicated to lines of business.

This model has particular application to project driven companies such as those in the Oil & Gas or Construction industries. Employees that are constantly mobile or rotate in employment can easily satisfy company compliance objectives with simple smartphone access.

Data from this model also has implications for payroll accuracy by recording accurate details of travel and activities.. By collecting the variable nature of rotating tasks and activities a simple data feed to payroll systems can remove significant administration.

4 - Addition Of Pre-Trip Authorisation
The final model introduces a stage prior to travel where pre-trip authorisation and assessment is added. While not every trip may need authorisation certain hotspots or difficult locations could be mandated as requiring authorisation prior to booking travel. In this way Tax teams could analyse double tax treaty availability or risk of Permanent Establishment creation.

An example from the project management field could be a construction project in Algeria where the Irish unit may be selected to carry out the project. As Ireland does not have a double tax treaty with Algeria any taxable income in Algeria could qualify as an

additional cost to the project, whereas the French unit could carry out the task as taxes could be offset back in the home location. Tax teams can advise operational teams of potential costs that may not be initially apparent when committing resources.

Permanent Establishment risks can also be predicted by analysis of accumulated travel across multiple business units. One division in a company may not be aware of travel / activity in a destination being carried out by another part of the company. Pre-trip analysis by a Tax team could analyse the overall risk to the company and advise accordingly.

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By routing a simple questionnaire from a smartphone or online portal to the subject matter experts in tax or immigration, these teams can provide higher quality advice prior to travel rather than being reactive to resolve issues that occur during a project.

Applying a rules engine to the pre-trip assessment can enhance the quality of advice given by the subject matter expert. Once travel is approved then the previous models can apply as the live trip is monitored by the system. Projects can overrun, and the initial advice given would be based on the scenario presented to the specialist teams, but as operational realities come to pass, work permits or visa accreditation may need to be changed, renewed or extended. Doing this in a timely manner can aid the operational performance of the company.

So Which Model Will Work For You?
Each model described above can be an evolutionary step for companies. Moving from manual analysis of data to an automated rules engine should be the initial goal. As each company has a different culture and practice

the choice of model to implement can deliver the necessary analysis of data with or without a change management programme with the traveller.

If the data exists within a company and travel booking processes are established, then implementing model 2 could work by redirecting the travel agency output to the rules engine. Communicate with your travel management colleagues to see how you can harness this data and submit it to a rules engine.

If a company has a culture of smartphone adoption or usage, then model 3 can be applied. Ultimately model 4 will give the greatest level of protection and compliance by being pro-active rather than reactive to issues that have already taken place. If pre-trip processes are already in place for budgetary control – for example, by an expense management or travel booking engine, this data can also be harnessed and directed to the subject matter expert. If the company culture exists for budgetary management, it is a simple step to add tax and immigration compliance to that existing process.

To move forward with implementing a business traveller management programme reviewing the potential service model is a good place to start. Talk to your travel management colleagues and tax and immigration providers to see what level of automation or rules engine they may be able to supply.

Taking the manual analysis out of the equation is achievable – without too much change within your existing company processes. Each of the models above can 'plug-in' to your existing company processes and you can achieve the ultimate goal of managing your compliance obligations.

LIAM BRENNAN
CEO & Founder of the GT Global Tracker, an award winning software platform that powers many of the mobility industry's business traveller management platforms. Liam has over 25 years' experience in the global travel, relocation and internet services industries. For more information on how to use technology to manage your business travellers visit www. gtglobaltracker.com or contact Liam on liam@gtglobaltracker.com.