

Service Models For Business Traveller Management - Which One Suits Your Company Culture

As companies start to take action on managing the compliance risks of business travellers they will invariably during the business case preparation phase, determine how the programme will actually work in practice and what service model should they implement.

There are several factors that determine the eventual position – amongst them -

1. Company Culture and Risk Profile
2. Traveller Culture
3. Availability of internal resources
4. Tax, Immigration, Payroll & Duty of Care
5. Change management procedures in the company.

Lets look at these in turn:

Company Culture and Risk Profile

There are many anecdotal stories about Mobility professionals raising compliance concerns internally and are rebuffed by senior management about the scale or importance of non-compliance. The culture of the company will usually dictate if they are prepared to 'take the risk' or apply the compliant action. For many years this has been an acceptable practice in the prevailing geopolitical environment.

That environment has changed however, and there is now increased protectionism in global economies as they look to protect local employment and local conditions against a wave of business travellers that are not contributing to local tax revenues or satisfying 'right to work' obligations. The US 'Hire American, Buy American' Executive order was simple but far reaching, and has allowed US Customs and Border Control officers to ask more and more detailed questions to inbound business travellers – questioning if that task could in fact be carried out by an American worker.

Many countries are applying similar policies and the EU Posted Worker Directive has increased scrutiny on mobile workers in the European Economic Area. With the looming deadline for transposition of the Directive in July of this year, the ability to 'wing it' on a simple EU business trip is becoming more difficult.

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As of March 1, 2020, you have a duty to notify new temporary postings. You can already notify your temporary postings that begin on, or after, March 1, 2020 as of February 10, 2020. The data entered will be received by the Inspectorate SZW, the Sociale Verzekeringsbank (SVB) and the Dutch Tax and Customs Administration. The use of this data and enforcement of the duty to notify will take place from March 1, 2020

Dutch Posted Worker information

As these new political environments take place, companies are looking again at a practice that in the past the 'Risk of Penalty' was balanced against the 'Cost of Compliance'. The cost of compliance has now increased particularly with the Posted Worker Directive.

In addition to this single process (Posted Worker) we are now also seeing greater sharing of data between Government agencies that in the past acted as siloed organisations – a policy that companies benefitted from.

In launching the new Registration Portal for the Netherland's Posted Worker there was a small snippet at the bottom of the FAQ section indicating how the Government would share data. In a GDPR world, organisations are now obliged to inform data subjects how their data will be used and who it will be shared with (see above).

So the net impact here is that a 'registration' of a Dutch Posted Worker will mean that the salary data (obligatory in PW registration), hours worked and duration of trip, will be transferred to the Dutch Tax and Customs authorities who may from there calculate whether there is a Tax withholding or Economic Employer obligation.

The ability to 'wing it' has now become more difficult should the company have significant business in the country. On leaving the Schengen zone the traveller's passport is scanned, and now the authorities have a second source of data from the Schengen Information System to corroborate time spent in the country.

Mobility professionals should revisit the business problem in light of this re-balancing of the increase now in not only the 'risk of penalty' but the simple day to day withholding issues.

Traveller Culture

Business travel has changed significantly over the last number of years and the whole process of booking and delivering travel products has changed immeasurably. In this context, business travel managers have revamped their service delivery and the traveller has adapted to the changing processes.

Who would have thought that several years ago when booking via a travel agent or travel manager internal to a company, that most travellers would now be booking their own travel on smartphones, and then when at the airport they either check in online or use self-service kiosks – even tagging their own bags and lifting them onto conveyors.



When self booking tools first came on the market in the mid 2000s, there was resistance from business travellers to change, and by a series of coercive policies – usually linking compliance to expense reimbursement – the behaviour of the business travellers changed. Once travellers got to grips with self-service travel they have embraced it and now couldn't countenance not being able to check in at 8am in the morning from their hotel room – viewing this as 30 minutes saved at the airport later that day.

Mobility teams need to replicate this phenomenon and harness the most human resource they have to ensure mobility compliance. A resistance to involving travellers in compliance programmes seems not to take into account the ever-changing nature of business travel and the business traveller. A recent survey by Travelport – a global travel technology supplier powering most of the world's travel agencies and online travel suppliers – found that travellers will use on average 16 apps while on a business trip – from travel suppliers, expense management providers, taxi firms and accommodation suppliers. A mobility team looking to implement a technology solution would have a receptive audience.

Some of the biggest drains on a Mobility team can be processes, such as A1 or Certificate of Coverage applications, Letters of Invite for Immigration, or Posted Worker registration could all be devolved to the traveller via technology and then approved or submitted by the mobility teams. As mobility teams scramble for resources they are not utilising the first level of resource available to them – the business traveller themselves.

The business traveller is the one with most information about the upcoming trip and to accurately complete a Posted Worker registration or A1 application they invariably have to ask the traveller for the information anyhow – why not have the traveller complete the information online and then submit to the relevant service provider or regulatory body.

If companies can't make this leap then they can still manage the compliance activities by harnessing the data from existing data

sources in the company – travel data, time sheets, or service engineer despatch data.

Understanding the culture of the traveller is an early step in helping you determine the service model you ultimately will employ.

Availability Of Internal Resource

Another potential stumbling block is the availability of internal resource. 'I am a team of one' is a common saying when talking to mobility professionals. Time consuming and tedious tasks such as A1 applications and producing letters of invite can make each day seem like an unending administrative treadmill, blocking the ability of a mobility professional to do what they are really there to do – provide strategic mobility advice. In the same way the airlines have managed to change the behaviour of travellers to a self-service model, mobility teams need to develop a strategy to involve the traveller more in producing the documentation necessary to make a trip compliant.

When self-booking tools for travel first came on the scene there was a similar level of scepticism amongst airline staff – but how that has changed over time is immense.

Availability Of External Vendor Resource In Tax And Immigration

Knowing when to call in third party support for a difficult case can be a toss up between work overload in a mobility department and an available budget for such third party involvement. Some tasks however, do need specialist involvement and can fragment processes depending on the technological capability of the provider. If you have a tech aware vendor, the ability to link systems to ensure data does not have to be entered on multiple systems is an important feature of the service model you look to implement. Using algorithms to manage the 'easy cases' for pre-trip approval for instance, can reduce the need for a mobility professional to review every single trip – the more difficult cases are held firstly for internal resolution and then when required for transfer across to a tax or immigration vendor. Having this

system in one place allows you to manage all vendors in one process and not jump between multiple systems to request service.

Change Management Procedures In The Company

As every company has a different culture the ability to have a successful project roll out is dependent on that culture and the availability of change management project workers. Secure this resource early and from there you can map out whether you go in a piecemeal roll out or 'Big Bang'. We have had best success with 'Big Bang' rollouts where the entire company goes live on Day 1. Business travel is one of the main topics of conversation amongst business travellers – from enquiring about what loyalty programme their fellow travellers are in to discussing the latest requirement from Tax, Immigration, Finance or Safety to allow them to travel. Rolling out a single robust policy means it is discussed more quickly amongst the constituency, and as we saw above business travellers do conform to the 'new normal'.

Summary

Every company is different – but for every culture there is a way to implement a strong business traveller management programme. Whether you only manage the 'hard cases', or manage data in the background or push some of the administrative tasks to the traveller – you can come up with a service model to help you manage your business travellers. Come talk to us and we can help you.

Who knew that you would eventually be tagging your own bag?



LIAM BRENNAN

Chief Executive Officer of Tracker Software Technologies – powering many of the industry's business traveller management programmes such as Weichert Global Organizer, BDO Quicktrip, Santa Fe Business Travel Tool, Altair Orbit, Baker Tilly Travel Mapp, Blick Rothenberg International Trips, Anderson Anderson & Brown, tpa & Aires – with more on the way. Get in touch with us:

www.gtglobaltracker.com
liam@gtglobaltracker.com
 Call +353 868 108 156

