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 **Streetbees**



Crowdsourced insights on business travel
Improving the business traveller experience

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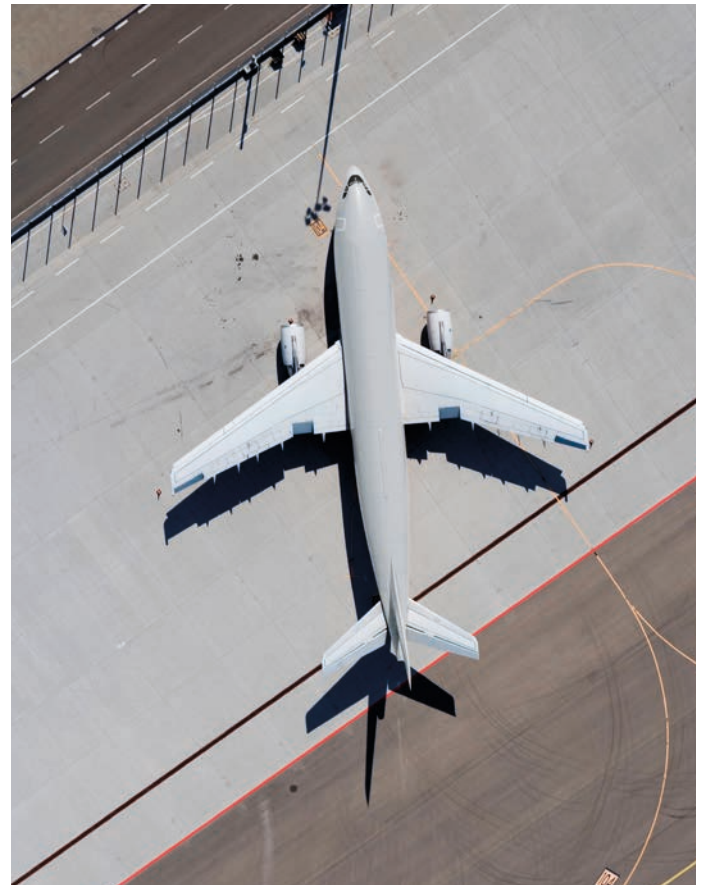
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The potential impact

The consequences facing companies if they don't have proper travel policies in place, or if they aren't followed, can be severe, including hefty fines and lengthy investigations – all of which can put a company's reputation at risk.

So how can you be sure your business travel programme is comprehensive?

In order to highlight potential gaps, we gathered insights from a community of business travellers who regularly cross immigration borders. Our aim in undertaking this research is to help HR Mobility Leaders better understand business travellers' needs and some of the challenges they face. Armed with this insight, we hope they will be able to offer their employees better support and an improved overall travelling experience.

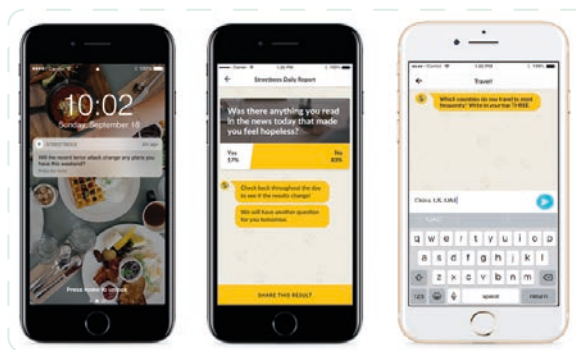
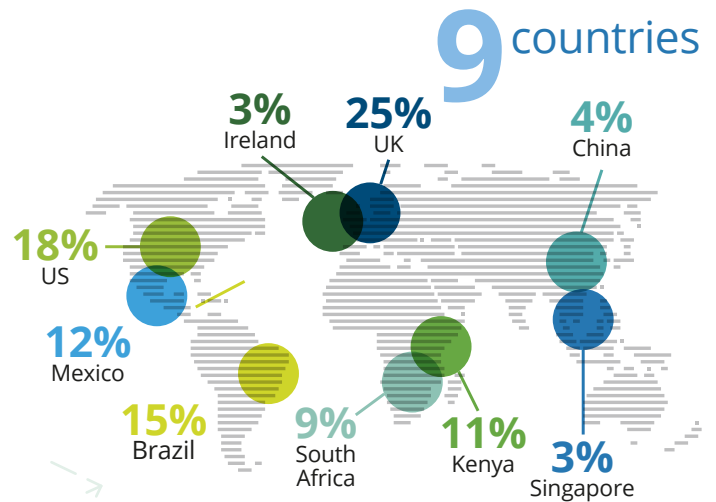


How we developed our insights

We partnered with Streetbees to take an innovative crowd-based approach that leveraged their AI-powered crowdsourcing platform to target cross border business travellers. Our survey covered all aspects of business travellers' experiences, including difficulties obtaining visas or passing through immigration border controls.

Business travellers working in companies with more than 5,000 employees took part in our survey. To give representation in each geographic region, we selected 9 countries including Brazil, China, Ireland, Kenya, Mexico, Singapore, South Africa, UK and US. We captured both quantitative and real-time insight by asking participants to submit photos and videos relating to their experiences. This allowed us to see, and hear, for ourselves the issues they faced and gather a deeper, richer level of insight from our community.

Our innovative approach also allowed us to complete the research in a much shorter timeframe than traditional methods would allow. It was completed within two weeks, during which time we developed questionnaires and launched, collated and analysed the survey data.



"Our innovative crowd-based approach allowed us to complete the research in a much shorter timeframe than traditional methods allow"

The plight of the business traveller

Imagine you're a business traveller. You've just reached border control after your flight – you hand over your passport and visa, only to discover there's an issue. Your important meeting is due to start shortly but you're stuck at border control.

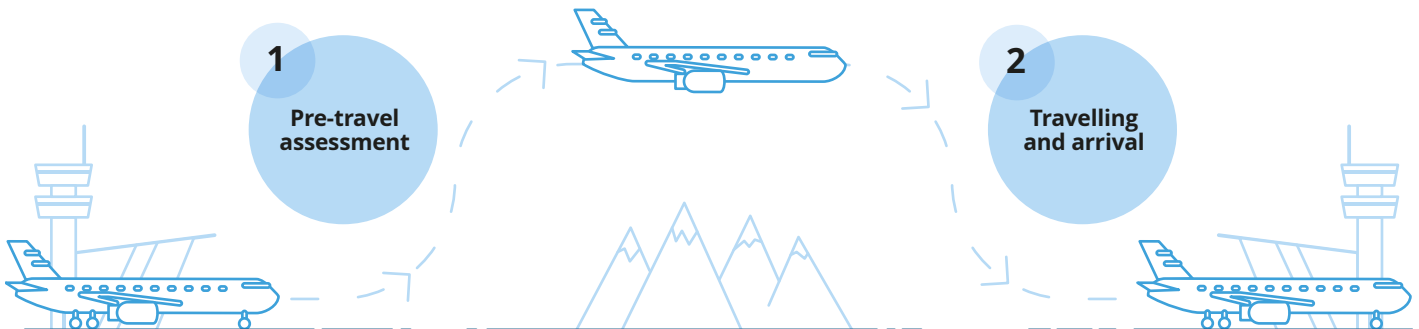
For many people, this is a confusing – and worrying – situation to be in. Would you (or your colleagues) know what to do?

Let's assume yes. You call your company's local contact, asking them to speak with immigration officials and after a few hiccups, you pass border control and make your meeting. The frustration subsides, and the details of the situation become footnotes of your trip.

But that's not the end of the story. A year later, your HR Mobility Team contact asks you to provide information about business trips you've taken over the past 365 days. They want specific details regarding the nature of your meetings and number of days you spent in each location.

Why? Because taxes were due (in the destination locations) on the income relating to your business trips. You're also asked to file tax returns, and you aren't sure if you have to bear the cost of those taxes personally.

This story brings to life a typical issue faced by business travellers and in our research, we've looked closely at why this kind of thing happens, and how we might prevent it in future. To examine the challenges in more detail we'll look at two touchpoints that follow a typical business traveller's journey: pre-travel assessment and travelling and arrival.



The Business Traveller's Journey

Touchpoint 1: Pre-travel assessment

As an employee at a multinational corporation, it's not simply a question of turning up at the airport on time. From logistical concerns – researching routes, transport to and from airports at either end – to the necessary admin of visas and check-ins, there's much more to consider.

Here, we'll take a look at key factors – from business travel payroll tax, to the implications of Brexit - and examine what companies and travellers need to do to help themselves.

Business travel payroll tax

How familiar are you with your company's policy on business travel payroll tax? It's often provided in the policy documents before a trip is signed off, but do travellers really know what the implications of these policies are? Our data shows that in all likelihood, the answer would be no. 40% of frequent business travellers aren't aware that such policies exist, and that number increases to 52% for those who only travel a few times per year.

As long as the implications associated with these policies remain a mystery to individual travellers, conditions remain perfect for mistakes at a corporate level and that's before we even enter the minefield that is visa applications.

Visa applications (and Brexit)

More business trips (54%) need visas than not (46%) and, in many countries, crossing the border for business purposes isn't a seamless process.

This issue is only set to become more complex. Especially for the 32% of travellers exempt from needing a visa last time they travelled, as a result of having an EU passport. With Brexit looming large, there is significant potential for increased risk and confusion, across the board.

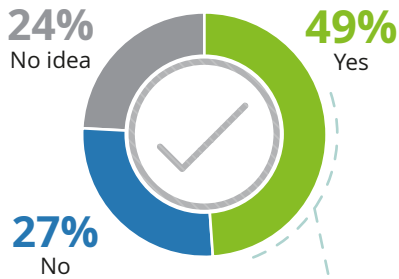
Risk assessments and business travel tax policies

Proper pre-travel risk assessments should help prevent many of the issues a traveller might encounter during business trips. However, despite the heightened security, only 49% of people in our survey said their company completed a pre-travel risk assessment for their most recent business trip.

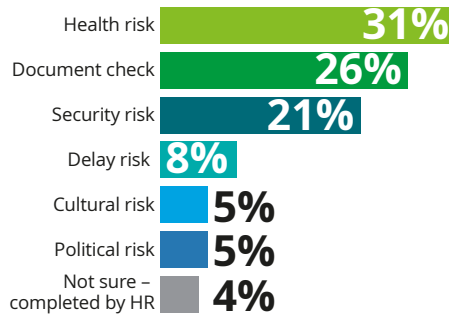
In addition, when people were asked whether their company had a policy on business traveller immigration payroll taxes, over 58% responded 'No' or 'Not that I am aware of'. Both these points indicate a need to educate business travellers.



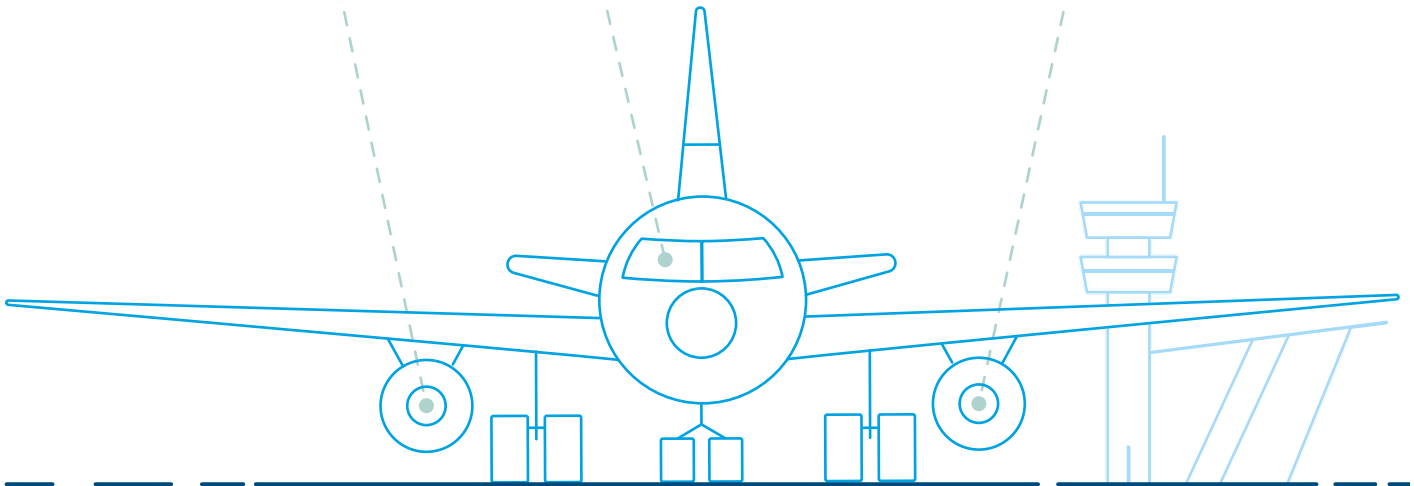
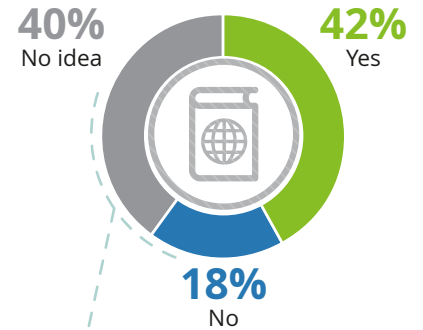
Did your company complete a pre-travel risk assessment for this trip?



Can you briefly describe what were the pre-travel risk assessment involved?



Does your company have a policy on taxes and business traveller immigration payroll taxes?



“We had to reschedule our trip by two weeks as we applied for working visas instead of personal ones”.

So, what do travellers and companies need to do?

Over the past 5 years, there has been a rapid increase in tax authorities auditing companies whose employees travel internationally for business. This is due to the relatively high level of perceived non-compliance among large organisations.

There's an onus on companies to have easy to understand and clearly communicated policies that are accessible by employees. There's also an onus on the traveller to request, digest and follow the relevant policies in a timely manner.

For organisations to remain compliant and improve business travellers' experiences, they should: proactively manage policy design and ongoing development; improve stakeholder education; and lastly, assess their overall business traveller programmes for compliance issues.

Defining policy

Having a robust business travel policy in place will help reduce potential compliance issues along the line. Where not already in place, organisations should establish a framework of core business travellers' policy principles, defining key tax areas like tax reimbursement, preparation and cost recharges, as well as communication and escalation points for relevant stakeholders across jurisdictions. To ensure the policy remains current, regular review must be undertaken. This includes developing and enhancing the policy's structure, and streamlining the compliance process.

Educating stakeholders

Stakeholders at home and in host locations need support: this includes those within HR Mobility functions and business travellers themselves. Everyone needs to be informed about relevant aspects of non-standard mobility, and understand the challenges of business travel.

Assessing business traveller programmes

Organisations need to assess their business travel programmes to identify potential compliance issues. They can achieve this by analysing a snapshot of data, including sample travel and HR data sets. The assessment should include:

- **Immigration:** managing immigration compliance for companies and employees
- **Group payroll:** auditing defence readiness and minimising payroll tax exposures
- **Mobility:** managing mobile employees, policies and processes
- **Tax:** managing Permanent Establishment (PE) and state nexus risks and minimising indirect tax costs
- **Finance:** managing recharges of costs to each business unit
- **Internal audit and risk:** understanding the materiality of the risk and readiness for external and regulatory audits, and identifying risk management needs, capabilities and processes
- **Compliance management:** satisfying compliance objectives in the context of business and regulatory environments

The Business Travellers' Journey

Touchpoint 2: Travelling & arrival

So, the travel plans are sorted. Plain sailing from here, right? Well... not quite. Our data shows that for those who completed a pre-travel risk assessment, 71% didn't have any other problems. But what about the other 29%, who experienced things out of their company's control like bad weather, lost luggage, delays and so on?

What did our survey show?

Many of our survey respondents noted that unpredictable issues, like those mentioned above, are easier to handle during personal trips. In a professional context, however, where productivity is threatened, another level of complexity is added to the situation.

The research also highlighted, that one of the most problematic journey stages was border control. "Stress", "Alleged misconduct", and "Humiliation" are just some of the phrases participants used to describe their experiences at border control, which in some cases turned into head on collisions with immigration officials. More real-life experiences follow:



Location: Tanzania

Despite a valid visa, this traveller had to pay a bribe of USD250 to ensure passage through immigration control.



Location: India

A lack of process at her company meant this traveller and her colleagues had different types of visas, so they had different experiences at border control.



Location: Algeria

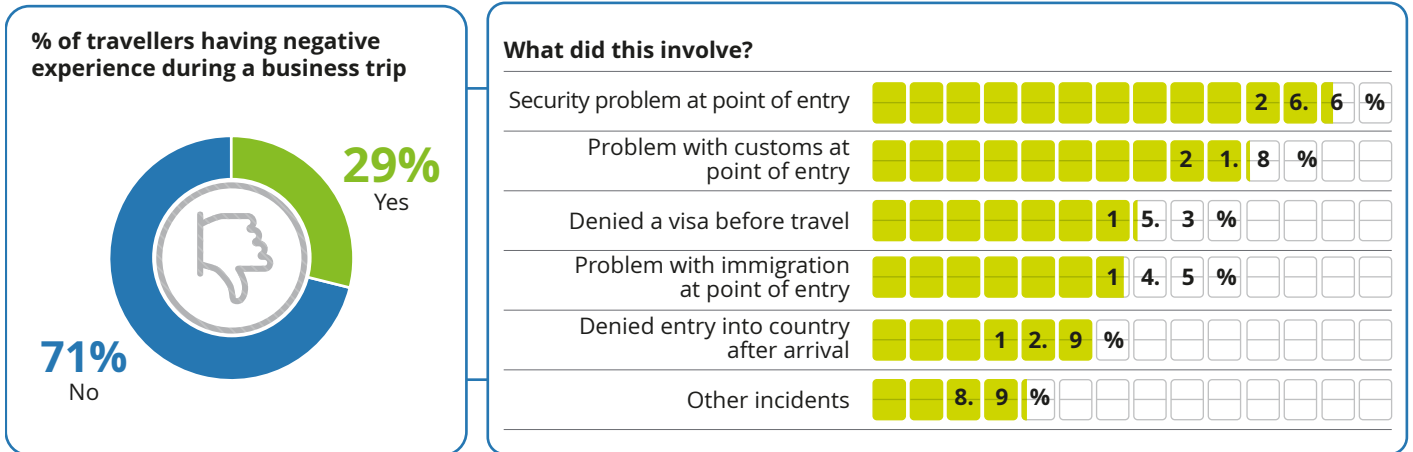
Sometimes, the devil is in the detail. Without the correct Algerian address to hand, this traveller invented one. He was subsequently refused entry into the country.

"My visa was denied before travel. I had to cancel the travel and it was an important business trip to represent my company"

"The immigration officer thought I was there for leisure until a representative of the company came to clear things up"

"I was delayed at the point of entry for more than 3 hours for a security alert emergency"

More than **1 in 4** of our participants experienced difficulties, largely at the **point of entry** to the destination country, either **due to security, customs or immigration**. At this point **it is difficult to get assistance from employers**, putting the traveller themselves in an awkward situation.



How do you deal with the unexpected?

Despite the issues we've outlined (and others like them) often feeling unexpected to the traveller, proper pre-travel risk assessments, at an individual level, should identify the majority of them. Doing this means it is easier to ensure the traveller will be properly informed of what to do should any issues occur – for example, who to contact in an emergency, or how to get political and security risk updates.

The business traveller, of course, still has a responsibility to properly digest all this and other information like business travel insurance details.

There is also opportunity for companies to go further and put in place proactive solutions to help prevent and manage common issues such as a luggage tracking system, which was deemed "essential" by one respondent.



Location: Ireland

For this traveller, a pre-travel risk assessment was carried out at a company level, but not an individual one. As a result, though she's aware of her company's business travel programme, when emergency struck, she didn't know who to contact in the destination country.

Conclusion

Our research has brought to light the need to treat everyone with an individual level of care, which reflects the fact that no employee's situation is the same as their colleagues. The key is to have a robust business travel programme (which includes clear policies) in place that is proactively managed and improved.

Further, HR Mobility Leaders have a task to educate their employees regarding risks and compliance obligations associated with business travel, including their company's policy on taxes, business traveller payroll and immigration processes. At the same time, the travellers themselves have a duty to properly digest the information they are given prior to travel.

Only when all of this taken into consideration will real business travel compliance be achieved.

How can Deloitte help?

Business Travel Analytics from Deloitte

Deloitte can assist Mobility Leaders in addressing these complexities, using our innovative Business Travel Analytics (BTA) approach. It's underpinned by logical service engines, to prevent issues from arising before an employee sets off on a trip. It also evaluates the risks of travel after it takes place from a tax, social security, immigration and permanent establishment perspective.



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