



How dedicated travel and expense software can integrate with ERP platforms to improve user experience, efficiency, and effectiveness for healthcare organizations

When it comes to an organization's Enterprise Resource Planning system ("ERP"), it's tempting to look at such systems as a solution that can do anything and everything. ERP systems can manage and integrate a variety of business processes. Activities like planning, purchasing, sales, marketing, finance, human resources, and more are combined into one consolidated system that manages almost every aspect

of a business. By extension, if an ERP offers an integrated tool, such as an expense management feature that is "free" within the subscription, why would an organization need to purchase any other financial applications? Though an ERP may be a powerful tool and serve as a foundation for successful business operations, no ERP can be as effective as a solution concentrating on specific business processes.

Deloitte provides new research that models an alternate holistic platform ecosystem view that can help answer the question: do "free" expense management add-ons measure up?

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Pivoting processes towards a positive user experience

Healthcare has historically been a “non-mandate culture” where physicians and non-clinical staff have not faced the pressures of strictly enforced travel and expense policies. Furthermore, as an industry, many organizations remain on antiquated systems that are unfriendly to end users. The current business climate requires a dedicated focus on cost containment, productivity, and the employee experience. As such, the emphasis on traveler, approver, and back-office experience and productivity should be a major driver for selecting the correct travel and expense (T&E) partner for the organization. When a patient requires specific care, we seek specialists. The same concept applies to meeting an organization’s business technology requirements. “Good enough” is not acceptable for patient care and it can no longer be suitable when selecting a technology vendor.

It is essential to consider the impact of an organization’s policies and workflows on managerial and administrative approvers. While data insights may seem to be focused on controls and compliance, those insights can allow organizations to fuel policies that empower end users and back-office staff to maximize their productive value. Access to data makes it more convenient for every level of the organization to see what needs to be validated for approval. The importance of this cannot be understated; the less time staff must spend on tedious actions with non-essential, non-revenue-generating tasks like recording travel and expense claims, the more time they can spend on the core business, patient care, and other critical tasks.

The pace of innovation drives the need to differentiate

Hospitals, and more broadly, healthcare systems, are evolving. As the industry trends towards more hyper-focused, value-based care, it is extremely important to target and transform clinical and non-clinical staff expectations, organizational digital transformation, and adoption of telemedicine/ health services. Increased

competition from new healthcare-focused tech startups, along with a push for greater price transparency and data-sharing, is focusing the industry on transitioning from reactive healthcare to preventative wellness. This has placed new demands on hospitals, necessitating a shift in how hospitals innovate and differentiate to compete in today’s dynamic marketplace.

Historically, hospitals have competed on cost, quality, and specialty offerings that focus on economies of scale, unique intellectual property, specialized resources, geographic presence, and brand recognition. In the current marketplace, hospitals are looking to stay ahead of the curve by adopting cutting-edge technologies, offering incentives for retaining talent, and improving patient outreach and experience within the healthcare ecosystem. These changes to the market are happening at an exponential rate and have a multifaceted impact that cannot be solved for by legacy technology solutions. Many health tech innovators realize that in order to stay relevant and thrive in the future, they must open their organizations to new business models.

Hospitals can bridge the gap between these marketplace challenges and optimize their operations by moving towards technology solutions that consolidate several processes together by sharing information in an integrated, streamlined manner. SAP® Concur® solutions are used by many organizations to optimize the experience for hospital workers by providing a digital network for transacting goods and services, which leads to opportunities for improved patient care, access to new capabilities, and revenue growth. The SAP Concur platform provides integrated and improved travel, expense, and invoice services that allow frontline workers, including clinical and non-clinical staff, to comply with travel and spending policies, enabling them to submit requisite information for reimbursement in a streamlined experience. End users can complete their tasks in a fraction of the time with easy-to-use mobile applications and built-in policy guidelines that drive users towards making good decisions.

The five vital components of a successful platform ecosystem

These platform-enabled ecosystems are gaining traction in hospital care. **Health tech investor trend data shows that interest in new business models was one of the three most impactful changes in 2021**, a record-breaking year for health tech investments. Deloitte’s Lifesciences and Healthcare group interviewed a diverse set of leaders from hospitals, health tech innovators (startups), and investors to collect relevant data about the trends in the industry around technology. This series of interviews articulated five vital components of a successful, sustainable, platform-enabled ecosystem:

Accessibility of underutilized assets

Platform-enabled hospitals seek to facilitate significant value chain transformations that will unlock the value of the broader resource base.

Delegation to an ecosystem

By delegating non-strategic assets to ecosystems, platforms can scale rapidly.

Modularized components

Modularity and standardization make it possible for partners in the ecosystem to plug and play in the platform.

Focus on end-user experience

Enables the simplification and creation of an intuitive and convenient experience for users to drive adoption of the platform, resulting in improved compliance as well as productivity.

Positive network effects

A focus on consumer experience aggregates more consumers to the platform, which brings more producers unlocking cyclical value.

These five driving principles, detailed below, can enable a more open exchange of information and services, while also rewiring the value chain through a better overall end-user experience.

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Accessibility of underutilized assets:

Many healthcare organizations struggle with fragmented data that is distributed across various systems, departments, or locations, making it extremely difficult for organizations to realize any value without a significant time investment. This often results in low confidence in error-prone data. Multiple participants in the study emphasized how building platform-enabled ecosystems helped their organizations access and unlock the value of these critical data assets. For example, the adoption of telemedicine/virtual health service platforms during the pandemic allowed clinicians to see patients anywhere at any time, and in a safer environment, allowing healthcare systems to maximize provider availability. For employee-initiated expenses, a dedicated T&E platform allowed essential workers to pre-request travel and spend allowing organizations to consistently and safely deploy their most valuable resources. Additionally, invoice processes were easily pivoted to the work-from-home environment allowing staff to remain productive and for companies to avoid missed payments.

Data was highlighted by multiple study participants as an underutilized asset. Leveraging underutilized assets in data provides an opportunity for organizations to create a marketplace for vendors/ suppliers and buyers to convene.

Delegation to the ecosystem:

Leading healthcare organizations that have built platform-enabled ecosystems list several advantages of bringing participants together through this business model. As accountable-care organizations continue to grow, some drivers of health care are impacting the risk hospitals take. While hospitals cannot provide housing, groceries, job training, etc., they are able to leverage platform ecosystem technology to make it easier for patients and staff to connect with partner organizations. Health plans can delegate disease management to virtual-first providers, negating the need for the health

plan to build new solutions from the ground up, quickly scaling their use for better outcomes. Organizations are preferring to utilize their extended supplier base by using networked platforms. Networked platforms allow for streamlined workflows that connect suppliers and providers with scalable back-office solutions. Integrations with strong ecosystem partners into the SAP Concur travel and expense platform allow seamless workflows and user experiences before, during, and after expenses are made.

Modularized components

Savvy organizations are building interconnected, modular platforms that enable additional capabilities to help simplify and streamline the user experience. Solutions built in-house historically lacked information exchange, reliability, and were not easy for the average employee to use, especially for incremental add-ons. Even the leading ERP solutions lack the necessary native travel and expense functionality for today's complex environment, and most in-house solutions haven't evolved to support those functions. Leading solutions by established partners, like SAP Concur, provide more reliable connectivity, a fantastic experience for the end user, and consistent quality.

Many study participants discussed how building modular platforms can remove redundancies and improve efficiencies and end-user experience, freeing up clinical and non-clinical staff to focus more on patients. Many of those interviewed also referred to how technologies like SAP Concur can integrate into their existing environments with "plug and play" capability, enabling their organizations to use the platform to improve existing offerings and solutions. The SAP Concur travel, expense, and invoice platform was built to incorporate different data sets and standardize complex activities around travel and non-travel spending, as well as procurement that builds out its user base with data suppliers and buyers/users.

Focus on the end-user experience

Interviewees unanimously pointed to an improved and simplified end-user experience as one of the core outcomes of platform-based solutions like SAP Concur. As one participant said, "At the end of the day, end-user convenience is what you are aiming for." Many participants noted that platforms can create a digital front for taking care of critical activities to support day-to-day functions while helping to identify and optimize the end-user experience. The survey data reveals that 9-out-of-10 hospital digital executives considered digital capabilities to be a path to fundamentally transform their relationship with consumers (clinical, non-clinical staff, and patients). Additionally, hospital system interviewees and panelists discussed designing processes and experiences from an end user's perspective to build consumer trust and loyalty. Consumer trust is critical for guiding consumers to new ecosystem partners.

"An engaging, digital experience can influence consumer behavior, increase loyalty, sustain engagement, and rewire the value chain."

SAP Concur solutions help by creating efficiencies to better manage and pay supplier invoices, negotiate rates, automate and streamline auditing, and allow back-office employees to be more efficient in their roles with user-friendly tools, as well as through process automation.

Positive network effects

Platform businesses differ from pipeline businesses because they compete on virtuous network effects, where data helps create a competitive advantage in the marketplace. To grow, platforms incentivize partners to join and fill gaps in the ecosystem. Many well-known consumer technology companies generate strong network effects: the more users they serve, the more value they deliver (i.e. offerings become better and/or less expensive). Then, with more data on user behavior, businesses can continue to improve their offerings. Better solutions in turn attract more consumers and partners. Further, producers can interact with other producers on the platform. For example, hospitals can leverage data on the SAP Concur platform to address clinical and non-clinical staff needs better, continuously improving the end-user experience, and helping users adopt better compliance and controls behind the scenes.

Three questions every hospital or healthcare system should ask themselves

With the exploration of each of the five pillars above, it should be clear what value such platform ecosystems can provide to hospital and healthcare organizations. Here are some questions that organizational leaders should keep in mind when evaluating an expense solution against the backdrop of a refined platform view:

Does the ERP platform's native expense solution allow direct integration with any travel platforms to enable a seamless end-to-end travel and expense program?

Disconnects between travel and expense processes can cost time and money. These disconnects can occur when there hasn't

been proper delegation to the ecosystem. When an organization's travel and expense processes are integrated into a single solution, common travel-booking activities (e.g. online reservations, changes, and cancellations) are all tracked and matched with employee expenses. Organizations are also able to take advantage of supplier savings and gain visibility into areas of spend more easily, while providing savings and a clear ROI. These are the most important examples of putting the end-user first, positively impacting employee happiness and longevity.

Does the T&E solution offer the customizable reporting and spend visibility needed by an organization to make tactical and strategic decisions?

"Good enough," "free," and "bundled" may sound nice on the front end, but they could cost organizations time and money due to inadequate custom reporting, visibility into trends of spending, and much more. Without modularized components, the data you receive is limited to a system that can't provide the business-critical data necessary for proper decision making. Additionally, what's good enough now will likely not be good enough in the future. Will an organization's ERP system grow and scale with its business needs and continue to develop and deliver solutions for those needs?

Does the ERP solution cater to specific healthcare travel and expense requirements such as continuing medical education or traveling home care clinicians and specialists?

Healthcare has many unique, industry-specific expense scenarios that are often hard to regulate and track. With a standard solution, organizations may not be in a

position that allows them to adapt to their specific needs. End users vary widely in the industry, from physicians and nurses to executives and sales, from administration to technicians, and from staff working from home to guest travelers. One size may not fit all, and an organization can run into trouble when balancing the needs of so many.

Providing a holistic view of spend data with an institution's ERP does not mean having to settle for an out-of-the-box tool to track and integrate travel and expenses. Healthcare organizations still need the ability to integrate with any ERP solution to have full visibility into all spend, from pre-purchases to reimbursements and reconciliation. With configurable solutions from SAP Concur, any organization will gain increased efficiency via an automated end-to-end process that integrates directly with its ERP, providing a more complete view into virtually all data across the organization's spend.

SAP Concur embraces the collaborative nature of healthcare and understands how its solutions must work in a dynamic environment. SAP Concur has dedicated functional and technical experts from R&D, implementation specialists, product management, client support, and a robust healthcare customer community to help organizations evolve in an everchanging business climate.

An organization's ERP provides the institution's backbone, now it's time to maximize its efficiency. For more information, please visit www.deloitte.com/sap.

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