

Cutting carbon breeds efficiency

Concern over the environmental impact of emissions leads many organisations to focus on minimising their carbon footprint. According to software supplier Infor's Nick Fearn, in doing so, businesses can find savings in the authorisation, processing and auditing of travel expenses.

All businesses know they must be greener, but many are still searching for the practical measures that can reduce their carbon footprint. They know they must control carbon dioxide emissions, but may not know how to do so effectively and cost-efficiently.

One method is to look at opportunities for efficiency gains and view them from an environmental perspective. In doing so, business travel soon emerges as a prime source of carbon dioxide. Better managed travel expenses, therefore, can yield quick commercial and environmental benefits.

Pre-trip authorisation is a familiar concept, but only now is robust application software available for managing and monitoring the process. The scrutiny required for pre-trip approval can reduce the number of unnecessary trips – cutting carbon output and costs – by focusing travellers on whether a trip could be replaced by a videoconference or even a phone call.

'Companies are aware they must demonstrate they are doing something about emissions. Travel is one of the biggest producers of carbon dioxide and this data falls to the expense management solution, which has data on unbooked travel, as well as flights booked through the travel administration system. Employees are made to account for all of their trips,' says Nick Fearn, Expense Management Business Manager at Infor.

Infor provides software for pre-trip approval, expense claim creation, authorisation and auditing, time capture for internal/external recharge and supplier invoice management. Whether integrated or stand-alone, each solution integrates seamlessly with existing core systems, removing the cost of transferring data between applications.

Pre-trip authorisation requires travellers to provide an itinerary, which is automatically

routed to the authorising manager for approval, rejection or queries. Responses are quicker, trips are fewer, and the number of people on each authorised trip is lower. Furthermore, companies can guide staff towards lower-cost or carbon-efficient modes of travel.

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'When employees submit travel and accommodation expense claims all the data should lie in a single location, so organisations can build a comprehensive view of travel and entertainment expenses and their carbon impact, irrespective of booking and payment mechanisms,' comments Fearn.

The pre-trip platform

Infor's software suite targets further opportunities. For instance, imposing organisational policy at the point of claim creation can improve the efficiency of business travel by car. Management could authorise trips where necessary, but impose a mileage threshold, above which travellers must justify the use of a car instead of a train. Similarly, higher reimbursement rates for fuel-efficient vehicles could encourage use of economical cars.

Similarly, accommodation policy could select organisations with well-established green credentials as preferred suppliers. Staff using non-preferred suppliers would then have to justify their choices.

Policy management makes economic sense, as it forces employees to think about



how and why they make each trip. Once expense claims are submitted and approved, environmental gains are possible by comparing mode of transport and distance travelled to create a global, enterprise-wide view of travel-related carbon dioxide output.

Infor's technology can even provide a monthly or annual summary of carbon dioxide output for each employee on the expense claim system's home page.

'Companies see the savings that are possible. They accept that automating expenses management yields management benefits. The cost of processing claims is lower, there is less physical re-keying of data, it takes less time for management to check expense claims, and there are fewer payments for non-legitimate or out-of-policy expenses,' notes Fearn.

'It is about control, transparency and efficiency.'

With market analysts suggesting that high quality software solutions can improve compliance with organisational policy from less than 55% to over 80%, expenses management seems like a win-win situation for companies and the environment. ■

Further information

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