



WAKEFIELD

**Balancing Act: Healthcare
Looks to Technology to
Focus Less on Compliance,
More on Patient Care**

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SAP Concur

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Introduction



The healthcare industry is beset by unique challenges that force it to evolve quickly and anticipate solutions before problems occur. Managing personnel time and resources is a key component, yet more than a quarter of healthcare leaders (29%) admit in this digital age their current travel and expense (T&E) solution requires manual data entry. **To further complicate the situation, for more than a quarter (28%) their solution does not connect to internal business systems.** This problem is even more pervasive among their accounts payable (AP) solutions, where over a third (35%) use a system that does not connect internally.

As a result, many healthcare leaders are looking to make improvements in connectivity and efficiency in the coming year. **An overwhelming 85% are likely to consider new or updated Software as a Service (SaaS) or technology solutions for travel or expense; nearly 3 in 5 (59%) say the same for their accounts payable (AP) solutions.** And they know what they want—modern solutions that provide automated processes and a user-friendly experience all while ensuring their organization has access to the insights and reporting they need.

The goals for investing in these new solutions are not limited to fixing the problems of the here and now though—they are about providing leaders with the tools they need for future successes as well. **With new T&E solutions in place, leaders would look to achieve long-term goals like obtaining more insightful data and reporting to better manage spend (44%), modernizing to a cloud-based solution (44%), and providing a more user-friendly experience (40%).** Investing in a new or updated AP solution would enable leaders to pursue objectives like lowering processing time (36%) and cutting costs (36%) — all as a part of the industry's goal of allowing staff maximum time to focus on the patient-centered mission while optimizing their time and cost efficiency.

To dig deeper into these issues, on behalf of SAP Concur, Wakefield Research surveyed 100 decision-makers for T&E and AP solutions in healthcare organizations.

Increased Streamlining and Automation

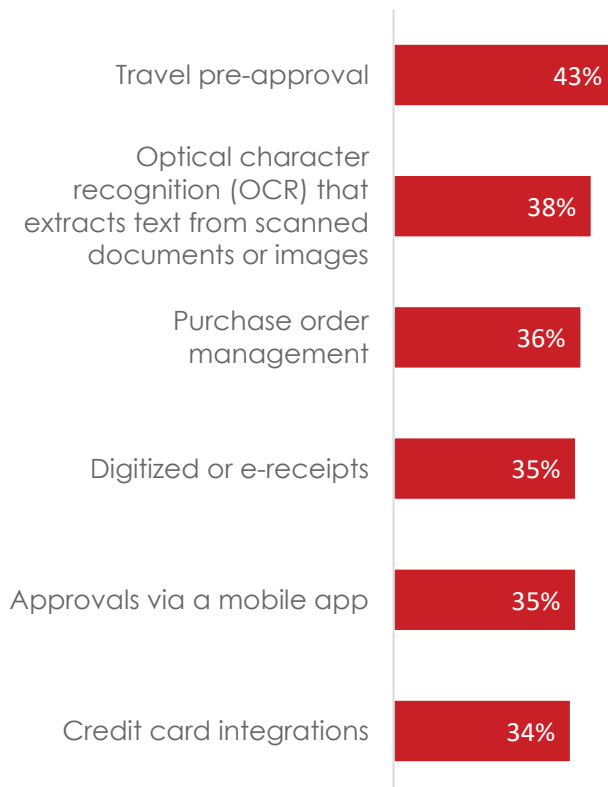
Compliance is of utmost importance. **But in an industry where, on average, 25% of expense reports are audited before payment is issued, the burden this creates can be substantial.** With so much staff time devoted to one task, finding ways to free up personnel is crucial to managing costs and resources.

For more than a third of healthcare leaders (34%), automating tasks to reduce administrative burden is a top goal in replacing or updating their T&E solution, reducing the workload and freeing up staff for other tasks. This includes utilizing a T&E solution that can automatically monitor for any irregularities or red flags, with nearly half (46%) noting any T&E solution their organization uses must provide automated internal compliance checks for fraudulent or non-compliant charges.

Leaders' top goals for AP system upgrades also reflect the desire to move away from time-consuming methods to a more streamlined approach. **These include lowering processing time (36%), cutting costs (36%), and automating payment request verification (35%), as well as decreasing invoice exceptions (33%) and streamlining the approval process for purchases (32%).** Here again, current processing time demonstrates the need for improvement. On average, organizations take 51 days to process invoices and remit payment to vendors, though nearly a fifth (19%) typically require more than 60 days for this.

Working proactively and preparing ahead of time is critical to ensuring an organization can respond to any sudden need quickly, competently, and efficiently. **When it comes to T&E solutions, healthcare leaders point to travel pre-approval (43%) as a must-have, with another 38% citing optical character recognition (OCR) to extract text from scanned documents or images as a must-have**—a requirement they might extend to their AP solution as well, given that 71% work at organizations where paper invoices require manual data entry and scanning.

Must Have Features for a Software-Based T&E Management Solutions for Organization



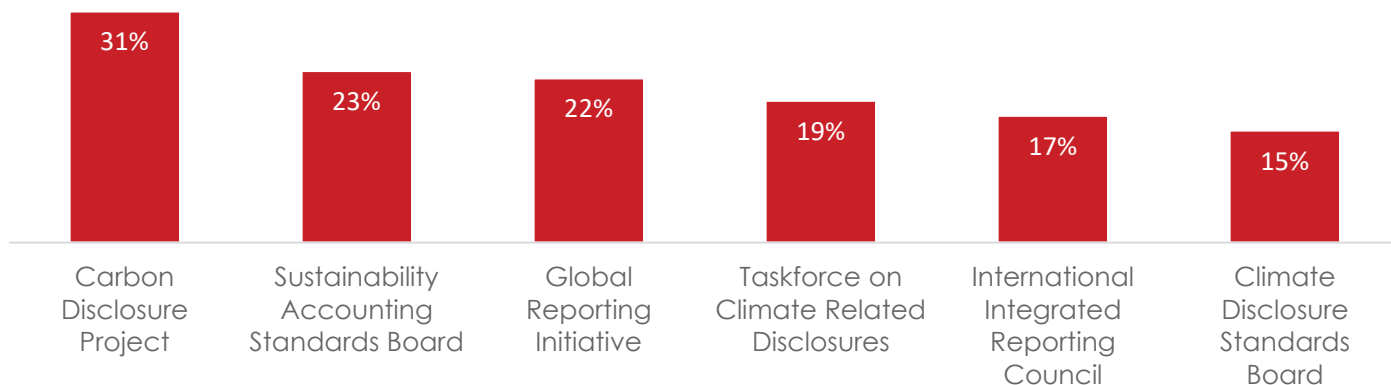


Spotlight: Safe and Sustainable Solutions

Travel costs aren't the only thing healthcare leaders want their T&E software to manage, though. The safety of their employees and the environment are also top of mind. **Nearly 2 in 5 (39%) require a T&E solution that includes duty of care measures to ensure safe travel for their employees, and more than a quarter (28%) view enhancing duty of care capabilities as a top goal for updating or replacing their T&E solutions.**

In continuing the goal of managing compliance standards, leaders want their T&E solution to capture sustainability data along with financials. In fact, 38% require a solution that captures the sustainability data needed for internal or external reporting. **This capability is vital as 95% of these organizations follow at least one set of sustainability guidelines like the Carbon Disclosure Project (31%), the Sustainability Accounting Standards Board (23%), or the Global Reporting Initiative (22%).** Indeed, a third (33%) place supporting their sustainability initiatives among the top five goals they would look to achieve in upgrading their T&E systems.

Sustainability Guidelines Followed



Enhanced User-Friendliness

User experience is a key contributor to the success of any T&E solution, something healthcare leaders understand—no matter how great the capabilities, they are wasted if users can't figure out how to use it. **Nearly 1 in 3 (29%) find their current T&E solution difficult for employees to use, and even more (33%) note the same for their AP solution.** Leaders aren't content to sit on this problem, and a full 2 in 5 (40%) cite providing a more user-friendly experience as a top five goal for their T&E updates. Leaders also recognize that not everyone has the same digital skillset, and nearly half demand user friendliness for employees with varying levels of digital skills (47%) in their T&E solution.

Difficult to Use



29%

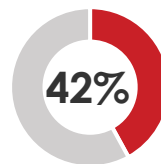
find their current T&E solution difficult for employees to use



29%

find their current AP solution difficult for employees to use

Mobile apps make sense especially for travel. **Having a mobile app for employees to easily capture and submit expenses on the go is one of the most common requirements healthcare leaders have for their organization's T&E solutions (42%).** For more than a third, digitized e-receipts (35%) or approvals via a mobile app (35%) are must-have T&E features as well.



having a mobile app for employees to easily capture and submit expenses on the go is one of the most common T&E requirements

Though healthcare leaders clearly see the need to move toward more automated, digital solutions for their internal systems, they recognize some of their employees may be more tentative. **More than a third (34%) indicate their employees are hesitant to move away from the paper AP systems they're used to, demonstrating a need to ensure that whatever digital solution they present to employees will be easy enough to convince them to change from their paper-friendly processes.** To keep the user experience positive, more than a quarter (26%) view in-app guided end user training as an essential feature for their organization's T&E solution.

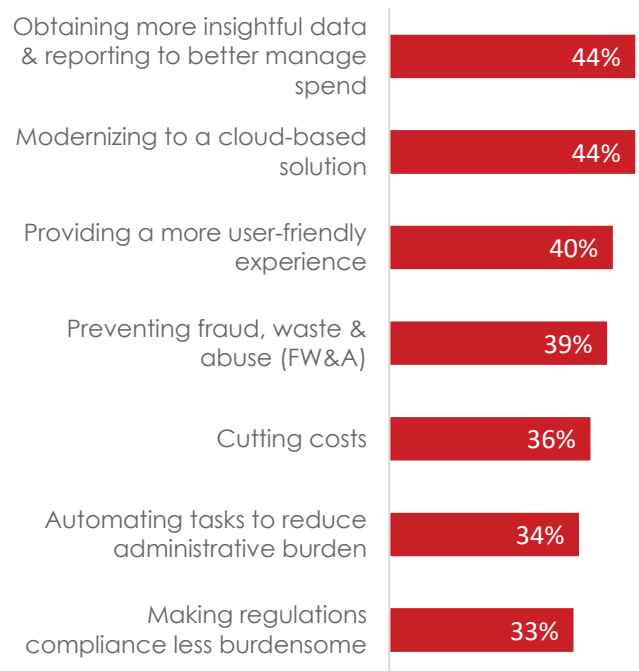
Better Insights and Reporting

Accurate and insightful data is necessary for the planning and decision-making required by healthcare leadership teams, yet many are quick to point out this need as a challenge with their current solutions. **More than a third are working with a T&E (34%) or AP (34%) solution that doesn't currently provide intuitive data reporting functionality.** Additionally, nearly as many report their T&E (31%) or AP (29%) solution does not provide real-time visibility for preventing budgetary overruns and fraud.

Going forward, many healthcare industry leaders set eliminating these shortcomings as an objective. **Cited by more than 2 in 5 (44%), obtaining insightful data to better manage spend is one of the most common goals in replacing or updating T&E solutions.** Nearly as many (39%) indicate the same of preventing fraud, waste, and abuse, while 36% prioritize cutting costs. To help achieve this, almost a third (31%) view real-time reporting and analytics as a must-have feature in a T&E solution for their organization.

Obtaining improved data and reporting is a top goal in replacing or updating AP solutions for a third of healthcare leaders as well (33%), while 36% prioritize cutting costs as a goal for AP upgrades.

Top 5 Goals to Achieve with Replaced or Updated T&E Solution



Spotlight: Compliance Demands

Those in the healthcare industry are used to dealing with a variety of compliance mandates, yet close to a quarter (22%) admit their current T&E solution does not meet their regulatory requirements. As nearly all (99%) have security mandates and regulations their solution currently needs to comply with or will need to comply with in the next 2 years, like the Sarbanes-Oxley Act (32%) and SOC 1 – Type 2 (31%), enhancements to meet this need are paramount. Better meeting government and industry regulations and mandates is among the top goals of updating or replacing their T&E solution for 36% of leaders in this industry, while a third say the same of making regulations compliance less burdensome (33%) or enhancing data security (33%).



Preparing for the Future

While on the ground healthcare needs to move quickly and efficiently for the sake of patients, the industry is often slow to change and adapt when new technologies are introduced. This can leave leaders scrambling when unplanned events happen. **More than a quarter of healthcare leaders (27%) note their organizations are using a T&E solution that cannot be customized to fit their business needs, and the same percentage (27%) have an AP solution that is equally unadaptable.**

They aim to rectify that, however—nearly half (48%) require a T&E solution that can be tailored to meet their business needs as they change over time. **Furthermore, 31% see some form of configuration update as a must-have feature for their organization's T&E solution, and nearly as many say the same of in-workflow audit (30%) or API gateways for real time integrations (27%).**

Cloud-based solutions are likely the easiest option for accomplishing this, which may be why 44% name modernizing to a cloud-based solution as one of the top goals in replacing or updating their T&E solution, and 32% say the same of updating their AP solution. **For 30% of leaders, cloud-based is a non-negotiable feature for their organization's T&E solution.**



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Conclusion

As leaders in the healthcare industry eye investments in their travel, expense, and accounts payable solutions in 2024, they recognize the need to plan for the long term and constantly be on alert for opportunities to streamline their processes. This dynamic industry requires solutions that meet their needs for insights and reporting yet are user-friendly for their staff and meet the compliance demands of their sustainability goals and security regulations and mandates.

To accomplish these goals, organizations will need a partner with the expertise and experience to set them up for success now and down the road. Indeed, more than two-fifths of healthcare leaders (41%) cite having a company with a reputation for understanding the specific needs of their industry among their top five requirements in a T&E solution.

While stand-alone investments in travel, expense, or accounts payable solutions may help meet some of the goals these leaders have laid out for their organizations, going a step further by investing in an integrated travel, expense, and invoicing solution from the outset would make this even more efficient. With many planning to upgrade to cloud-based systems and solutions in the near future, acquiring dynamic and adaptive technologies is imperative to continue to meet the needs of an evolving business landscape.

Methodological Notes

The SAP Concur Survey was conducted by Wakefield Research among 500 Concur customers and prospects in the US, with 100 respondents in each of the following sectors: State and local governments/agencies (not including federal government), Higher Education and Federally Funded Research and Development Centers, Aerospace, Defense and Government Contractors (EE Size: 500+ EEs), Healthcare (providers only – not payer, life sciences, pharma, etc.), and Utilities and energy (not natural resources gas/coal), between September 12th and October 2nd, 2023, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 9.8 percentage points in each of the audience segments from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

A close-up photograph of a microscope, showing the objective lens and eyepiece. The image is partially obscured by a large red overlay on the left side. The text 'WAKEFIELD' is written in white, bold, sans-serif font across the red area.

WAKEFIELD

Thank You

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