

Crowdsourced Insights On Business Travel: Improving The Business Traveller Experience And Compliance Risk Mitigation

The number of cross-border business travellers is rising, but awareness of compliance issues isn't catching up. The consequences facing companies and their employees if they don't have robust 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 and impacting their employees' experience, there may be financial and regulatory implications too.

So How Can You Be Sure Your Business Travel Programme Is Comprehensive?

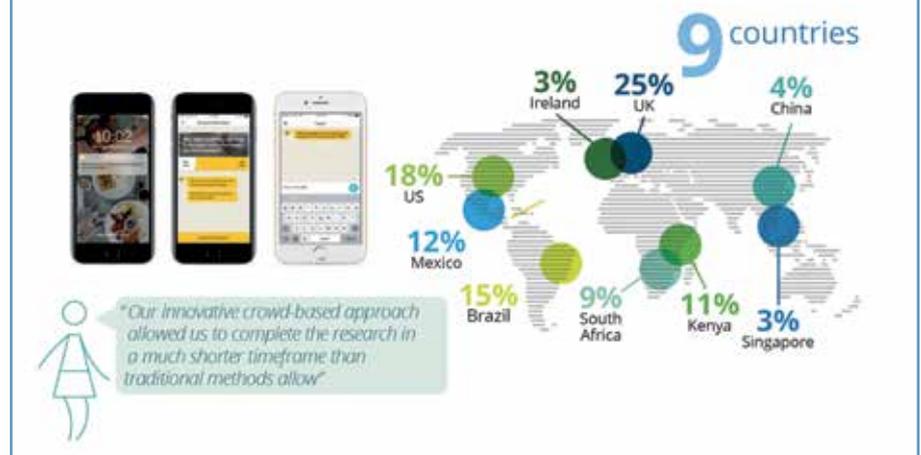
In order to highlight potential gaps, we crowdsourced insights from a community of business travellers who regularly cross immigration borders. Our aim in undertaking this research is to help global mobility leaders better understand the real challenges faced due to business travellers, and provide practical advice on how to improve compliance.

How We Developed Our Insights?

We partnered with a leading global intelligence platform to take an innovative crowd-based approach that leverages artificial intelligence crowdsourcing 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 across nine countries. We captured both quantitative and real-time insight by asking participants to submit photos and videos relating to their experiences. This enabled us to see and hear the issues they faced and gather a deeper level of insight into this group of mobile workers.

Figure 1: Using an AI-powered crowdsourcing platform to capture rich insights from cross-border business travellers through photo, video and text accounts



Insights Into 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 immigration service provider, 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 Global 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 how such situations arise and how they may be prevented. 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.

Figure 2: Business Traveller's Journey Map



The Business Traveller's Journey - Touchpoint 1: Pre-Travel Assessment

As a business traveller, it is 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 employment tax considerations, to the implications of Brexit – and examine what companies and travellers need to do to help themselves.

Employment Tax Considerations

How familiar are you with your company's policy on the payroll reporting obligations regarding business travel? 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 showed 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 there may be significant increase in the need for visas.

Risk Assessments And Business Travel Policies

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 travel immigration and tax compliance, over 58% responded 'No' or 'Not that I am aware of'. Both of these points indicate a need to educate business travellers.

So, What Do Travellers And Companies Need To Do?

Over the past five 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. Business travellers themselves need to request, understand and follow the relevant policies in a timely manner.

Improving business travel compliance requires focus on employee behaviour, the use of sophisticated technology, and robust compliance processes. A holistic approach provides scalable and sustainable improvements.

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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 reviews 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, Tax and Payroll teams, and business travellers themselves. Everyone needs to be informed about relevant aspects of non-standard mobility, and understand the challenges of business travel.

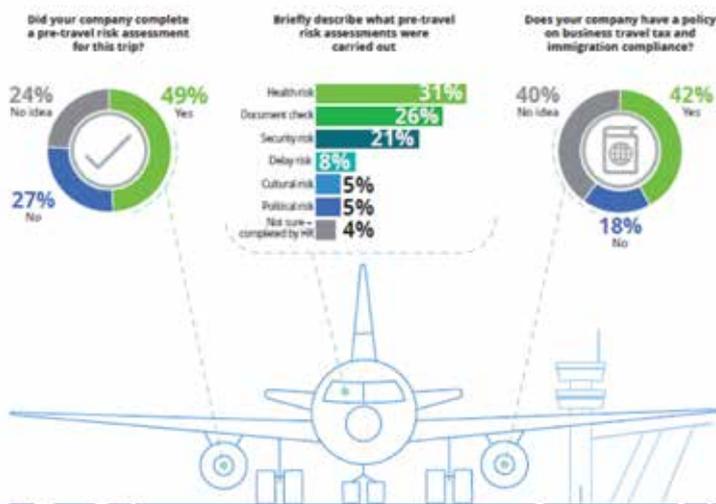
Assessing Business Traveller Programmes

Organisations need to assess their business travel programmes to identify potential

Figure 3: Visa applications (and Brexit)



Figure 4: Crowdsourced insights on business travel



compliance risks. 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 process
- **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 Traveller’s Journey - Touchpoint 2: Travelling & Arrival

So, the travel plans are sorted. Plain sailing from here, right? Well, not quite. Our data showed 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”, and “humiliation” are just a couple of the phrases participants used to describe their experiences at border control, which in some cases turned into head on collision with immigration officials. More real-life experiences follow - in figure 5 below.

How Do You Deal With The Unexpected?

Despite the issues we’ve outlined (and other similar examples) often feeling unexpected to the traveller, pre-travel risk assessments (at an individual level) should help identify the majority of issues. Doing this means it is easier to ensure the traveller will be 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 understand 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.

Summary

Our research 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 in place that is proactively managed and improved.

Further, global 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.

A holistic approach to managing business travel compliance requires broader awareness among your employees, coupled with a robust framework of policies and compliance management driven by the organisation.



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Figure 5: Crowdsourced survey findings

