Business Travel Policy

A variety of trends including globalisation, the growth of new markets and the talent shortage has meant that business travel has become a norm for many organisations. As businesses accept and recognise the need to actively facilitate international travel for employees there is a need to develop robust policies that support business travel programmes.

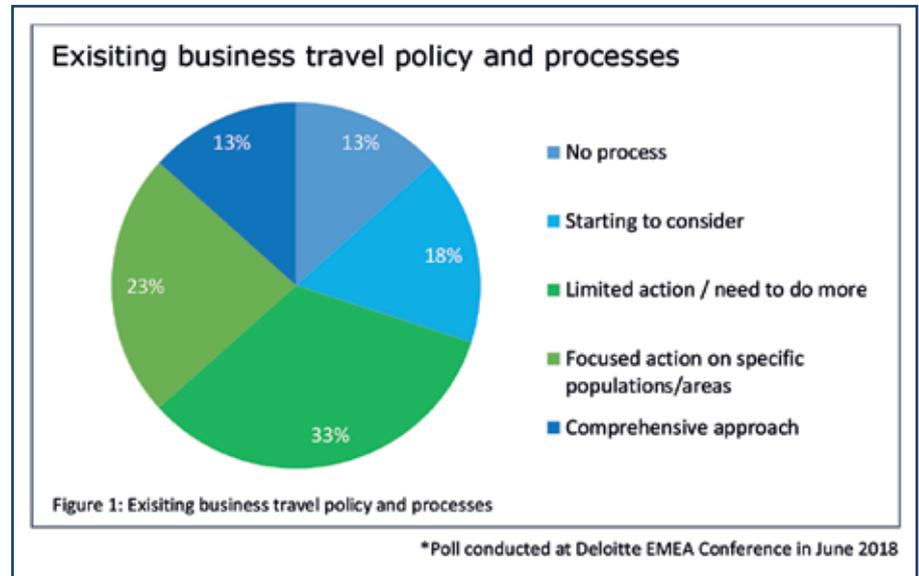## Why Does My Organisation Need A Business Travel Policy?

Tax and immigration authorities around the world are turning their attention to business travellers, creating increased pressure on organisations to evidence robust processes for managing compliance. Although the compliance issues related to business travel have been a 'hot topic' for many years, many organisations have not experienced the implications of non-compliance and have thus not been compelled to fully address the issue or to develop policies specifically designed to frame this critical element of business mobility.

A recent Deloitte survey asked organisations how they would rate their existing business travel policy and related processes. There were a range of responses varying from "no process" to "comprehensive approach". The majority of organisations placed themselves firmly in the centre-ground with a third of respondents accepting that they had taken limited action and needed to do more in this area (Figure 1).

The reality for the vast majority of organisations is that there is still much to do in this area.

Greater reliance on business travel to support business and talent objectives typically results in more frequent trips and/or increasing numbers of travellers, which in turn swells the mobile workforce. This organic growth in employee mobility can however, often fall under the corporate compliance radar. Couple this with constantly shifting legislative goalposts, more efficient exchange of information between national authorities and increased corporate reporting requirements (e.g. BEPS), and a very challenging environment is created for organisations.

Even though these challenges are not new, the swiftly-evolving global legislative landscape means that organisations need to keep this topic high on the agenda

Figure 1: Exisiting business travel policy and processes

*Poll conducted at Deloitte EMEA Conference in June 2018

and approach the problem in a far more deliberate, focused and structured way.

An organisation's ability to manage compliance risk relies on their ability to steer employee behaviour, effectively track business travel and take appropriate action where required. A business travel policy is the starting point for implementing a successful mechanism to tie these elements together.

Developing A Business Travel Policy

Create the right setting for improved compliance by dealing with some of the common misconceptions (refer to Figure 2) that

exist around business travel. The introduction of strong guidelines through a formalised business travel policy will steer employees and the business towards compliance by setting acceptable parameters within which individuals who undertake business travel are expected to operate.

Who Should A Business Travel Policy Apply To?

One of the first points to address is who the policy should apply to – what is the definition of a business traveller in your organisation?

It is important that there is a clear scope that captures a variety of travel patterns,

Figure 2: Common misconceptions
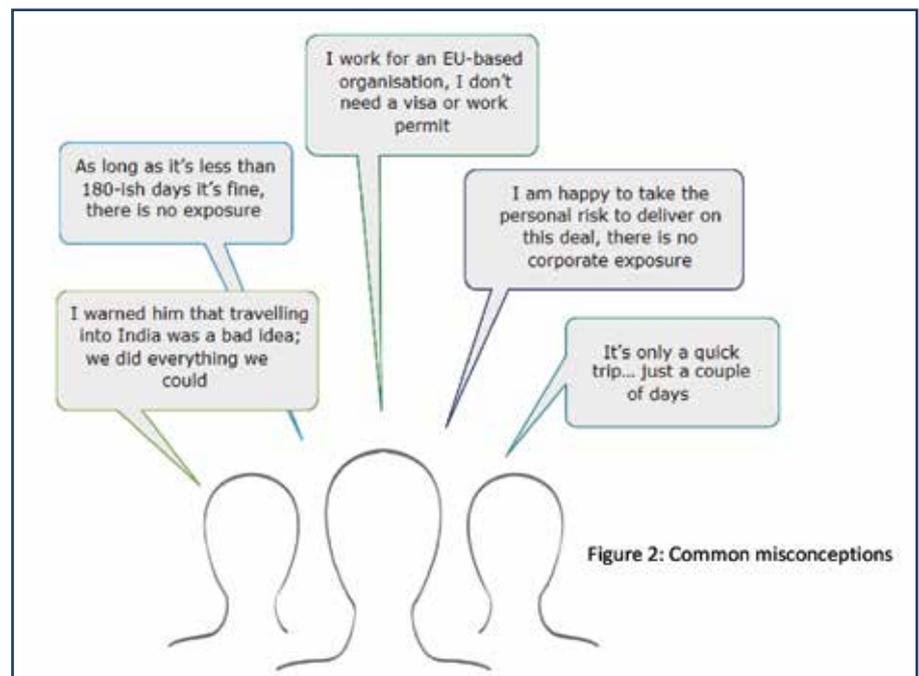
prior to a short-term assignment policy being triggered. This may include extended project work, shorter-term commuting arrangements and business travel. Naturally the scope varies from organisation to organisation depending on a number of factors, e.g. risk appetite, maturity of the programme, existing business traveller processes and technology.

Who Should Own And Manage The Policy – Where Does Responsibility Typically Sit?

In the case of mature business travel programmes we are seeing a trend towards the global mobility function taking more responsibility for business travel compliance, however, in less evolved programmes the responsibility tends to be less well defined, with no natural 'home'.

When designing a business travel policy it is crucial that that a broad stakeholder group is consulted. A cross-functional working party made up of representatives from various corporate areas (which may include HR, Travel, Payroll, Tax and Finance) will deliver a more rounded and representative outcome. It will also ensure that the policy deals holistically with challenges faced by both the individual and the organisation.

To ensure that the business travel policy is implemented and managed effectively it needs to be underpinned by the right governance and structure, supported by senior level sponsorship.

What Should A Business Travel Policy Look Like?

A business travel policy is a great opportunity to clearly set out the organisation's expectations from its employees, as well as how the organisation will support those employees with any required actions. These may include seeking business lead approval or completing a risk assessment. The policy should not sit in isolation, but reflect and support the processes and key principles of the wider business travel programme.

There are a number of key considerations when designing your organisation's business travel policy. These include:

1 What is the purpose of the policy?

It is critical to understand your main objectives and be transparent about these in the policy to effectively drive the right behaviours. There may be a tension between some of these objectives, the policy should address this (for example, employee experience and compliance).

- Immigration compliance
- Permanent establishment
- Talent agility
- Regulatory scrutiny
- Reputational damage
- Tax and social security compliance
- Cost
- Employee experience
- Duty of care

2 Which other related policies already exist?

If your organisation already has a Travel and Expenses policy in place and other types of mobility policies, it is important to consider any overlap and clearly articulate the purpose and value of a new business travel policy while referring to any existing policies where appropriate.

It may not be necessary to create a completely separate new policy document but instead supplement an existing Travel and Expenses policy for example. Too many policies can be confusing and thought should be given to the interaction between them.

3 What are the key messages to be delivered?

Start by considering what would be the top three messages which you would like to convey in your business travel policy and potential interaction with existing policies.

Structure the policy and keep it focused around your key messages. If there is too much detail or the key messages are unclear, the audience is likely to lose interest early on, particularly as the individuals who need to pay the most attention to the policy are likely to be those who travel the most and are therefore the most time constrained.

4 What should the policy look and feel like?

Often a business travel policy will adopt a similar style to existing policies and organisational culture should inform a significant part of this.

Some organisations choose to provide more high level guideline-type documents whereas others have a more formalised, detailed approach including the consequences of non-compliance from an individual perspective e.g. cautions and other sanctions.

Whichever approach is right for your organisation, in our experience the policy should be as simple and user friendly as possible to ensure a successful uptake.

Best practice policies vary as the answers to the above questions are different for every organisation. The most successful are those which make their intent clear - who the policy relates to, the key actions required, references to other policies and who to contact for information.

How Should A Business Travel Policy Be Implemented?

Many organisations dedicate a substantial amount of time and effort to create a great business travel policy but give very little or no thought to policy implementation considerations. Embedding the policy within the business and key stakeholder groups is critical to its success. Consider applying a holistic approach to implementation including the following:

Communications:
Determine how you will roll-out your business travel policy and develop and execute a robust communication plan. Create communication content and create a feedback loop, to assess the success of delivery and adoption of the policy. This will help identify any gaps or changes that need to be made early on.

People and skillsets:
Determine whether there are any changes to resourcing requirements as a result of the new policy. It is important to define clear roles and responsibilities to ensure the right individuals or groups are managing policy application, exceptions, escalations and stakeholders. Hand-offs should be clearly understood by all those involved in managing the end to end business travel process.

Wider ecosystem:
Consider the impact to the wider business ecosystem. It is important to ensure that the resources, processes, technology and governance are such that they do not hinder day to day work and business.

Ongoing review and continuous improvement of policy
As with any other policy, a business travel policy and its application must be reviewed frequently.

Summary
The approach to creating the right business travel policy needs to be balanced and create a setting that enables compliant travel in your organisation – an overly draconian approach will impede the business. The policy should be robust enough that it covers all the compliance requirements and clearly sets out the responsibilities of the employee and the organisation but at the same time is flexible enough to encourage the right business decision.

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