

Eaton Corporation Eliminates Hundreds of Thousands of Dollars of Negative Cash Flow Per Year

Company: Eaton Corporation
 Implementation: Concur Expense
 Industry: Manufacturing
 Company size: 59,000 employees
 Corporate Card: American Express
 Global Commercial Card



“By creating efficiencies in how we manage our money, Concur Expense has removed hundreds of thousands of dollars of negative cash flow per year. Concur offered everything we were looking for in a T&E expense management application, especially in regards to functionality and travel spend data.”

Eaton Corporation, a Fortune 500, global \$8 billion diversified industrial manufacturer, had five separate divisions of the Company using five different systems for travel and entertainment (T&E) expense management. All five processes involved manual creation and approval of expense reports, numerous points of approval, and redundant procedures. Because of the disparate systems, Eaton was required to produce numerous expense payments and reimburse employees via paper checks. During this time, Eaton established a central service center, whose responsibilities included managing the Company’s T&E expense management process. In an attempt to maximize the Company’s cash flow, reduce costs, and increase efficiencies, Eaton decided they would need to automate their T&E expense management process.

After researching several companies including, Extensity, Oracle, and Concur, Eaton decided to implement **Concur® Expense**. Eaton’s 13-person task team reviewed the Company’s existing T&E expense management processes, as well as industry best practices. Once the task team eliminated Extensity, and narrowed their choices to Concur and Oracle, they presented each company with seven T&E expense management “scripts” to run through on their software.

“As a result of the scripts, we could see that Concur really provided best-of-breed functionality, there was no comparison,” said Mike Stevens, senior T&E project leader for Eaton Corporation. The task team then eliminated Oracle, and proceeded to present a financial justification for Concur Expense to Eaton’s vice president of IT, director of Finance and Engineering, and the controller.

“We easily justified investing in Concur,” Stevens said. “Concur offered everything we were looking for in a T&E expense management application, especially in regards to functionality and travel spend data.”

Eaton then rolled out Concur Expense to more than 7,000 employees, who despite

HIGHLIGHTS

THE PROBLEM

- Utilized five separate travel and entertainment (T&E) expense management processes
- Manual processes included numerous approval points and redundant procedures, requiring a significant amount of time spent by employees away from core responsibilities
- Processes required numerous T&E expense payments and reimbursements via paper check, increasing negative cash flow
- Processes did not effectively gather information on T&E spending trends across the enterprise

THE SOLUTION

- Concur Expense automates each step of the T&E expense management process
- Web-based Concur Expense allows employees and managers to easily access T&E expense reports
- Concur Expense incorporates Eaton’s specific company practices and policies, as well as industry best practices
- Concur Expense provides valuable information on T&E spending and vendor compliance

THE BENEFITS

- Eliminated hundreds of thousands of dollars of negative cash flow per year
- Over \$1 million in employee savings so far
- Created a centralized T&E expense management process that dramatically reduced time spent by employees creating, tracking, and managing T&E expense reports
- Provided vital spend information, resulting in significant reductions in travel costs
- Eliminated non-value added activities, resulting in employees spending more time on core responsibilities

being faced with a new, unfamiliar technology, quickly embraced and appreciated the benefits of Concur Expense.

“Whenever you have employees use new software, you have to overcome their skepticism,” Stevens said. “Because Concur Expense is so easy to use and saved our employees valuable time, they liked the application right from the start.”

With Concur Expense, Eaton is able to control their cash flow, monitor expenditures, and avoid redundant procedures. One of greatest benefits for Eaton, is Concur Expense’s ability to eliminate negative cash flow, by eliminating the need for paper checks and streamlining T&E expense payments. Research conducted by American Express indicates that every electronic funds transfer made, instead of processing a paper check, can save a company \$6.72. T&E expenses are likely to represent the second largest controllable expense for companies today. By automating the T&E expense management process, Eaton has achieved direct cost-savings, efficiencies, and control.

“By creating efficiencies in how we manage our money, Concur Expense has

removed hundreds of thousands of dollars of negative cash flow per year,” Stevens said. “Concur Expense has really been a productivity tool for us.”

Stevens adds, “We have taken out a lot of indirect labor involved in the T&E process, providing tremendous savings. We now capture valuable information from our expense reports on enterprise-wide T&E spending trends, which provides us leverage when negotiating with vendors. As much as all the other benefits have provided our company, the better rates with our vendors is just as good, if not greater.”

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ABOUT CONCUR

Concur is the world’s leading provider of on-demand Employee Spend Management services. Concur helps organizations control costs by uniting online travel booking with automated expense reporting, and streamlining invoice processing. Concur’s suite of award-winning on-demand services allow companies to get up and running quickly so they can focus on what’s most important. By automating and optimizing business processes, Concur delivers actionable business intelligence and rapid ROI, helping companies increase efficiency, control employee spend and drive down operational costs. Concur’s business travel and invoice solutions are trusted by thousands of companies and reach millions of employees worldwide. Learn more at www.concur.com.

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