

Flying high in business

As a business traveller, you need to keep track of your expenses, and that's where Concur comes in.

IMAGES SCOTT EHLER

It would seem that nothing is sacred, nothing a person can do that a software program can't do better, so why would business travel be exempt?

Obviously, some software is better than others, and when it comes to travel expenses, Concur has the runs on the board. An American-headquartered technology company that provides cloud-based travel and expense management services, Concur has been owned by giant German multinational software corporate SAP since late 2014.

Concur announced its presence in Asia-Pacific twelve years ago, with a core team of three, one of whom was Murray Warner. Now Director, Business Development, Australia and New Zealand, Murray started his career in IT at a small start-up in Silicon Valley at age 23. Concur took over the start-up seventeen years ago, and Murray made the switch.

"Concur Technologies is led by Steve Singh, who is now on the executive board at SAP, who bought the company. It was a web-based HR system, and he bought a web-based procurement system as well. The idea was to build a >>



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web-based platform of business solutions,” explains Murray.

In 1999, the software world was dominated by client-server software.

“The reason I ended up in software initially was that I thought there would be some sort of transition—like most of the software the world is going through now—moving business systems into the cloud. Think back to 1999: there was a similar change happening, away from client-server software. We were at the forefront, and it felt like we were changing the world. Even if what we did sounded boring on paper, it was actually pretty cool.”

Murray started in marketing and moved into several technical roles

on the client side. He was involved in implementation and project management roles across the US and Europe for three years. Twelve years ago, with two colleagues, he came to Australia.

“Think of any role at a software company, and I had it at that point. I was selling, implementing, supporting. At that time, Concur had only 200 employees worldwide, and I held one of only three positions in Asia-Pacific.

“We were transitioning from being a licensed software business to being a cloud business—one of the first in the world—and trying to figure out how to make it work, so I had a pretty extensive career, selling Concur and getting it up and running.”

As Concur continued its transition and growth, Murray’s job morphed into business development. He travelled the region, setting up partnerships that would allow Concur to grow more quickly. Finding partners and bringing leads into the company has been his role for the past seven years.

In the process, he has set up some of Concur’s biggest partnerships. Given half the company’s revenue comes from its partnership channels, it’s quite a measure of success. No surprise, then, that Murray rates helping Concur grow locally as his greatest achievement. When he first arrived, there were just 10 customers in the whole region.

“I was part of a very small team, which has grown into a very large team, more than 1,000 people. We’re operating in



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six core markets and expanding into countries like Korea and Malaysia. It’s been a pretty amazing ride to go from something so small to something so big, and a lot of that was off the back of working with partners.”

One reason Murray is happy where he is now is that he works for a company with key values and beliefs similar to his own. He believes that this is largely due to the fact the company went through a transformation early on where it shifted from one business model to another.

“We barely survived, and a lot of people didn’t get to keep their jobs. Every company talks about how important culture is, but I think that happening really distilled this idea, from the top down,” recalls Murray. “If you think about what we do—processing paper invoices and expense reports and helping people book travel—it’s not that exciting. But the reason I work here is it’s a company built around

transparency, being upfront and honest, treating our people fairly, and treating our clients fairly.”

Murray says that culture has survived the takeover by SAP, despite it being a much bigger company (70,000 people). He says, “The things we think are important, they do too. There’s been a good collaboration.”

Transparency is not just an important issue in intercompany relationships; it’s the basis of everything Concur does, from dealing with customers, to how the company charges, and what’s in the fine print.

“If you think about business travel and how the travel industry works, we are an independent technology company. Most of the tools that people have used over time were basically built by the industry for people who directly benefit from the travel industry disruption model. They weren’t necessarily travel technology companies.



“If you wind back the clock fifteen years, the relationships between the various travel companies—for instance hotels and airlines—and yourself as the business traveller, went through a lot of different hands. How someone got paid between the supplier and the traveller wasn’t necessarily obvious,” Murray says. “Concur has worked really hard to bring some transparency to the industry.”

Murray uses Qantas as an example, explaining that if a company books a trip to Melbourne through a travel agency, Qantas may not know who the traveller is or which company they work for. However, Qantas wants to know who its travellers are because it doesn’t want to become just a commodity.

“The suppliers don’t want to compete solely on price. Airlines, like hotels, want to differentiate their products by throwing in free internet, a nice breakfast, or a welcome glass of champagne, and they don’t know how to do that because they don’t know who they are selling to. They want to have a relationship with you, and I think Concur has been one of the drivers helping suppliers,” reflects Murray. “Part of what Concur has done is build really nice travel tools. They help you travel better, but also have the ability to feed that data back into the company so they know where you are, and see what >>



kind of rates you're paying. Effectively, they have data they wouldn't have otherwise without Concur."

In November last year, Concur partnered with Accor Hotels—a perfect example of how Concur collaborates with its partners, and the benefits that result. Murray says it was a logical move, given the number of business travellers that stay in Accor hotels. Concur has similar partnerships with Marriott, IHG, and Starwood.

"The type of relationship Concur has with IHG would allow us—when people book on an Accor or IHG website—to obtain the details of that booking: the itinerary data, and the booking receipt data. All of that data would flow into a Concur system automatically. That's the partnership we have with those hotel chains," explains Murray. "It's linking together what a managed travel program would typically call 'leakage travel'—travel outside the program that they have no visibility into. It's bringing that into the corporate environment, but also providing a benefit for the employee because the employee wants to book with us, the supplier, sometimes because they want a room upgrade, the free internet, the bonus points, and things like that."

Of course, Concur is not the only operator in this space, but, according to Murray, the company has a point of difference because it offers three core services. Not one of its competitors also does all three. He says, "I think you would wrap them up into what we call 'spend management', but maybe that's too nebulous. What we do is help process travel and expenses and also invoices of things bought by the company. For example, if someone cleans your office windows, they send an invoice and we'll process it. We define 'spend management' as

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The other thing that Murray believes sets Concur apart is that, about four years ago, its management realised that Concur could not answer all the questions, no matter how much software it wrote.

"Think about everybody who touches a business trip, or a paper invoice. Concur can't build all the software that will take into account everyone who touches that data or that process. So we've spent many of our development dollars over the last four years building connectivity.

"What I mean is there's a paradigm shift as companies go from on-premise licensing software into the cloud. The next shift is that, as cloud software is being adopted as a normal business tool, those clouds can talk to one another. So it's really the transfer of data between cloud systems.

"Think about Accor hotels, for example. Before Concur, there was no way to get any receipt data and itinerary data directly from Accor's cloud into Concur," Murray explains, "or to have Concur data flow back out to systems, for example, that process visas like CIBT. That communication didn't exist before."

With rapid growth in business and corporate travel due to the increase in affordable travel options, it's hardly surprising that Murray is fairly bullish

about Concur's future. The company is currently focused on two key areas: international expansion, and AP automation with companies under 1,000 employees.

"If we talked about Australia specifically, there's less than 1,000 companies there with more than 1,000 employees. We've been very successful in that space. However, there are roughly two million businesses in Australia with fewer than 1,000 employees. It's a big market everywhere in the world, but the trick is how to tackle it in a scalable way.

"Concur has approached the market from the top down, and we now sell deals to companies with as few as twenty employees. Our business in that segment is now larger than our business in the bigger end of town, and we've found how to be transactional in a way that makes sense for a small business. So our main focus over the next two years is adding more fuel to the sales and marketing engine we have in that segment.

"More and more, we're not just selling travel and expense, which is the problem for most companies. We're focusing on AP automation, because the amount of money involved and the scale of the problem around processing paper invoices is much greater for most of our buyers. CFOs and financial controllers recognise that travel expense is usually 10 per cent of their spend, whereas supplier invoices are a huge chunk, usually 10-to-15 times the amount. That's what we're looking to help manage." ■