TravelBank

The Definitive Guide to Post-Pandemic Business Travel and Expenses

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Introduction

The travel industry was obviously one of the hardest hit by the COVID-19 pandemic of 2020. It took until January 2023 for air passengers to finally exceed 2019 levels. But pre-pandemic flight numbers and travel spend are no longer harbingers of recovery. **With 61% of American professionals saying virtual meetings are more engaging than face-to-face meetings** (source), how employees travel, do business, and go to work has probably changed forever.

Travel isn't in isolation. Travel, payments, and expenses are critical financial concerns for any organization, and they're often a company's second largest expense. Waste or mismanagement can make-or-break a company's ability to survive rising inflation and a looming recession.

To write this guide, we analyzed TravelBank user data, interviewed clients, and surveyed industry experts across airlines, hospitality, Finance, and HR. Our goal is to help **Finance, HR, management, and travel departments** accept and adapt to:

- the effects of "forever remote" workforces

- changes in business travel (and travelers)

- exponential expense management

- the headaches of regular group travel

> " How employees travel, do business, and go to work has probably **changed forever**

Adapting expenses to a forever-remote workforce

Simply put, remote, distributed, and/or hybrid workforces aren't going away. According to Zippia's February 2023 report, "The relative success of the unplanned [pandemic] experiment has led many companies towards a permanent hybrid work model. **74% of U.S. companies are using or plan to implement a permanent hybrid work model**."

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For employees, the benefits are well-reported: the flexibility of remote or hybrid work helps balance work and personal lives.

But for employers, remote or hybrid work models are equally attractive, because they dramatically reduce costs. A recent study by the research firm Global Workplace Analytics found that **companies can save $11,000 on average for every employee working two or three days remotely per week** thanks to reduced rent, increased productivity, and lower absenteeism and turnover rates.

The U.S. Office of Management and Budget called this calculator "comprehensive based on solid research"

Image Source: https://globalworkplaceanalytics.com/telecommuting-statistics

These work models also enable companies to retain talented employees. In the 3Q 2022 CFO Signals survey, 71% of CFOs said providing flexibility for work location was the **most effective** action for retaining talent.

Even companies that prefer to be in-person should prepare for hybrid or distributed workforces, whether it's one-off exceptions, or having the flexibility to "go remote" during an economic downturn.

The new remote expense policy

Without clear remote or work-from-home expense policies, employers may find themselves paying for printers, co-working spaces, AV equipment, takeout, Internet, furniture, and/or gym memberships.

Instead of leaving remote supplies and perks to the discretion of individual managers, create an expense policy that communicates exactly what employees can and cannot expense to support their remote work.

But consider! If companies save up to $11,000 for every employee working remotely, small perks boost morale, attract applicants, and **help employees feel productive, valued, and healthy while they work at home.**

We've seen creative work-from-home policies that reimburse strong WIFI, monthly house cleaning, snacks, even therapy, or give employees the option to donate their monthly stipend to charity.

TravelBank.

WFH Expense Policy

Beginning April 2020, all employees may expense up to $150 per month toward the following categories as we transition to working from home.

Meals
- Restaurant Take Out/ Delivery (support your local businesses!)
- Coffee
- Groceries

Health and Wellness
- Virtual Classes
- Mindfulness Apps

Office Needs
- Stationery Supplies
- Home Internet
- Chargers / Adapters
- Mouse
- Keyboard
- Laptop Stand
- Desk
- Chair

Use the category "Work from Home" to expense these items.

Got It

Are we remote, hybrid, or distributed?

Often "remote", "hybrid", and "distributed" are used interchangeably to describe post-pandemic workforces. But there are differences:

- **Remote:** There is a physical office, but some employees don't go in regularly.

- **Distributed:** There is no physical office, and everyone "works from wherever."

- **Hybrid workforce:** Some people work from the office, some work from home, and some do both.

- **Hybrid schedule:** Employees blend in-office days and work-from-home days.

Throughout this guide, we generalize the use of "remote" to connote when staff work outside of an HQ office, regardless if they're fully distributed, hybrid, etc.

Virtual cards for remote employees

Of course, all these remote employees create an avalanche of high-volume/low-cost expense reports. Since the pandemic, expense report volumes are rising, and we're seeing a boom in virtual card adoption to help companies (and employees) cope with the volume of small expenses.

What are virtual cards?

Virtual card numbers aren't that different from a physical credit card. It includes the normal 16 digits, expiration date and security code of a regular credit card. As workplaces embrace a largely remote landscape, virtual credit cards provide an attractive alternative to issuing employees a physical corporate credit card to cover expenses.
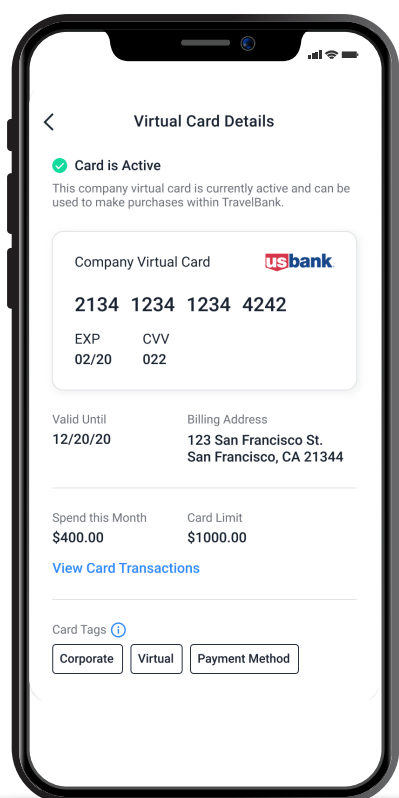
Do employees need training to work remotely?

Remote workforces use rapidly changing technology, self-manage their time, battle distractions, and have to reinvent how they communicate. Consider which skills your team needs:

1. Stronger Communication

Set clear lines of communication between employees and supervisors, and clarify preferred communication tools so messages don't get lost.

2. Effective Collaboration

You don't want to overschedule meetings, especially with an asynchronous workforce, but offering some regular meetings and low-pressure, collaborative working sessions can encourage people to bounce ideas around the way they might in an office.

3. Time Management

A time management and productivity seminar can make a big difference for some employees. So can mapping out a strategy so workers across time zones can hand off work that colleagues need without long delays.

The benefits of virtual cards for work

With virtual cards, companies have centralized, transparent access to all transaction data, and it's automatically synced into the expense system.

- **Set Limits** – When issuing a new virtual card, companies can set budget limitations, assign custom expiration dates, and limit merchant category codes

- **Extend Oversight** – Virtual corporate cards provide visibility into individual payment transactions so you can easily understand who is spending what and where.

- **Reduce Expense Fraud** – By directly importing charges made on a corporate card, an organization knows the exact expense amount, making it more difficult to inflate expenses or otherwise manipulate receipts. Additionally, the insights afforded by virtual cards can help your team quickly recognize patterns of fraudulent behavior and non-adherence to expense policies that would usually be difficult to identify with a manual process and next to impossible to identify when employees use their personal card for business expenses.

- **Reduce Stolen Payment Information** – Virtual credit cards offer an additional layer of protection as the "number" issued enables you to conduct online transactions to your main account, without actually utilizing or entering (exposing) your actual credit card number.

- **Earn Rewards at Scale** – Your business can generate additional revenue from cash back rebates when using corporate cards. The more spend captured on a commercial card, the larger the potential rebate. On top of that, points accrued through your corporate card programs can be pooled and used to offset future T&E expenses, or employees can keep the points they earn as a benefit.

- **Simplify Issuing Cards** – There is no physical card to mail, lose, or destroy.

The new business travel is chaotic and intentional

Travel has less to do with Sales than ever

Internal face-time

Internal meetings include kickoffs, key internal meetings, or incentive trips. Now that so many employees are remote, we're also seeing workers and teams coordinating regular face-time and in-person meetings.

As office square footage slims down, large in-person meetings may no longer fit within HQ. Get creative when renting meeting space (including co-working spaces, libraries, community centers, or even movie theaters). And if you're headquartered in an expensive city, it may be cheaper to congregate in a smaller destination city.

Extended Stays

With hiring skilled workers so difficult, sometimes employees (and their families) are stationed in a new office or location for a month, quarter, or year at a time. Extensive stays warrant thoughtful planning so the employee can thrive, and the company isn't paying exorbitant rates. Carefully consider how you'll provide your employee with a kitchen, laundry, gym, company car, parking, security, visa, tax support, and even childcare or schooling.

Companies can book extended-stay accommodations via [Airbnb for Work](link), [Sonder](link), or [Mint House](link). But Business Travel News [warns](link), "there is the risk with those options. Who is the owner or manager? Do they resolve disputes with the regular residents in their buildings? And will they remain in business? The pandemic already felled Stay Alfred, Lyric and a few others."

Instead, consider contacting larger chains and hotels to negotiate extended stays.

Pipeline

Pre-pandemic, the largest travel budget was usually for pipeline building: small teams were consistently on the road for demos, pitches, customer check-ins, and trade shows.

With so many prospects' and customers' employees working remotely, we expect pipeline travel will remain stunted for the foreseeable future. Ensure your reps are fluent in their virtual meeting tech stack, and crowdsource ways to host memorable sales calls – sending a care package never hurts!

When you do consider visiting a client or prospect in-person, clarify the purpose and desired outcomes of the trip, so that every dollar spent has ROI.
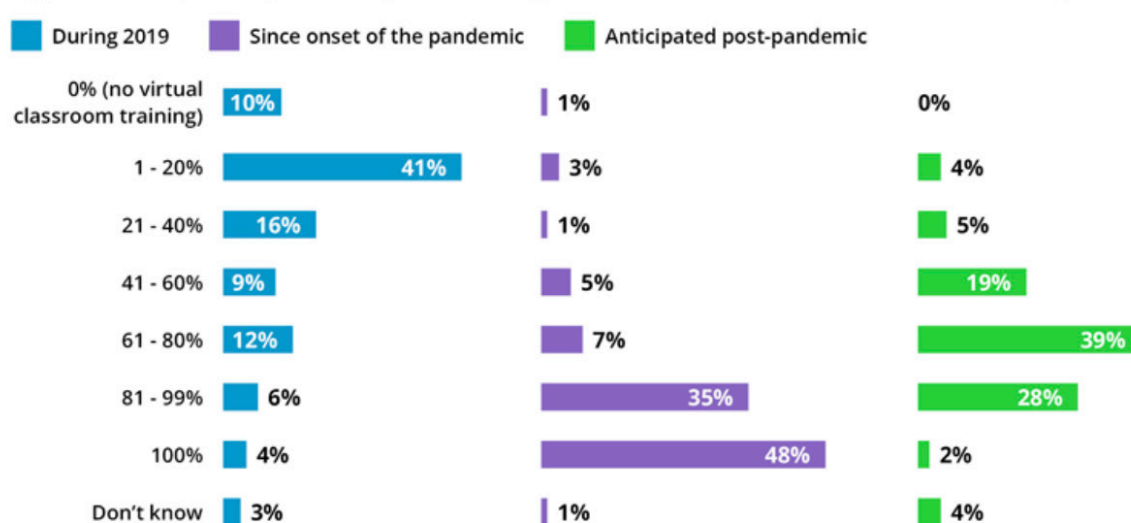
Automating Multi-Leg Trips

Road warriors often combine multiple cities into one trip, which makes manual booking complicated. It's hard to tell if a multi-leg package, a handful of one-way "hacker fares," or a combination of multi-stop and one-way tickets offer the best deal.

Manual trip booking is time consuming and often won't result in the most cost-effective trip planning. Travel management software can simplify booking multi-leg flights and offer discounted rates.

Services

Virtual training remains very sticky because it's vastly cheaper:

Considering all of your organization's in-person and virtual instructor-led training, approximately what percentage of training time was, is, and will be delivered virtually?

Category	During 2019	Since onset of the pandemic	Anticipated post-pandemic
0% (no virtual classroom training)	10%	1%	0%
1 - 20%	41%	3%	4%
21 - 40%	16%	1%	5%
41 - 60%	9%	5%	19%
61 - 80%	12%	7%	39%
81 - 99%	6%	35%	28%
100%	4%	48%	2%
Don't know	3%	1%	4%

Organizations with 1,000+ employees. Source: Institute for Corporate Productivity (i4cp).

Image Source: https://www.i4cp.com/productivity-blog/optimizing-virtual-classroom-training-what-the-research-says

However, **virtual training is less effective**, and virtual attendees are more distracted. A study in the *American Journal of Distance Education* found that "in-person participants had statistically significantly higher gains in knowledge at post-test compared to the participants who received synchronous virtual training."

If your business relies on thorough implementation or usage, get your consultants, implementation teams, trainers, and other members of professional services teams on the road.

Professional development

Whether it's an industry conference, seminar, or formal training, employees who pursue professional development tend to have higher productivity and job satisfaction, and lower turnover. Considering it costs "6 to 9 months of an employee's salary to replace them," **professional development budgets have fantastic ROI**.

Research source: https://www.brighthorizons.com/newsroom/millennials-seek-financial-stability-from-employers
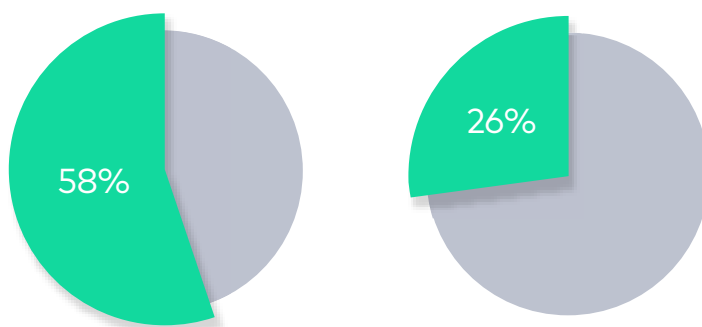
58% of Millennials expect employers to provide them with learning opportunities relevant to their job.

Only **26%** feel their employers are actually invested in their professional development.

> The Society for Human Resource Management (SHRM) reported that on average it costs a company **6 to 9 months** of an employee's salary to replace them.

Post-pandemic business travel is simply more chaotic and costly

While there is no longer a shortage of airline travelers, there are new challenges.

TSA Checkpoint Flows Show Air Travel Rebound
Daily totals meet, exceed pre-pandemic levels

2022   2021   2020   2019

Source: Transportation Security Administration

Bloomberg Government
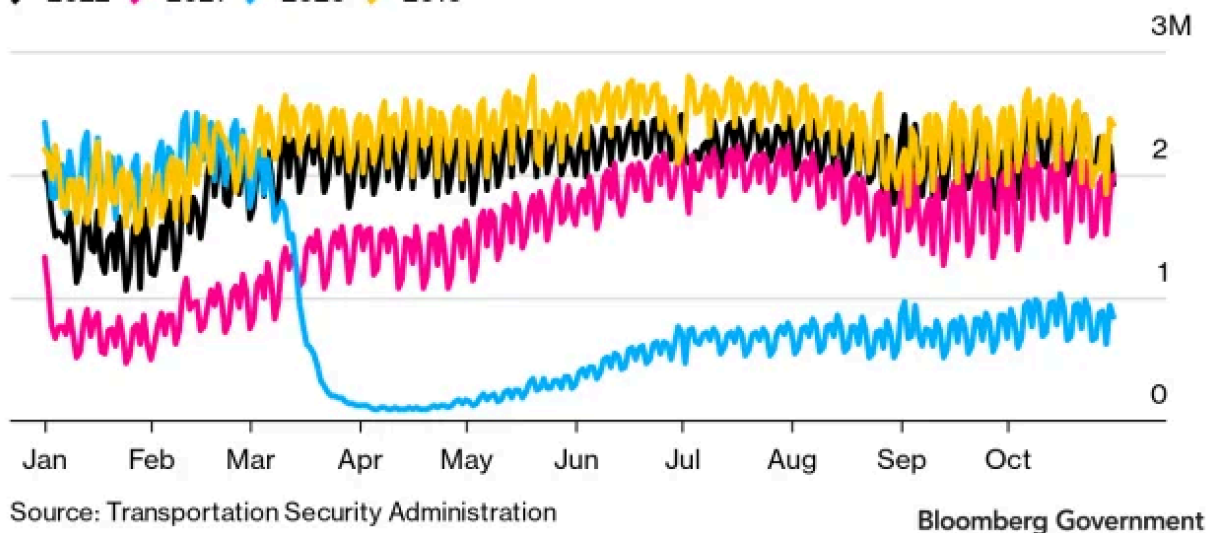
Image Source: Bloomberg Law

Delays

TSA, airlines, and hotels are struggling to find staff after layoffs and early retirements:

- 87% of hotels have persistent staff shortages (source)

- The United States has a deficit of about 8,000 pilots, or 11% of the total workforce (source)

- TSA is in a hiring crisis amid stagnant wages (source)

The net impact on business travelers? **One in four flights have been delayed so far in 2023**.

Costs

Inflation and fuel costs have deeply impacted the travel market in 2023:

- Airfares are rising 5x faster than the overall inflation rate (source)

- Hotel rates are up 19% restrictions change constantly. Ensure your international travelers are familiar with requirements for both leaving and returning to the United States.

On average, travel is costing ~30% more per trip.

Managers can't rely on pre-pandemic T&E budgets. Instead, teams will have to triage trips or re-allocate budgets. A travel platform that can provide dynamic budgets that reflect real-time market rates will greatly help your team plan for travel proactively and set realistic expectations for costs.

Vaccine, testing, masking, and quarantine restrictions

In the US, most masking and large gathering restrictions have eased. But international restrictions change constantly. Ensure your international travelers are familiar with requirements for both leaving and returning to the United States.

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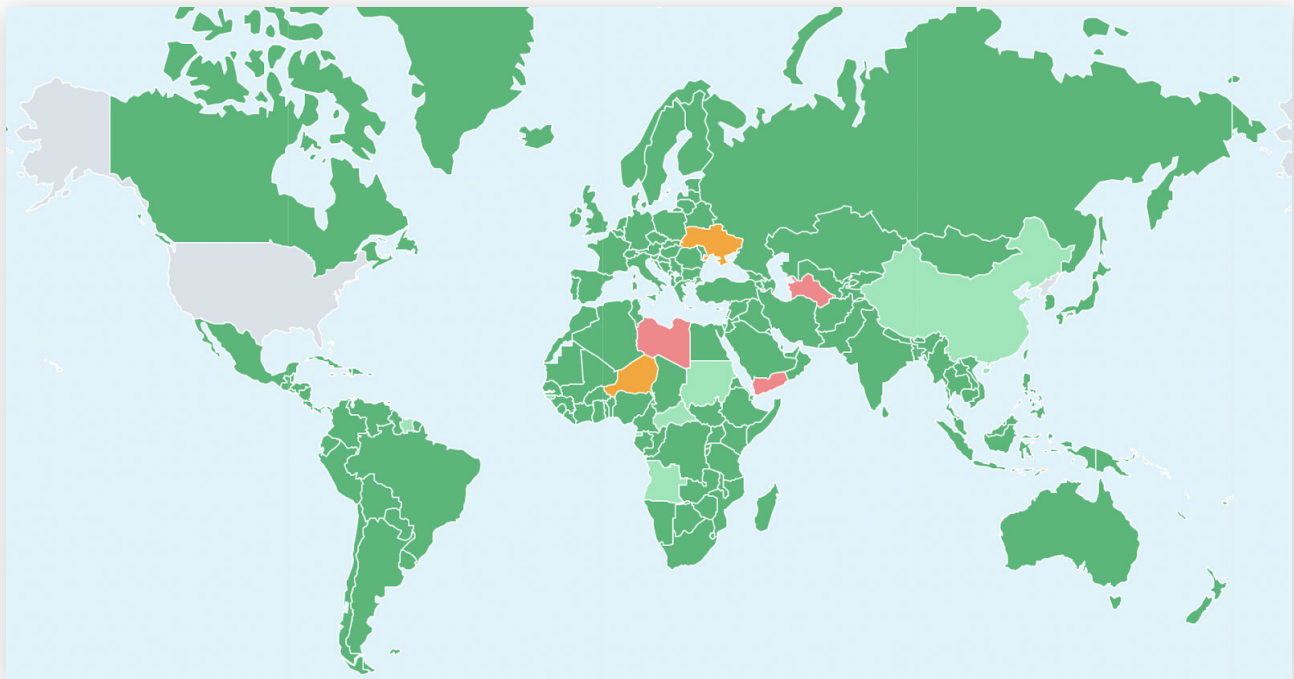
■ **Open**	■ **Test & Travel**	■ **Test & Quarantine**	■ **Closed**
Open for travel. COVID-19 testing or quarantine is not required.	Open for travel with required COVID-19 testing.	Open for travel with required testing and quarantine upon arrival.	Only returning citizens or people in special circumstances may enter.
201 countries ›	**15** countries ›	**3** countries ›	**7** countries ›

Image source: https://www.kayak.com/travel-restrictions

Sick employees

The latest Omicron subvariant is the most transmissible version of COVID-19 yet, and hundreds of thousands of cases are still reported in the United States every week.

Communicate guidelines for employees who become sick while traveling, and supply staff with quality masks and rapid tests. Hosting a super spreader team meeting or passing illnesses to a prospect or client is terrible for PR and morale.

So, how do we cope?

Business travelers should:

- Plan for long check-in and security lines at the airport, even with TSA Pre-Check.
- Expect flights to be delayed — be conservative with your itinerary, and don't schedule optimistic meetings or airport transfers.
- Prepare to rebook canceled flights. Save your company's travel agency number in your phone so you don't have to wait in line with hundreds of other stranded passengers.

The CDC still recommends isolating for 5 days if you test positive for COVID-19, and:

- Wearing a high-quality mask if you must be around others.
- Not traveling.
- Stay isolated and separate from others as much as possible.
- Using a separate bathroom, if possible.

Don't let unused tickets go to waste!

Unused tickets can represent 5-7% of a company's travel budget. But "unused" tickets aren't "lost causes;" you can usually get a flight credit or even a refund, depending on the scenario.

With Travelbank, all users can view and apply their flight credits when searching for flights. And users with admin permissions can view all of their company's unused flight credits in Premium Insights, so travel managers can redistribute unused tickets or report balances to the Finance team.

3 Flight Credits Available ⓘ   View Credits

Flight Credits

Airline	Ticket Number	Credit Total	Valid Until
United Airlines	#12345	$100.00	Jan 1, 2024
Delta	#55555	$280.00	Jun 25, 2024
American Airlines	#77777	$349.00	Aug 17, 2024

Managers should:

- Prepare to manually field far more policy exceptions for expensive flights.

- Triage travel or re-allocate budgets – with each trip costing ~30% more, you'll exhaust travel and expense budgets faster.

Using a proprietary algorithm, TravelBank calculates a budget for each trip based on real-time pricing data and your policy. An average budget is displayed, giving employees a reference point for the price they need to beat in order to save the company money and earn rewards.

Finance departments should:

- Urgently update travel policies, pricing limits, and per diems to reflect 2023 pricing.

- Create dynamic policy parameters that aren't capped at arbitrary or outdated prices.

- Partner with travel agencies that have seasoned agents available 24/7 to rebook canceled flights.

- Explore incentives and reward employees who book under budget. On average, we see businesses trim 30% of their travel budget after implementing rewards.

> On average, we see businesses trim **30% of their travel budget** after implementing rewards.

Business travelers have changed too

One of the biggest shifts in the post-pandemic business travel landscape is among the travelers themselves.

Business travelers are more tech-savvy and have higher expectations

After a crash course in virtual meetings, contactless payments, and messaging apps, employees have grown accustomed to digital tools making work tasks faster and easier. They want a better alternative to the time-consuming or manual processes for booking flights, expense reporting, and reimbursement.

Travel is more democratized

Compared to the "road warriors" of the past, companies have many more infrequent travelers – staff who worked in the office before the pandemic, but are now remote. These travelers didn't travel for work previously, but now periodically attend company offsites or visit headquarters for important meetings.

They may need extra support booking travel, understanding policies, managing expenses, and troubleshooting travel challenges.

Travel should be a joy, not a burden

Some post-pandemic business travelers are eager to get back on the road and change up their work-from-home rut. Others are anxious, burnt-out, or have pre-existing conditions that make their "risk budget" miniscule. Both groups want more flexibility, efficiency and purpose around when and how they travel.

They're cost-conscious

Remote work is built around trust: flexibility and empowerment is exchanged for quality results.

Similarly, budgets and the return on investment for travel are also being more carefully scrutinized. Especially when meetings can be hosted via video, traveling to be in-person has to have ROI. There is simply no tolerance for, "This trip could have been a Zoom call."

What about digital nomads?

Digital nomads generally combine remote work and travel. Most are Millennial Americans, but the trend's impact on employers is likely overblown: 65% of digital nomads are self-employed as business owners, freelancers, or gig workers (source).

But not all "nomadic" behavior is as extreme as quietly moving to Spain. Employees who know they'll be working virtually for the foreseeable future may not notify their manager when they're working from a resort in Colorado, rather than their home in Virginia.

Prepare managers and create policies to help shape expectations:

- Make sure to clarify with your employees what information you need from them, if any, when they decide to relocate temporarily.

- Negotiate expected working hours while employees are in different time zones.

- If an employee's temporary relocation means booking a business trip flight is more expensive than flying from their typical departure airport, consult your legal team for guidance on whether you can expect the employee to cover the difference in cost.

Making the office a destination

There is a surprising new travel destination for employees — company HQ. If a large portion of your workforce is remote, consider "onsite retreats." Working together for a week, especially collaborating on high-value activities for goals and projects, can strengthen teamwork and provide opportunities to share a vision for the upcoming year.

Committing to a permanently remote workforce can also be an opportunity to consider new (and cheaper) physical office spaces. If you don't need to provide working space for all employees in a high-cost metropolitan area, you may be able to downsize and consider campuses in more inexpensive real estate markets. No matter what, an in-person employee gathering, with crucial meetings interspersed with fun team activities and good food, is invaluable for the culture of your organization and employee morale.

The rise of group travel

Generally, if 10 or more people are traveling to the same destination and booked on the same registration, it's considered group travel. But booking corporate group travel requires organization and precise planning, especially across remote or distributed workforces.

The benefits of booking group travel

So why book as a group instead of letting each employee book on their own? Cost savings. Many hotels and airlines will give discounts based on the number of rooms or flights reserved in blocks.

Group travel also spares employees from wasting time planning their itinerary, and ensures everyone is attending the entire event together.

You can opt to book travel from start-to-finish, including flights, hotels, and ground transportation. Or, you can book pieces of the trip, like lodging, and ask them to book their own flights to suit arrival and departure times. No matter how granular your planning, communicate early and often: send save the dates and exhaustively detail ground transportation, dress codes, required events, after-hours activities, and food allergies or dietary restrictions.

It might be time for a Travel Management Company

If this feels like a lot to juggle, you don't have to manage it alone. A travel management company, or TMC, supports the day-to-day operations of your business travel program. TravelBank customers have access to a team of expert travel agents well versed in group travel planning.

Organizations leverage TMCs to streamline not only travel management and expense reporting, but also to improve efficiency and policy compliance. Your entire team will be thankful to discontinue the use of clunky spreadsheets, manual approval cycles, and delayed reimbursements.

On the off-chance that your employees are faced with a travel emergency, it's important that they aren't left to fend for themselves on the road — this can include a delayed flight, missing hotel reservation, or more severe scenarios like illness or regional emergencies.

Around-the-clock support is a key factor for leading managed travel solutions. For instance, TravelBank provides phone, email, and chat support for clients. We are available 24x7x365 to assist employees with changing flights, extending hotel stays, or just to answer basic questions.
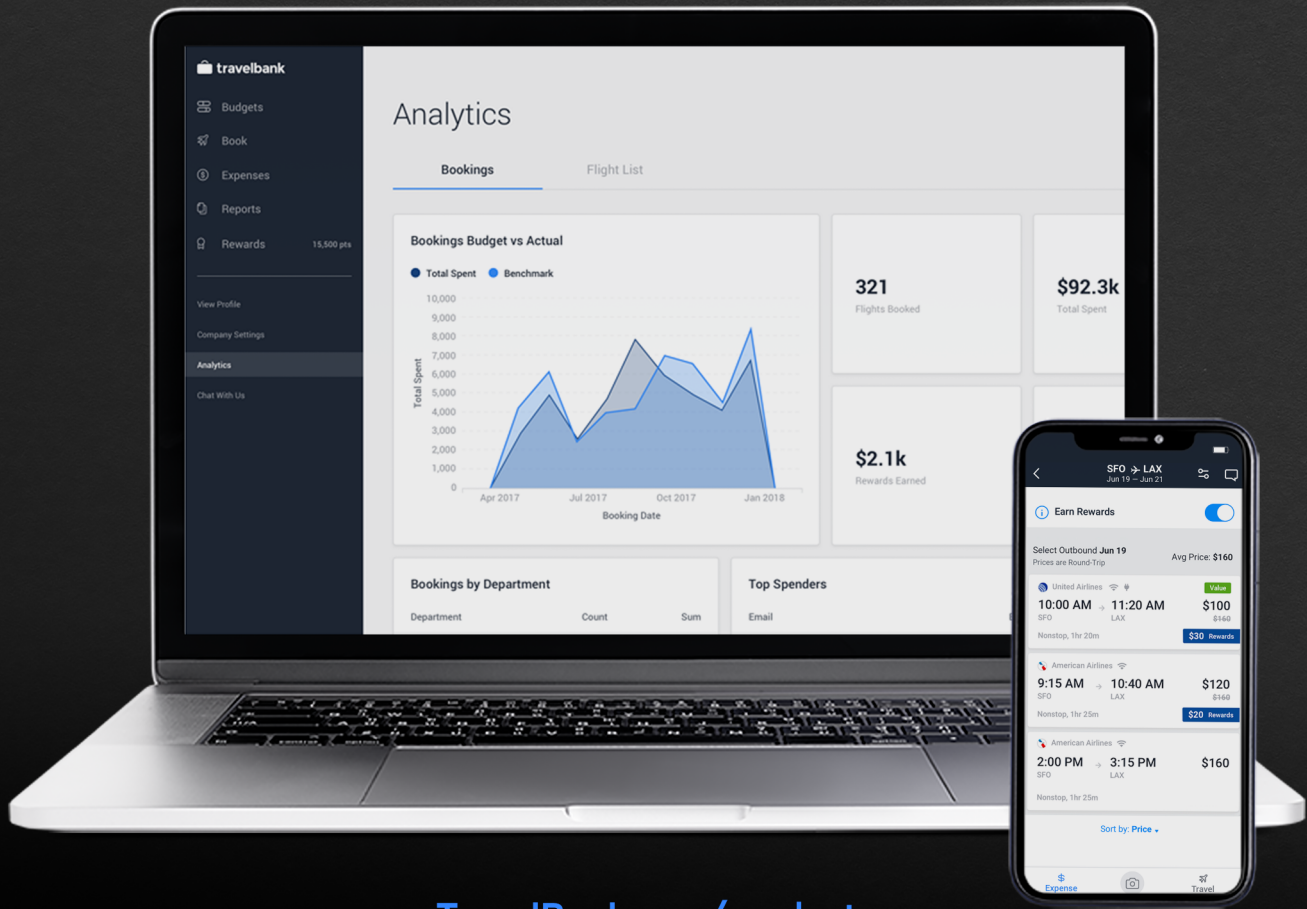
At TravelBank, we also function as the agent of record for all booking and ticketing, which means you won't be turned over to a third-party customer service organization. If your flight is canceled or delayed, you have check-in issues, or need to change plans, we're here to help.

Takeaways

Despite the rise of virtual meetings and remote work, there is now more group travel, more novice travelers, and double the expense reports than in 2019. With the higher volume comes higher pressure on Finance and HR to effectively manage T&E programs.

Recommendations for travel and expense management in 2023

01
Remote, hybrid, or distributed workforces are here to stay. Creative work-from-home expense reimbursements can retain valuable employees or attract applicants.

02
Employees may need help learning to effectively work from home. Host time management and productivity seminars, and include similar training during onboarding.

03
Distribute virtual cards to eradicate high volume, low value expense reports.

04
Across the board, expect trips in 2023 to cost 30% more. Update travel policies, pricing limits, and per diem rates to reflect 2023 pricing.

05
Reward employees who book travel under budget.

06
Regularly scrutinize trip requests by asking, "what's the expected ROI?"

07
Reallocate Sales travel budget from prospecting to quarterly QBRs with high value accounts.

08
Take stock of unused flight credits every year (we recommend at the end of Q3) and use them.

09
Resist the temptation of virtual training and onboarding. Learning is most effective in-person.

10
Communicate guidelines for employees who become sick while traveling, and supply staff with quality masks and rapid Covid tests.

11
Ensure employees stranded by flight cancellations and delays have a human travel agent available, 24/7, to call or text for help.

12
Continue being flexible about personal "risk budgets" for in-person travel. Always plan to have a virtual attendee at meetings.

13
Negotiate expected working hours while employees are in different time zones.

14
Make the office a destination, and prioritize collaboration and culture during in-person meetings.

15
Assume every remote employee is regularly visiting the office. Create policies to help coordinate, or limit, these trips.

16
Train all employees on booking travel, expense policies, filing expense reports, and troubleshooting travel challenges.

Simplify Your Business Expenses

One platform, one reporting model, one subscription price for all your business expense, travel, and card needs.

About TravelBank

In a survey of almost 2,400 Finance leaders across different industries, we found business travel expenses are one of the most difficult to control. And if your reports are processed manually, they can cost more than $26 in person-power per report.

Business travel and expense management tools (like TravelBank – sorry for the shameless plug) save time, reduce errors, and simplify reporting. Partnering with a travel management platform saves companies between 5% and 50% of their annual travel spend. **At TravelBank, the average is 30%**.

Squeeze spend

Minimizing wasted costs and using resources effectively is a continuous challenge. TravelBank streamlines expense tracking, improves accuracy and compliance, and empowers managers and Finance to correct spendy behaviors early.

Automate accounting

TravelBank automates manual tasks, enables enhanced control and operational efficiencies, and gives you access to reporting that provides greater visibility into budget and financial forecasting.

TravelBank integrates with Quickbooks, Bill.com, Xero, and Netsuite to automatically map expenses by category. Accounting can tabulate expenses automatically, without scrutinizing every receipt or hand entering totals into the general ledger.

Reduce errors

Data entry mistakes are expensive, in terms of both the errors themselves and the time spent fixing them. TravelBank reduces the risk of human errors and omissions in expense reporting by integrating flights, hotels, and expense reports.

TravelBank is the all-in-one travel, expense and corporate card management software, powering data-backed travel and financial decisions for more than 20,000 companies.

TravelBank helps reduce company expenditure by 30% on average while improving employee happiness through a user-friendly design, fast expense reimbursements, and travel rewards program.

Organizations of all sizes can harness the experience of TravelBank's in-house travel team alongside a dedicated customer success team for 24/7 concierge-level support, available by phone, email, or chat.

Learn how to better manage your company's T&E spend by visiting **travelbank.com** >