Terumo Asia Holdings Pte. Ltd

Digital transformation of travel and expense management
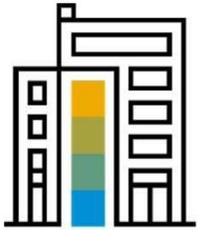
Company Information

Headquarter	Japan
Industry	Medical device
Website	[Terumo (terumo-asiapacific.com)](terumo-asiapacific.com)

Terumo is a global leader in medical technology and has been committed to "Contribute to Society through Healthcare" for 100 years. Based in Tokyo and operating globally, Terumo employs more than 25.000 associates worldwide to provide innovative medical solutions in more than 160 countries and regions. The company started as a Japanese thermometer manufacturer, and has been supporting healthcare ever since. Now, its extensive business portfolio ranges from vascular intervention and cardio-surgical solutions, blood transfusion and cell therapy technology, to medical products essential for daily clinical practice such as transfusion systems, diabetes care, and peritoneal dialysis treatments. Terumo will further strive to be of value to patients, medical professionals, and society at large.

Terumo envisions the Asian region to become increasingly "borderless" in the future, as indicated by the progressive elimination of tariffs among some countries, and also having plans to establish the ASEAN Economic Community. As such, Terumo established "Terumo Asia Holdings Pte. Ltd.", in Singapore as a holding company to manage operations in the rapidly growing Asian region.

Terumo Asia Holdings consists in 8 entities spanning across 8 countries in the region: the Philippines, Thailand, Indonesia, Singapore, Malaysia, Australia, Vietnam, Korea. In this way, Terumo intends to secure sustainable growth by promoting agile regional business strategy through cooperation with local companies and streamlining the logistics.

Cloud-based Digital Transformation of Expense Management

TERUMO

Terumo Asia Holdings

"Quote"

""Terumo's expansion is underpinned by the "gemba" philosophy and is driven by four key imperatives: growth, efficiency, talent and culture. By creating an enterprise-wide shift to streamline and standardize internal process and controls, while increasing engagement and brining meaningful insights to empower decision making. This puts us in the right place for sustainable growth with compliance"

Terumo Asia Holdings - Regional Director

Challenge

Terumo Asia **lacked real-time** access to consolidated **regional data and analytics** of its travel and expenses across its Singapore based regional headquarters and 8 entities located in Asia Pacific. Terumo associates **used a manual process** to claim their travel and expenses, supported by **disparate policies**, **fragmented local** and **customized expense management systems** that were not integrated to their finance system. As a stepping stone to scale up its operations, Terumo Asia Holdings decided to integrate its travel and expense policies, processes and system across all Terumo Asia Pacific companies for its 420 associates.

Solution

Collaborating with PwC, Terumo engaged a **holistic integrated** implementation approach to align travel and expense **policies**, **processes** and **systems**. All Terumo HR and Finance stakeholders worked together to create an **enterprise-wide shift** to **streamline** business processes and spend categories that would be **scalable** across regions. Guided by PwC proven methodologies and leveraging best-in-class standards, Terumo is successful in rolling out an expense management system with the necessary room for local regulatory requirements or ways of business. The solutions are **simple** for Terumo associates to navigate, **easy to maintain** overtime as the organization expands, and **provides visibility** to leadership on **spend management** for cost optimization.

Outcome

SAP Concur enables Terumo to standardize and **harmonize** regional processes and practices regionally, enhance **compliance** and **controls**, improve associate experience, drive **automation** and provide real-time visibility and **in-depth data analytics** on spend trends and types. The organization has, for the first time, real-time visibility on actual spend, while associates fully experience the benefits from the digital report-to-reimburse amid COVID-19 restrictions.

Manual expense claim processes were reduced by 100% unlocking near real-time transparency as 91% of claims are approved within 3 days

100% of **legacy policies** and **systems** were **replaced** by SAP concur enabling the Terumo to be ready to scale up and expand their operations for the future

Mobile enabled features allowed associates to **submit anytime, anywhere their expenses** amid covid-19 pandemic, and managers to make fast informed approvals

"Gemba" in japanese means "the actual place" where value is created. The purpose behind Gemba is to encourage greater transparency, trust and communication between leaders and employees

Partner Information

PricewaterhouseCoopers Consulting (Singapore) Pte Ltd

SAP Concur Implementation Partner

Quote from the Partner

"Terumo's mission is both simple and mighty: contributing to society through healthcare. **Digitisation** of Terumo's regional offices to a **single platform on SAP Concur** is imperative to **drive change and achieve economies and transparency**. To achieve sustainable growth across ASEAN, Terumo recognised the need to be agile and embrace an enterprising mindset with digital transformation. The key objective was to **harmonise regional processes**, **increase efficiency and compliance**, **enhance user experience**, **drive automation** and **harness real-time visibility and data to make informed decisions**. At PwC, we are honoured to partner with clients like Terumo and SAP who echo our purpose to **build trust in society and solve important problems**."

- Dave Chen, Partner, PwC Singapore

Business Challenge and Objectives

As part of Terumo's initiative in leveraging digital solutions to be future-ready for their regional expansion, they needed a cloud-based solution to help them automate, integrate, drive and control their spend management strategy. The solution needed to cater to different markets and give them the flexibility to scale with their business across their regional headquarters based in Singapore and their regional offices located in Malaysia, Indonesia, Philippines, Thailand, Vietnam, Australia and Korea.

The 8 offices had disparate travel and expense policies. Due to the reliance on non-harmonized policies, manual processes and local customized stand-alone solutions, there was no real-time visibility for reporting and data analysis. Terumo associates' experience was poor, requiring paper handling and out-of-the systems approvals. And lack of visibility around fraud and policy compliance increased risk.

Moving to cloud-based SAP Concur required the adoption of more effective and digital ways of working. Core drivers for this initiative were to streamline existing processes and harmonize the policies to follow leading practices to drive efficiency and derive quality improvements,.

The main objective of the project was to adopt new digital ways of working to prepare Terumo for the digital transformation required to achieve sustainable growth. The solution supports Terumo's growth through:

1. **Improved efficiency and increased compliance** - standardised and simplified processes supported by automation
2. **Enhanced user experience** - simplified, digitalised, available anytime and anywhere
3. **More informed decisions** - using analytics to understand spend management trends and determine policies

Terumo took the initiative to pivot both its mindset and operations to adopt new ways of managing associates expenses amid the pandemic, which amplified the need to change. As Terumo associates embarked on this digital transformation journey, they demonstrated a growth mindset to embrace technology to enable them to create operational excellence for sustainable future growth.

Benefits & Outcomes

BUSINESS / SOCIAL

1. **Quick 6-months implementation** of the new standardized travel and expense policy, process and system for all 8 entities

2. **Standardization and streamlining of 18 legacy policies into one enterprise-wide** travel and expense policy.

3. **98% of associates** across **all levels** of the organization **recognize the painless and seamless policy compliance enforcement** enabled with built-in audit rules and automation

4. **Increased visibility of past claims and rules** is one the **top 3 drivers** to embrace technology across the organization

5. **For the first-time, real-time data insights available** on the **expenses requested and incurred**

6. Finance quickly **driving efficiency** with **designing advanced reports** a few weeks after going-live to support them in enforcing costs controls

IT

1. **Reduction of IT costs** by eliminating the need to maintain fragmented, disparate, customized legacy expenses management systems.

2. **Automation and scalability** of the system with an **end-to-end integration** between SAP Concur and SAP ECC using standard **SAP ICS**

3. **Scaling up of IT teams capabilitie**s from SAP Concur Standard to Professional edition with capabilities available in 2 locations in the region

4. **Reduction by 100% of manual forms** for expense claims allowing to go paperless

HUMAN EMPOWERMENT

1. **Enhanced user experience with 95% users preferring to use SAP Concur** moving away from manual expense claims to a digital, cloud-based system with real-time visibility from report to reimbursement

2. **Ease of navigation and access** through web and mobile is the **first top 3 factors** driving Terumo associates to **embrace technology**

3. **Empowerment** of associates to **comply** with the new travel and expense **policy**

4. **Built-in audit rule**s, **automated** approval **workflow** enhanced with **alert notifications** resulted in a **fast pace adoption** with the number of reports created every week to be x2 or x3 from the previous week

5. Back-office associates demonstrate a **strong enterprise mindset** as they **strive to master** the new system and achieve process excellence and efficiency

6. **Hands-on training** approach is a key differentiator to **facilitate** associates to become **familiar** and fully **embrace** the **new policies** and **system**

7. **Increased time** for all associates for **value-added work** due to **reduced number of exception handling** and **digitized processes** with integrated capabilities such corporate credit card and Optical Character Recognition.

Project / Use Case Details

Terumo Asia Holdings Pte. Ltd, the Asia Pacific regional headquarters of a global medical device manufacturer, is looking at significantly expand its regional footprint by doubling in the next 5 years. Controlling operational costs is critical for the organization to achieve sustainable growth. One step in operational cost management is to digitize the travel and expense management process, policy and system across 8 regions.

The previous expense landscape was fragmented with a mix of solutions combined with manual processes and disconnected email approvals, which made the expense management process cumbersome and inefficient. In addition, the leadership team was unable to see a consolidated and comprehensive view of travel and expense spending and required data-driven spend management to achieve growth objectives.

The digitization of the expense management was the first step of the roadmap to achieve best-in-class cloud solutions to prepare Terumo for our future growth. The key objectives were:

1. **Standardization**: simplify the process and optimize the workload in the Region
2. **User Experience**: go paperless to support work from anywhere
3. **Analytics**: visualize relevant data to make data-driven decisions on spend management to optimize costs

SAP Concur had the features needed to achieve key benefits across the organization - from increased operational efficiency, comprehensive analytics, enhanced compliance and risk management and a better "on-the-go" user experience. Ultimately, this will translate into operational costs savings and spend optimization. The decision to choose SAP Concur was also driven by the flexibility it offers to add other services (corporate card, TMC, etc) as needs evolve throughout the business expansion.

The implementation was rapid and smooth, taking only six months to complete the first phase of travel and expense policy standardization and harmonization across 8 countries, followed by the SAP Concur system roll-out for a first wave of 6 countries. Aligning all entities on one travel and expense policy was a key success factor to maximize standardization outcomes and adoption by Terumo associates.

With the standardized policies and processes, as well as SAP Concur, PwC provided the organization with better flexibility to adapt policies without losing control of spend, and also a unique opportunity to easily scale up SAP Concur as the business grows and expands.