

APPS RUN THE WORLD

Travel & Expense Management

Enterprise Applications Market Report 2010-2015,
Profiles Of Top 10 Vendors

3/30/2011

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Summary

This applications market sizing report focuses on the 2010 performance of the top 10 applications vendors in the travel and expense management applications market.

As business travel and general economic conditions continued to improve in 2010, demand rose in tandem for travel and expense management applications. While the rationale for implementing such applications has remained the same, customer requirements have shifted with the proliferation of mobile professionals as well as Cloud-based services ranging from e-Wallet to spend analytics that are beginning to transform the underlying processes.

In addition, TEM applications vendors have been making inroads into emerging markets as many multinationals are beginning to establish global travel and expense management policies in order to rein in the high costs of aviation, business travel and services procurement, while alleviating the burden of their employees when filling out expense reports.

Top Line and Bottom Line

On the top line, the travel and expense applications market is poised to grow faster than the overall applications space because of the influx of new players as well as continued expansion of the incumbents, all shoring up their offerings to help customers replace their legacy systems, or in many cases automate their manual process of approving travel requests and managing expenses.

At the macro level, international air traffic has risen 8.1% for the nine-month period ended September 2010, after a sharp decline in much of 2009 including a 9% drop in the first quarter, according to Amadeus, the global distribution system.

By most accounts, travel and expense management applications vendors are gearing up for sustainable growth in 2011. In December 2010, Coupa, a fast-growing eprocurement applications vendor, launched Coupa Expenses for Salesforce by leveraging the Cloud-based platform from Salesforce.com. That in turn will make travel and expense management much more accessible for the more than two million regular users of Salesforce.com.

With the advent of Cloud services, the travel and expense management applications market will transform itself by adding complementary solutions in such areas as social CRM, analytics and eCommerce, all of which could have profound effects on how business travelers book their trips, manage their expenses and gain better visibility into the different building blocks of the travel industry through Web-based collaboration and tight integration with suppliers, business partners and technology providers.

The result could be a profound change as to how enterprises deploy their resources, manage expenses and even run their business from a spend management perspective. The bottom line is that travel and expense management applications are destined to take on the similar role as other mission-critical corporate functions including financial accounting and customer call centers by giving users complete control over their day to day operations.

Market Overview

The market for travel and expense management applications is defined as follows:

- Automation of financial processes relating to business travel planning and booking, expense report filing, purchasing of indirect materials, and time and labor capturing for projects.
- Features include those that facilitate the associated tasks of auditing, reporting and workflow and approval routing, as well as integration into payment and financial accounting systems.
- Additional capabilities include vendor management and negotiation, invoice and contract management, receipt reconciliation, cost allocation, compliance, travel and expense policy enforcement and administration.
- Support for on-demand delivery, mobile devices, foreign currency, spend classification and tax reporting is also considered essential in travel and expense management applications.

As the travel and expense management applications market began to expand in 2010 with renewed corporate spending on business travel and services requisitioning, a number of trends started to manifest themselves.

The ubiquity of smart phones has meant corporate travelers placing greater emphasis on mobile solutions to help them manage their travel plans and expense reporting. Concur's recent purchase of TripIt, which leverages mobile devices to organize and share travel information for travelers, underscores the shift of delivering travel and expense management experiences from the desktop to smart phones.

KDS' investment in eWallet, which is designed to handle micropayments from subway fares to incidentals, is another example of extending the power of travel and expense management to smart phones, which will be fully compatible with an array of eWallet technologies due out in 2011.

The second trend is that the value of travel and expense management is reaching the top echelons of the enterprise. Travel and expense management has become more integrated into essential corporate function. While risk management and compliance has always been a key driver for companies to automate and expense management, the lingering effects of the recession, coupled with the growing emphasis on transparency even to the level of how executives fill out their expense reports, have drawn scrutiny from key stakeholders from corporate boards to shareholder activists.

Then there is the globalization factor prompting companies to standardize their travel and expense management policies not just to reduce costs, but to ensure compliance, real-time workflow and ultimately employee safety. Spendvision, for example, has been gearing up for new global accounts such as Rio Tinto, which plans to deploy its travel and expense management solution for the 20,000 employees of the mining giant throughout 2011.

In summary, travel and expense management has come a long way of achieving recognition among the rank and file and the top executives. The question is what form will it take as user requirements continue to evolve and the onslaught of Web services – not to mention the arrival of 4G mobile apps with enhanced video capabilities - could render existing travel and expense management applications almost unrecognizable.

Customers

For more than a decade travel and expense management applications have been mostly implemented at large corporations with tens of thousands of employees. That began to change in the past few years as on-demand applications became popular among small and mid-sized organizations that found the delivery model flexible and affordable.

Replicon, for example, has grown its base of customers for travel, expense and workforce management to 7,300 with 1.2 million users, compared with 5,800 customers with fewer than one million users in 2007.

SAP is also expanding its presence in the SMB market with new versions of Business ByDesign that features on-demand travel and expense management as a major enhancement in the latest version due out in 2011.

One key impetus behind the SMB growth of the travel and expense management applications market has to do with aggressive pricing.

Replicon, for example, has been a hit among SMB customers, some of which are paying as little as \$3 per user per month for an array of travel, expense and workforce management applications.

Other vendors including ExpensePoint and Atlantic Global OnDemand have been offering their expense management offerings at \$1.5 and \$7 per user per month, respectively. Though it is priced higher, Atlantic Global OnDemand offers both timesheet and expense management.

Suffice it to say that the travel and expense management applications market will go through seismic changes when both SMB and enterprise customers need to factor in a volatile pricing environment before they formulate a long-term TEM strategy to support their increasingly complex operations.

Top 10 Applications Vendors In Vertical

The following table lists the 2010 shares of the top 10 applications vendors in the travel and expense management market and their 2009 to 2010 applications revenues(license, maintenance and subscription) from the market.

Vendor	2010 Share(%)	2010 Applications Revenues From Travel and Expense Management(\$M)	2009 Applications Revenues From Travel and Expense Management (\$M)
Concur	31.2%	305.5	256.7
SAP	15.7%	154	152
KDS Expense	7.2%	70	66
Infor	3.1%	30	27
Oracle	3.0%	29	28
Spendvision	2.6%	25	22
Ariba	2.1%	21	20
Replicon	1.5%	15	12.5
Cybershift	1.4%	14	13
ExpenseOnDemand	1.3%	13	11
Subtotal	69.1%	676.5	608.2
Other	30.9%	302.5	283.8
Total	100.0%	979	892

Vendors To Watch

The recent acquisition of Katera by Rearden Commerce will embolden the latter's desire to expand in the travel and expense applications market. Already a big player in eCommerce transaction management, Rearden acquired Katera, which offered Katera Network, an online spend management solution and business community of nearly one million companies.

What the combination will bring is a single solution enabling business users to enforce corporate policies and govern spend cross T&E, business services and supplies.

Rearden is encroaching on the territories of Concur including some of its closest partners such as American Express. Amex, which holds a 15% stake in Concur, also has a long-standing relationship with Rearden. The tension between Rearden and Concur could escalate with the potential of redefining the TEM market.

Another source of turmoil is derived from the simmering fight between American Airlines and global distribution system companies including Sabre. While American has threaten to withdraw display of its flight information at Sabre, the spat underscores the shifting landscapes of the travel industry as more suppliers aim to conduct transactions with their customers directly without paying commission to GDSes such as Amadeus, Sabre and Travelport, all of which may now want to use new technologies including travel and expense management to hold onto their customers.

Although the travel industry could face an extended period of growth with the end of the Great Recession, the looming fight between suppliers and intermediaries is likely to cast a dark cloud over the horizon.

Outlook

On the upside, the travel and expense applications market is expected to post stronger than average growth through the forecast period because of global economic recovery as well as the proliferation of Web services, which will make information instantly available thanks to the explosive growth of mobile devices.

Travel booking, managing expenses and other functions will move from the desktops to smart phones, making impulse purchases tempting and policy control more important than ever.

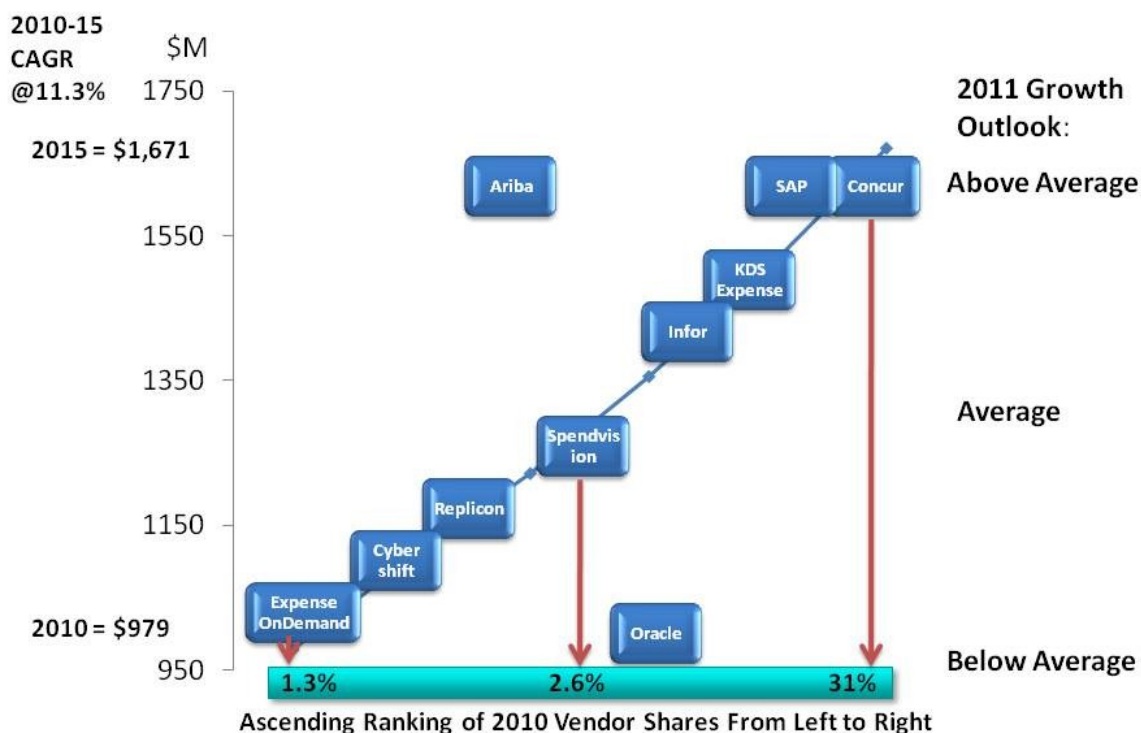
On the downside, pricing pressures, coupled with ever-changing business models of Cloud-based travel and expense management apps and services supplied by a growing network of global distribution systems, independent software vendors, and travel management service companies, will erode margins for the incumbents. That could allow a new breed of players to emerge without requiring them to invest in their own TEM product development, or even their own infrastructure for that matter.

Additionally the proliferation of mobile devices equipped with tracking technologies will make privacy a thorny issue for business travelers who gravitate toward the ease of one-click booking and expense reporting without a complete understanding on how personal data will be managed by travel and expense management vendors and their service partners.

SCORES Box Illustration

The following graphic shows the 2010 shares of the top 10 travel and expense management applications market with Concur claiming the top spot at 31%, followed by SAP, KDS Expense, Infor, Oracle and others. Based on our SCORES methodology, Concur, SAP, Ariba are rated above average for their growth potential in 2011. The market is expected to achieve a 11.3% compound annual growth rate rising from \$979 million in 2010 to \$1.7 billion by 2015.

2010 Shares of Top 10 Apps Vendors in Travel & Expense Management, 2011 Growth Outlook, Forecast Through 2015



Worldwide Travel & Expense Management Applications Market Forecast 2010-2015

\$M	2010	2011	2012	2013	2014	2015	CAGR(%)
TEM	979	1,106	1,222	1,356	1,505	1,671	11.3
Yr to Yr Change(%)		13.0%	10.5%	11.0%	11.0%	11.0%	

\$M includes license, maintenance and subscription revenues

Source: APPS RUN THE WORLD, March 2011

Profiles of Top 10 Applications Vendors In Enterprise Market

- Concur
- SAP
- KDS Expense
- Infor
- Oracle
- Spendvision
- Ariba
- Replicon
- Cybershift
- ExpenseOnDemand

Concur

Redmond, WA

www.concur.com

Overview:

Having become one of the earliest vendors to offer a full set of travel and expense management applications via on-demand delivery, Concur has been capitalizing on the first mover advantage by forging significant alliances with key travel partners and strategic expansion plans through acquisitions and global marketing campaigns.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	256.7	305.5

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	265.7	87%
EMEA	27.4	9%
Asia Pacific	12.2	4%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	229.1	75%
Large(1K-5K ees)	70.2	23%
SMB(1K ees and below)	6.1	2%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	0	0%

Maintenance	0	0%
Subscription	305.5	100%

2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Above average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Above average
Shares	Market shares, company sales, size, overall market presence	Above average
Total	With a 31% share in the Travel and Expense Management market, Concur's ability to maintain and win share in the market segment in 2011	Above average

Full overview:

After embarking on a global expansion strategy, Concur has directed its focus on the mobility market with the acquisition of TripIt in early 2011. The latest purchase should position the leading travel and expense management applications vendor in a new phase of sustainable growth in its core and adjacent markets.

For the past few years, Concur has been transforming itself into the dominant player in the travel and expense management market. In April 2009 Concur paid \$40 million for Etap-On-Line, a European vendor of expense management based in Paris, following its 2007 purchase of Gelco, which gave it a leading position in the North American travel and expense management applications market. The \$160 million purchase of Gelco shored up Concur's travel and expense management offerings with Gelco Expense Management, adding more than 1,200 clients worldwide representing over 625,000 users. By becoming their primary provider of on-demand TEM

solution, Concur proceeded to process over nine million transactions and handle more than \$7 billion in payments annually on their behalf.

Concur's purchase of Etap has paved the way for an ambitious global expansion plan. Already it has established key outposts by creating international subsidiaries including Concur India and Concur Japan, while making inroads into Australia, Singapore and Hong Kong.

Concur's global expansion comes at a time when large and small companies have been evaluating new ways to manage their business travel expenditures, while automating the workflow for transaction-heavy tasks such as expense reporting. Even though the recession has put a dent on business travel, the fact remains that the increasingly mobile workforce has already placed a premium on easy and quick access to information that allows them to resolve the common headaches of booking trips, making changes to itineraries, documenting expenses, filing reports, as well as the associated approvals needed to complete such financial transactions.

For industries such as professional services organizations and pharmaceutical firms with large sales operations, the huge amount of expense reports that need to be filed is a daunting challenge waiting for an easy solution. Since its founding in 1993, Concur has set out to become the preferred engine for automating the business process with scalable performance and optimized usability.

Key Applications For Travel and Expense Management:

Concur Premier(which includes travel booking and expense reporting, Invoice Management, Expense Pay, Expense Report Auditing, Business Intelligence, Advantage Services, and Concur mobile apps), Concur Breeze, Ulysse Travel & Expense

SCORES Analysis

Strengths

With a growing number of customers in the travel and expense management applications market, Concur is poised to expand in Asia and Europe as well as the midmarket space. Its relationship with partners such as American Express allows Concur to leverage Amex's vast sales force and strong customer ties.

Concur's continuous growth underscores the intrinsic value of financial accounting applications in helping companies succeed with useful and relevant tools that offer careful analysis of their spending while optimizing their day-to-day operations.

Having established a base of more than 10,000 customers, Concur has proven to be one of the most resilient and dependable applications vendors in the travel spend management market often dotted with ill-conceived products, strategy shifts, and failed combinations.

Not only has Concur outlasted such competitors as Extensity (now a part of Infor), Necho (now a part of CyberShift), and a slew of niche players, it has also managed to capitalize on the move toward on-demand solution. Currently it's on a run rate of more than \$20 million in subscription revenue every month. By comparison, its subscription revenue averaged around \$1 million a month in 2001 when many of its competitors were still relying exclusively on software license sales.

Similar to other on-demand TEM vendors, Concur's path toward building a new business model has been steady and methodical. What sets Concur apart from others is its ability to broaden its appeal by making its products as easy to

use as possible, while giving corporate travel buyers and administrators ample amounts of policy and expense control.

Hence its 2006 acquisition of Outtask was considered a perfect match in connecting the travel booking engine of Cliqbook from Outtask to Concur's own expense reporting system to create an end-to-end corporate travel management solution.

With its laser-like focus on travel and expense management, Concur has transformed the corporate travel procurement market along the way. By simplifying and automating such tasks as booking, authorization, fulfillment, expense reporting, auditing, and reimbursement, Concur has taken its solution to the next level by adding features like one-click expense reporting from a travel itinerary in order to save time and money for enterprise users. Concur also expects to have richer functionality in such areas as audit services, global expense reporting, and meeting management enhancements fully integrated into its travel booking tool.

Other distinct features include additional itinerary information within the expense report (Smart Expense, One Touch Business Travel), additional direct connects with travel suppliers for travel content and efolio receipts, vendor payment using optical character recognition (OCR) for invoice capture.

Concur's other key differentiators include its significant installed base that gives it big presence among large corporations, a loyal following that has seen increased travel and entertainment spending with accelerated economic recovery under way. In addition, its successful transition to Software-as-a-service has provided Concur with steady recurring revenue stream, while its extensive ecosystem leverages a large array of partners in travel and charge card businesses.

Customers

Concur has more than 10,000 customers in the travel and expense management applications market. The acquisition of TripIt will allow Concur to cross-sell and upsell into many companies that have never been exposed to the vendor.

Not only will the TripIt purchase facilitate Concur's expansion into the mobile space with popular trip management apps that have been deployed across more than 10,000 company groups, it also provides the vendor with an easy on-ramp into the social media marketplace. Among the companies using TripIt, employees book their business trips on travel and supplier websites, and then use TripIt to automatically organize their trips and put their full itineraries on their mobile phones.

Customer references include Autodesk, Booz Allen Hamilton, Chubb Corp., Graftech International, Illinois Tool Works, McGraw-Hill, NetJets, Nordstrom, Target, Time Warner, and US Food Services.

Opportunities

In 2011 Concur is expected to continue to cross-sell and upsell into its installed base of more than 10,000 customers, while making major inroads into the midmarket with Concur Breeze, its next-generation Travel and Expense Management offering that combines ease of use and affordability for small to mid-sized organizations.

Concur is positioning Concur Breeze as an affordable solution – the first two users are free with each additional user costing \$8 per month with no setup fees and long-term commitment - that also presents opportunities to be partially funded by advertising and supplier revenues such as air, car, hotel commissions.

For a number of years Concur's revenues have been skewed toward large accounts, which typically pay an upfront fee of \$15,000 and anywhere between \$10,000 and \$25,000 in annual subscriptions. The Gelco acquisition has enabled Concur to have a more focused offering for the midmarket, while also broadening Concur's overall appeal with enhanced auditing and reimbursement capabilities. Previously, Concur was selling through such partners as ADP, US Bank, Bank of America, Citi and Microsoft Dynamics to reach the SMB market. The launch of Concur Breeze has intensified its SMB effort. Concur also works with dozens of travel management partners including BCD Travel and Carlson Wagonlit.

With a goal of doubling its customers to 20,000 by 2012, Concur is poised to leapfrog its competition with more aggressive initiatives. Its co-marketing deal with American Express, which has become a major investor of Concur, creates an extensive distribution network thanks to Amex's large sales force. Concur has plans to expand further through similar arrangements with central reservation systems.

By acquiring TripIt for up to \$120 million, Concur is aiming to enrich its offerings with a slew of mobile capabilities in order to tap into a new generation of users that are relying more on their mobile devices than PCs, a shift that will allow Concur to strike new partnerships and deliver location-based services as well as other social media tools and widgets that could spawn new revenue opportunities.

Risks

The proliferation of Cloud-based services – many of which available for free – could force some of Concur's customers to rethink how best to manage corporate travel expense management, or for that matter the entire indirect materials procurement process. Another challenge lies in managing the product lifecycle of its vast installed base, especially among customers who have been running legacy platforms like Gelco. The upshot is that the majority of these legacy clients have either considered upgrading to its latest on-demand platform or at different stages of doing so.

While Concur may be well served by sticking to its mission of providing corporate travel expense management systems, it may have to diversify into other expense management categories such as time and expense for project-intensive organizations, telecom expense management, convention booking, and other repetitive business service requests to become the sole source on-demand provider for its customers.

Already many travel suppliers from airlines and hotels have broadened their reach into their corporate accounts as well as individual customers by providing them with better Web user experience and cross-selling them with a slew of services from their online partners. In doing so, the travel suppliers may consider Concur another middleman capitalizing on the value chain without necessarily serving their best interest. Concur is addressing this through the use of direct connects, e-receipts and its Concur Connect strategy. By seamlessly linking suppliers with their customers through the travel and expense management process, Concur can deliver all of the suppliers' content and programs directly to the traveler, while helping companies enforce policies and providing the content that travelers need – all through one centralized platform.

Ecosystem

Concur's key partners include American Express and ADP. American Express became Concur's single biggest channel partnership in fiscal 2009. The company expects the partnership to contribute significantly to 2011 bookings. Currently American Express holds a 15% stake in Concur, while ADP serves as a reseller for Concur in the SMB market.

Another new partnership is with Amadeus and its e-Travel Management, a corporate travel solution with more than 3,500 customers. Amadeus' distribution technology and e-Travel Management are being integrated into Concur Expense and Concur Cliqbook Travel through joint development work. The first fruit of the collaboration was the integration of Amadeus eTravel Management (AeTM) into Concur's expense solution, boosting the amount of content available to Concur users. In addition, Amadeus has granted Concur access to strategic components of Amadeus distribution technology to be integrated to Concur Cliqbook Travel. Previously it was only available from Amadeus.

Shares

With a 31% share in the Travel and Expense Management market, Concur's ability to gain share is above average because of the growing popularity of its on-demand offerings fueled by its acquisition of TripIt for increased mobile capabilities.

On the upside, Concur is expected to grow share in 2011 because of its entrenched presence in the large corporate market segment, a thriving ecosystem made up of some of the biggest names in the travel industry, as well as the uplift from the TripIt acquisition.

On the downside, Concur will face increased pricing pressure as it expands into the midmarket and competes head-on with a flood of Cloud-based services for travel and expense management that could be as disruptive as Concur in its early days of displacing on-premise vendors with its on-demand offerings. Inertia among its installed base to adopt value-added services is also a matter of concern. Finally the integration of TripIt into its mobile development roadmap could take some time to create a seamless experience for users shifting from their desktops to mobile devices.

SAP

Walldorf, Germany

www.sap.com

Overview:

Following its success in selling on-premise travel and expense management solutions to its large base of enterprise accounts, SAP has made a concerted effort to position SAP Travel Management as a key plank of its evolving on-demand strategy for net new and existing customers.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	152	154

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	53.9	35%
EMEA	84.7	55%
Asia Pacific	15.4	10%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	77	50%
Large(1K-5K ees)	46.2	30%
SMB(1K ees and below)	30.8	20%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	46.2	30%
Maintenance	107.8	70%

Subscription	0	0%
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2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Above average
Opportunities	Market opportunities at the vertical and subvertical levels	Above average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 16% share in the Travel and Expense Management market, SAP's ability to maintain and win share in the market segment in 2011	Above average

Full overview:

With a large installed base of ERP customers, SAP has been making headway into organizations that are instituting global travel policies, sometimes for the first time in their history as a result of making multiple mergers and acquisitions in recent years.

SAP's strategy is to provide them with a growing number of on-premise and on-demand solutions designed to automate and standardize their travel and expense management processes around the world

The SAP Travel Management product includes Travel Expenses, Travel Requests and Travel Planning, allowing users to file expense reports, request trip approvals and book travels using SAP portal as the frontend, which has become the key enabler for employee and manager self service for SAP customers.

The SAP Travel Management offerings have been well received by these customers as part of their ERP upgrades and system consolidation projects. Companies such as John Deere and Forest Laboratories have adopted SAP Travel Management to allow tens of thousands of their employees to access different expense management features with little training required.

Forest Labs, which has 3,000 mobile sales representatives, expected to yield savings of \$400,000 from its SAP Travel Management implementation because it rendered a custom solution as well as third party system obsolete. Additionally these non-SAP systems were not integrated into the SAP CRM applications being used by Forest, preventing the company from developing full visibility into its operations.

Key Applications For Travel and Expense Management:

SAP Travel Management

SCORES Analysis

Strengths

SAP's expertise in helping its customers navigate industry-specific requirements is instrumental behind successful SAP Travel Management implementations and the vendor has made a concerted effort to spruce up those skills through alliances with systems integration and business partners.

Compliance and auditing requirements have been cited by customers of SAP Travel Management in order to better manage travel expenses and delineate expense types between sales and non sales.

Integration is considered critical especially in industries such as pharmaceuticals where individual expense item for sales activities and customer interactions has to be broken out and clearly identified to conform to state reporting requirements.

Because many customers run their SAP HR and CRM systems along with their TEM systems, such tight integrations have made it possible for them to have central control over establishing and enforcing travel and expense management policies.

SAP has also made globalization a hallmark of its TEM strategy by delivering 22 country versions that meet complex tax and statutory requirements in key markets. SAP's travel and expense management applications also cover 30 languages.

Travel and expense management has been a major component of SAP's financial applications offerings, a solution set that is a big draw for many companies aiming to standardize on SAP systems in the first place. The critical mass has resulted in high utilization of SAP's travel and expense management applications, which now handle 120 million expense reports from more than six million users.

With the help of its partners such as OpenText, SAP is stepping its push into the TEM market through product enhancements such as eReceipts and on-demand delivery options. The SAP TEM push comes at a time when the vendor is making significant inroads into services-based industries such as engineering and professional services where travel and expense management is also a part of their daily workflow.

Customers

SAP has more than 4,100 customers using its travel and expense management applications.

Reference customers include Merck, New York Life, PriceWaterhouseCoopers and Roche.

Opportunities

In 2011 SAP is aiming to make travel and expense management a key plank of its on-demand strategy by adding Blackberry and iPhone support, eReceipts and analytics capabilities as well as integrated approval through SAP Workflow for desktop use and Sybase Mobile Workflow for enhanced mobility support.

Seamless user interface will ensure consistent user experience for SAP Travel Management regardless of the device customers choose to access the applications, which will also be linked to other email and productivity tools such as Outlook to facilitate master data integration.

Additionally it is positioning SAP Travel Management as a holistic way to handle expense management for its on-premise customers. For instance reporting capabilities will be enhanced to allow customers to pinpoint total travel costs by company unit, per employee and first.

Future releases of SAP Travel Management will feature improved integration of travel partners such as GetThere, Express Expense Sheets, along with Travel Manager dashboard and travel management analytics based on SAP BusinessObjects.

What these enhancements underscore is the fact that SAP is investing heavily to leapfrog competitors through continuous innovation and extensibility with its technology assets.

Risks

Even with stepped-up development and marketing pronouncements, it will take time for SAP to win a ground swelling support of its on-demand TEM offerings. While the latest release of its on-demand software SAP Business By Design is gaining traction, many of its customers will have to be convinced about SAP's commitment to the on-demand marketplace while serving its traditional on-premise customers, a juggling act that many competitors would consider impractical for the long run.

Then there is the challenge of converting its customers to on-demand offerings at a time when many have just completed their upgrade to the newest SAP ERP release and a full conversion of its installed base to run the latest software may in fact become a reality over the next few years. Providing them with an on-demand deployment option will prove to be beneficial in some cases and perhaps superfluous for others.

Ecosystem

SAP supports a host of credit card companies as payment processing partners for its TEM products. In addition SAP is working closely with OpenText to improve document management capabilities of expense reporting. SAP also partners with major travel organizations such as Amadeus and BCD.

For its on-demand offerings, SAP is partnering with systems integrators such as Accenture to leverage each other's expertise and optimize go-to-market and user experience programs.

Shares

With a 16% share in the travel and expense management applications market, SAP's ability to gain share is above average because of a healthy flow of recurring revenues primarily in the form of maintenance fees from customers that have been standardizing on the SAP Travel Management product for years. Recovery is also under way for many of SAP's key industries and TEM is considered a major selling point for these companies to reduce costs.

On the upside, SAP is taking the offensive in the on-demand world with a slew of travel and expense management capabilities, a move that should stimulate demand among new and existing customers, especially for multinationals

that plan to standardize on the SAP platform around the world without requiring them to install software in multiple locations.

On the downside, SAP has faced difficulties when seeking to establish a foothold in the on-demand market for a number of years and the transition remains a work in progress. Additionally it is not clear how some of its ERP customers will want to invest and access on-demand travel and expense management when they are still adapting to their latest upgrades.

KDS

Le Plessis-Robinson, France

www.kds.com

Overview:

Founded in 1994, KDS has transformed the way companies handle their corporate travel and employee expense requirements, allowing them to adhere to policy by automating travel bookings and capturing travel expenses for efficient reconciliation. Typical customers are large corporations and government agencies.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	66	70

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	0	0%
EMEA	58.3	83%
Asia Pacific	11.6	17%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	38.5	55%
Large(1K-5K ees)	25.6	37%
SMB(1K ees and below)	5.8	8%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	0	0%
Maintenance	0	0%

Subscription	70	100%
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2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Above average
Total	With a 8.2% share in the Travel and Expense Management market, KDS' ability to maintain and win share in the market segment in 2011	Average

Full overview:

Over the past few years KDS has been the travel and expense management engine for a growing number of multinationals and government agencies.

One of its biggest customers is UK Ministry of Defence, which uses KDS to establish Defence Travel Online, allowing 300,000 Royal Navy, Army and Royal Air Force personnel worldwide, as well as MoD civilian staff, to book business travel online, eliminating the burden of forms, warrants and dockets. The solution provides users with immediate price comparisons to find the cheapest travel option, cuts administrative costs and gives the MoD useful data to drive for better bargains with travel suppliers.

In addition to major accounts such as the MOD, KDS has been targeting the midmarket with KDS Express. Some of its early midmarket customers such as Halton have reported a payback of their investment in a matter of weeks, citing end-to-end travel and expense management workflow and automatic integration into their backend ERP systems.

KDS offers three major products KDS Corporate, KDS Portal, and KDS Expense. It also sells KDS Express for midmarket customers. The midmarket product can be implemented in less than four weeks.

The expense management module of KDS Corporate offers features such as automated line creation, corporate card data loading, travel information monitoring, tracking and reporting across the whole process and full audit path for compliance purposes.

In 2011 the vendor started zeroing in on analytics with the introduction of KDS Executive Suite, a dashboard that combines key performance indicators, predictive analytics and decision support capabilities. In addition KDS has offered enhancements in mobile support and receipt scanning.

Key Applications For Travel and Expense Management:

KDS Expense, KDS Total Travel, KDS Invoice Reconciliation

SCORES Analysis

Strengths

After building a major presence in continental Europe, KDS has begun to expand into other regions by winning deals in financial services, public sector as well as natural resources. Its pitch of enabling customers to achieve 100% adoption throughout an organization with intuitive features and real-time connectivity is expected to resonate with those that are increasingly pressured to boost their internal financial compliance efforts, while stemming employee fraud and securing systematic savings in corporate travel. Additionally KDS has positioned itself as a savvy marketer leveraging whimsical mascots, comic strips and other popular social networking tools like Twitter.

KDS's key differentiators include experience in supporting travel and expense management requirements of large multinationals with hundreds of thousands of employees, familiarity with European market and VAT recovery rules and regulations, as well as sophisticated marketing strategies that resonate with young and tech-savvy employees.

Customers

KDS has secured more than 5,000 customers and one million users in 20 countries. The average global adoption rate reaches 67% and it aims to reach 100% penetration through enhanced features in its new KDS Corporate Online solutions. Its on-demand solution consists of one million lines of code. Daily volume amounts to six million hits to its 100 servers scattered around the world.

Some of its customers have seen improved results using KDS offerings. For example, Unilever NL estimates it saves an average of €1 million per year on travel costs as a direct result of using the KDS booking solution. In this figure a reduction of the average ticket price of 15% is included even with the inclusion of fuel surcharges, security taxes and airport taxes.

Elsewhere, Airbus has reached an 80% adoption rate. The tool has helped Airbus significantly drive bookings to the company's charter flights. Airbus has also seen a substantial reduction in average ticket prices. The vast majority of Airbus's travel is intra-European, and on these routes the company estimates it saves €50 per segment.

Europe represents the biggest market for KDS. In 2007 it won the Ministry of Defense contract from the UK government, allowing KDS to automate the travel and expense management function of the agency's 300,000 employees. The deal, which went live in 2008, adds more than \$2 million in subscription revenues annually for KDS.

Opportunities

KDS has been expanding into many regions following the globalization of its customers. Global corporations such as Accenture, Airbus, Arcelor, BP, EADS, Henkel, ING, Shell, Yahoo!, Unilever and others are booking with the flexibility of KDS Corporate. In the United States, it has been partnering with Ariba to sell KDS Corporate 6.0 as a part of Ariba Travel & Expense On Demand.

In 2011 KDS is expected to continue to build on momentum in public sector market, while positioning KDS Express for the midmarket. Additionally it will play up its formula of winning acceptance with its 100% user adoption and policy compliance among its customers.

Risks

With a large scale hosting infrastructure in place, KDS is well prepared to continue with its momentum by tackling the requirements of multinationals with hundreds of thousands of employees. However its reliance on systems integrators such as Cap Gemini suggests issues like data conversion and back-end integration remain challenging for the largest customers of KDS, especially those that run multiple financial systems around the world.

Another challenge lies in its partnership with American Express, which increasingly is steering much business to Concur, one of KDS' biggest competitors. Strengthening its ecosystem will be a key challenge for KDS in the coming years at a time when enterprises are keen on consolidating their corporate travel and expense management systems and travel service suppliers to rein in redundant administrative and support costs.

Ecosystem

KDS recently signed partnerships with Hotelzoo to expand hotel booking service, providing its customers with more supplier content. It also signed with Trondent Development Corp. to offer users such as travel agents additional profile synchronizing capabilities.

KDS has also launched a partner program designed to provide travel management companies easy access to an array of software, services, training and tools to improve their sales through better customer relationship management.

KDS's technology partners include Ariba, which resells KDS Corporate 6.0 as a part of its Ariba Travel & Expense On Demand. KDS's products are developed using Microsoft technologies including Dot Net, C# Visual Studio, Oracle database and XML interfaces to multiple external servers.

Shares

With a 8.2% share in the travel and expense management applications market, KDS' ability to gain share is average with stable recurring revenues coming from a large installed base of customers and users in Europe and Asia.

KDS is expected to grow shares in 2011 because of entrenched presence in key accounts such as EADS, UK Government, a thriving ecosystem that is backed by full-featured SaaS offerings, as well as a robust network of resellers and partners in Europe and Asia.

On the downside, its reliance on the public sector vertical that has been hurt by severe budget cuts could prevent KDS from achieving decent growth rates in Europe, which remains its core market.

Infor

Atlanta, GA

www.infor.com

Overview:

Infor has become one of the largest enterprise applications vendors in the world after years of assembling and refining its extensive product portfolio. Its ability to cross-sell and upsell its travel and expense management applications into its vast installed base has yielded positive results. Typical customers are multinationals in high tech and pharmaceutical industries that have a large pool of users.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	27	30

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	19.2	64%
EMEA	8.5	28.5%
Asia Pacific	2.1	7%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	16	54%
Large(1K-5K ees)	10.7	36%
SMB(1K ees and below)	3.2	11%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	6	20%

Maintenance	19.5	65%
Subscription	4.5	15%

2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Above average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Above average
Total	With a 3% share in the Travel and Expense Management market, Infor's ability to maintain and win share in the market segment in 2011	Average

Full overview:

Infor's travel and expense management applications, which used to be named Extensity in the early 2000s, have been one of the strategic product offerings since Infor's takeover of the product line in 2006. Over the past few years, Infor has been expanding its reach in the TEM by marketing the offerings heavily to its base of 70,000 customers.

Previously the Infor Expense Management product line was heavily used by Fluor, Alcatel, UCLA, SC Johnson and others. Its user base topped one million with many multinationals processing an average of 16,000 expense reports from 4,000 employees with \$26 million in expense value annually. Since 2006 Infor has been adding to the list with the latest count nearing 600 customers.

Recent enhancements include a new audit module, full localization support in SaaS model, expense (creation and approval) and time tracking mobile applications, Online booking integration framework, and a receipt module. Infor Expense Management, which is based on Java and runs on Oracle Weblogic as well as Tomcat, is certified for Linux, Windows, Solaris, and supports Oracle, DB2 and SQL Server databases.

Infor Expense Management includes four core modules: Travel Plans, Expense Reports, Payment Requests, and Timesheets. Each module features real-time policy notification, alerting employees to violations as they enter data and allowing them to provide explanations or make corrections before submitting plans or expenses; configurable workflow for alerting reviewers, obtaining necessary approvals, and then triggering events such as the issuance of plane tickets or the reimbursement of expenses; and business intelligence tools to analyze the solution's database and search for opportunities to transform spending into savings.

Over the next few years, Infor is expected to turn Infor Expense Management into Web Services through continuous improvement to its SOA architecture. The current release 7.5 supports such languages as English, Spanish, German, Russian, Swedish, Simplified Chinese, Japanese, Italian, Czech and French.

Because of the extensive product portfolio of Infor, the Infor Expense Management has not been getting the attention that it deserves. With increased marketing and R&D investments, Infor is expected to change that by making strategic products like Infor Expense Management more intuitive and accessible to a large number of customers.

Key Applications For Travel and Expense Management:

Infor Expense Management

SCORES Analysis

Strengths

Infor's TEM offerings have become increasingly indispensable for the vendor as it starts branching out into services sectors such as hospitality, professional services and public sector, all of which will become target markets for its TEM applications.

With a long track record in the TEM market, Infor products have helped pioneer and drive adoptions among large organizations with thousands of users. Seamless connection between Infor Expense Management and its financial management and reporting applications has made standardization possible throughout such enterprises. Additionally Infor has made considerable progress in turning customized requirements into standard features that can be widely adopted, a key attribute of growing its on-demand TEM business.

Because of that, Infor is in the best position to cross-sell and upsell its TEM products - alongside with its CRM and ERP solutions - to companies that have started to realize the benefits of standardizing user-centric and back-office applications from a single vendor.

For example, Infor has been offering a slew of travel and expense and back-office ERP solutions to Rite-Aid, the drug store chain. It won the deal against Concur in part because of the multi-pronged application deployment strategy of the retailer, which was in the midst of an IT reengineering project to shave costs and improve process flow.

With their intuitive user interface and desktop and mobile accessibility, the TEM offerings will help accelerate the standardization processes across Infor's installed base of 70,000 customers. In fact, TEM could become a catalyst to revitalize Infor with a growing list of Web services that has the potential of transforming the vendor along the way.

Customers

In the travel and expense management applications market, Infor has nearly 600 customers with one million licensed seats in 40 countries.

Customers include A.T. Kearney, Aventis, Cisco Systems, Fluor, Franklin Templeton Cos, GlaxoSmithKline, Research In Motion, and Provident Financial.

Opportunities

One of the biggest opportunities lies in the hospitality vertical where Infor has made key acquisitions including Softbrands and Hotel Management System division from Amadeus in 2010. It's possible that Infor could jumpstart sales of its TEM products by working through the hospitality channel, making its expense management capabilities much more ubiquitous through extensive channel development efforts.

Additionally Infor is gearing up its Cloud-based offerings with the help of partners such as Microsoft. Infor Expense Management is well positioned as one of the major components of Infor's evolving Cloud strategy in 2011.

Risks

TEM applications are some of the acquired products for Infor, whose positioning remains a technology holding company sparing little time and energy to promote each and every offering in a dedicated fashion. The good news is that TEM has been considered a strategic product with long-term growth potential for Infor.

The issue is whether customers will find enough commitment on the part of Infor to keep delivering TEM enhancements at a time when they can easily find attractively priced alternatives from point solution providers that are 100% behind their TEM products.

While Infor is working closely with RIM, one of its TEM customers, to optimize mobility support for Blackberry users, it may need to work closely with iPhone developers in order to parlay the aura of the Apple community to its advantage by addressing the specific needs of its constituents.

Ecosystem

Infor works with a growing number of travel and technology partners for online booking and payment processing that help support its TEM offerings.

Shares

With a 3% share in the travel and expense management applications market, Infor's ability to gain share is average as it continues to redefine itself in the wake of a series of management changes.

On the upside, Infor seems to be on the verge of a gradual rebound as many of its asset-intensive customers begin to recover and boost IT spending. Furthermore Infor has boosted sales resources dedicated to the Infor Expense Management offerings across different regions.

On the downside, despite Infor's increased commitment to the travel and expense management market, selling Infor Expense Management without the air cover of its numerous ERP suites remains challenging. Additionally Infor has yet to release a SMB-specific version of its TEM offerings for the mass market. Allaying such concerns, Infor has made a concerted effort to simplify the deployment of its Expense Management offerings through affordable and easy to implement FastStart templates.

Oracle

Redwood Shores, CA

www.oracle.com

Overview:

Oracle offers two major travel and expense management applications – Oracle iExpense as part of its Oracle E-Business Suite and Peoplesoft Expense as part of Peoplesoft Enterprise. In both cases, Oracle’s travel and expense management applications offerings are closely intertwined with its broader ERP strategy.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	28	29

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	14.5	50%
EMEA	9.6	33%
Asia Pacific	4.8	17%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	9.6	33%
Large(1K-5K ees)	14.5	50%
SMB(1K ees and below)	4.8	17%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	7.3	26%
Maintenance	21.2	74%

Subscription	0	0%
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2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Below average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Below average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 3% share in the Travel and Expense Management market, Oracle's ability to maintain and win share in the market segment in 2011	Below average

Full overview:

For more than 10 years, Oracle has been selling its travel and expense management applications to a wide array of customers. For iExpense, that means driving adoptions among its core base of customers in financial services, high-tech manufacturing and professional services. The PeopleSoft Expense has been well received among customers in education, healthcare and public sector verticals.

iExpenses seamlessly integrates with all modules within Financials and across eBusiness suite for all downstream processing. It has been positioned an effective mechanism to help companies enforce expense policies to control T&E spend. IExpense offers a comprehensive policy setup to adhere to such policies. It also streamlines expense auditing for greater efficiency and better compliance. With the audit tools available in iExpenses, auditors will be able to dedicate more time for compliance monitoring. The product also offers improved receipt management to lower processing costs. On the approval side, the product helps improve T&E visibility. iExpenses provides rules driven approval through Workflow and Oracle Approvals Management. It also makes it easier for employees to use designated credit cards to boost user satisfaction and reduce processing costs. iExpenses offers delivered integration with all major card brands and built in support for all down stream processing.

PeopleSoft Expenses, on the other hand, is geared toward seamless integration into a number of PeopleSoft applications including Financial, HCM and Projects. For example it allows users to transfer project cost data to PeopleSoft Projects so they can invoice expenses through PeopleSoft Billing. Similarly it offers the ability to populate employee tables with organizational, personal, and job data from PeopleSoft Human Capital Management and to receive direct deposit and bank account information from PeopleSoft Payroll. The extensibility of PeopleSoft Expenses has been one of the key attributes that allows greater adoptions of the product among Peoplesoft's 3,500 customers than that of iExpenses among EBS' 12,000-plus customers.

Oracle has been seeking to boost further adoptions among its ERP customers through aggressive upgrade activities. However the travel and expense offerings have been overshadowed by the huge numbers of products being offered by Oracle – some of which would take precedent over others as the vendor constantly shifts its focus along with its product and industry strategies.

Key Applications For Travel and Expense Management:

Oracle iExpenses and PeopleSoft Expenses

SCORES Analysis

Strengths

The biggest benefit of Oracle's TEM offerings has to do with seamless integration into Oracle financial applications, delivering full visibility into employee expense management as well as policy compliance functionality.

In order to attract a growing base of users, Oracle is making available new add-ons like iReceipts as standard features that do not require additional license fees.

Key differentiators include seamless integration into Oracle Financial Management backend for better expense management reporting and spend analytics as the vendor is positioning its expense management applications as the linchpin for financial process excellence.

Customers

Oracle has more than 1,000 customers using its travel and expense management applications. Customer references include Commercial Net Lease Realty, Foundstone, General Dynamics UK, Hudson's Bay Co., John I. Haas, Kvaerner, and Prosegur.

Opportunities

In 2011 Oracle will continue to ramp up adoptions of Oracle iExpense and PeopleSoft Expenses through its overall program to migrate current customers to the latest releases of its ERP suites. It will make available free features such as iReceipts as well as mobile support for Apple iPhone to entice adoptions among these customers.

Risks

One of the biggest challenges of Oracle's TEM offerings is the fact that the products are primarily designed for existing Oracle customers, not for the general user population that may be using multiple back-end systems.

Another challenge is that Oracle may be slower in upgrading the TEM offerings because of the need of synchronizing the release schedule of the associated products within a monolithic ERP suite. As a result, the Oracle

TEM offerings will always been a step behind comparable products that have been on the market solely for the virtues of their TEM features.

Lastly, Oracle's TEM offerings are still tied to the on-premise implementations of its ERP customers and the on-demand capabilities are not as robust as others on the market.

Ecosystem

Southwest Airlines for iPhone applications support for PeopleSoft Expenses customers.

Shares

With a 3% share in the travel and expense management applications market, Oracle's ability to gain share is below average because of a series of product launches including the general availability of the Oracle Fusion Applications, which could overshadow its other point products.

On the upside, Oracle's applications revenues have been on an upswing for much of 2010 and its recent acquisitions including Sun and PhaseForward could open up new markets for its travel and expense management applications.

On the downside, TEM remains a small part of Oracle's applications strategy and it does not appear to be getting much traction beyond the existing EBS and PeopleSoft customers, whose growth prospects have been taking a backseat to other priorities from hardware solution to its core database business, which has been under attack by low-cost open-source offerings. All these developments could render Oracle's TEM strategy an after-thought for a vendor that has no shortage of products to sell, but not enough attention paid to each and every one of them.

Spendvision

Hamshire, UK

www.spendvision.com

Overview:

Spendvision has played a major role in helping companies improve their financial systems through a robust transaction management platform that serves as a clearinghouse for users to automate their indirect procurement activities. Typical customers are banks, telcos, travel partners as well as a large number of corporate clients that they serve.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	22	25

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	2.5	10%
EMEA	13.75	55%
Asia Pacific	8.75	35%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	12.5	50%
Large(1K-5K ees)	6.25	25%
SMB(1K ees and below)	6.25	25%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	0	0%

Maintenance	0	0%
Subscription	25	100%

2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Above average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Above average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 3% share in the Travel and Expense Management market, Spendvision's ability to maintain and win share in the market segment in 2011	Average

Full overview:

With an integrated platform for payment processing and expense management, Spendvision has begun to transform the world of indirect procurement on such essential items as business travel expenses and mobile phone charges.

Spendvision, which started out as a part of Deloitte, has emerged as a viable player in the travel and expense applications market through its on-demand offerings that link banks, telcos, travel organizations and their customers, handling massive amounts of transactions that come from corporate purchase cards, mobile phone service requisitions, and employee expense reports.

By working with banks, telecom providers and travel management companies, Spendvision has helped many of their customers consolidate and control their indirect spend, while generating detailed reports that meet supplier management, audit and compliance requirements.

The result is a common platform that Spendvision can extend to multiple markets across different geographies, establishing a global procurement and payment standard for all parties involved.

Key Applications For Travel and Expense Management:

Spendvision Expense Management Solution

SCORES Analysis

Strengths

Over the past few years, Spendvision has grown rapidly by working closely with key partners such as Visa and building a loyal following among public sector and commercial accounts.

Leveraging the reporting technologies from Spendvision, Visa has been selling Visa IntelliLink Spend Management that enables financial institutions and their clients gain better insights into their payment and procurement activities at the local and global levels.

Spendvision has made reporting one of its key differentiators. Last year it announced Multi-Program Reporting, which provides finance executives with greater access to spend levels across their organization regardless of the origins of the transactions.

The offering will help users track and manage all corporate transactions including indirect procurement activities, travel and expense management, telecom services and electronic billing and payment.

Customers

Through its partners, Spendvision sells its expend management and transaction processing systems to more than 250,000 companies covering 2.6 million users and 250 million transactions.

References include Anglian Water, Christchurch City Council, De Beers, Elders, Essex County Council, Fosters, Lincoln University, Linfox, National Australia Bank, Unitec Institute of Technology, University of Canterbury, University of Sydney, Victoria University of Wellington, Vodafone, and Walsall Council.

Recent wins included Rio Tinto and Swansea Metropolitan University.

Opportunities

Following its successes in managing corporate spend on behalf of its partners and their clients, Spendvision is eyeing eWallet as another key enabler for companies to keep track of expenses in minute detail. Similar to corporate purchase cards, eWallet, which could be embedded into smart phones, has the potential of revolutionizing how business users manage their routine expense activities from subway fares to per-diem reimbursements.

Spendvision plans to unveil its eWallet offering with the help of its banking partners in Asia Pacific first and broaden it to other regions.

Additionally Spendvision is expanding globally after winning deals in Asia, Latin America and the United States. In September 2010 Spendvision opened its first US office in San Francisco to better serve its multinational customers including mining company Rio Tinto, which plans to roll out Spendvision Expense Management to 20,000 of its employees around the world.

Risks

The reliance on public sector customers is a double-edged sword for Spendvision, which has made major inroads into colleges, universities and government agencies in different countries. While some of these organizations may expand the use of new technologies to help them better manage their spend, others may have to succumb to budget cuts, which in turn could lead to fewer transactions for Spendvision and its partners.

By positioning itself as a single platform for transaction management, Spendvision is taking on a host of competitors from payment processing engines such as Fiserv to billing service providers that focus on specific verticals such as communications. While Spendvision may still be able to differentiate itself from its competitors through continuous innovation, it may have to rewrite the rules of engagement when working with many of its partners, which are also pushing different boundaries in order to optimize customer experience with the help of different Cloud-based services, all of which could render the role of an expense management clearinghouse ambiguous at best, or untenable at worst.

Ecosystem

In addition to Visa, Spendvision partners with financial institutions such as ANZ, Barclaycard, National Australia Bank, and SunTrust.

Spendvision has also partnered with Tatsuya Murakami, a Japanese entrepreneur, to create Spendvision Japan.

Shares

With a 3% share in the travel and expense management applications market, Spendvision's ability to gain share is average because of steady recurring revenue streams made possible by transaction fees that it collects from its business partners.

On the upside, Spendvision's growing momentum in Asia Pacific, coupled with global deployment at multinationals like Rio Tinto, is setting the stage for the vendor to become the de-facto expense management platform in emerging countries, which in turn could influence the future direction of expense management in nascent and developed markets alike.

On the downside, Spendvision has been dependent on its partners to deliver the amount of transactions needed to keep its platform viable. While the move to sell directly into multinationals like Rio Tinto has strengthened its ability to connect with its customers, the future of Spendvision may lie in its ability to derive revenues from an even mix of direct accounts and channel partners that bring in large volume of end users and transactions.

Ariba

Sunnyvale, CA

www.ariba.com

Overview:

An early pioneer of B2B eCommerce, Ariba has carved out a lucrative niche selling its travel and expense management applications as part of a complete set of on-demand tools designed to put corporate spend under control. Typical customers are major corporations that have standardized on Ariba's spend management applications to address their direct and indirect materials procurement needs.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	21	20

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	14.9	71%
EMEA	4.6	22%
Asia Pacific	1.4	7%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	14.6	70%
Large(1K-5K ees)	6.3	30%
SMB(1K ees and below)	0	0%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	0	0%

Maintenance	7.7	32%
Subscription	13.3	68%

2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Above average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Average
Opportunities	Market opportunities at the vertical and subvertical levels	Above average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Above average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 2% share in the Travel and Expense Management market, Ariba's ability to maintain and win share in the market segment in 2011	Above average

Full overview:

Ariba, which helped crystallize the vision of spend management with a host of eCommerce applications and services, has succeeded in broadening its reach by latching onto the on-demand delivery model first. That was followed by an evolving Cloud-based Commerce strategy that has begun to resonate with an extensive electronic network of customers and suppliers alike.

Over the past few years, Ariba has benefited from a robust B2B platform that gives rise to growing adoptions of its applications including Ariba Travel and Expense, while positioning itself for sustainable expansion through the Ariba Network, a thriving online marketplace that matches buyers with suppliers.

In 2010 Ariba acquired Quadrem, an online marketplace that has attracted 70,000 suppliers in 65 countries selling both direct and indirect goods to many multinationals including some of the largest mining companies in the world.

As Ariba shifts its focus to driving more transaction-based revenues and services procurement activities, travel and expense management is expected to become a catalyst for buyers and suppliers to discover each other, negotiate and enter into long-term eCommerce relationship, which in turn will make the role of Ariba indispensable for all parties involved.

Key Applications For Travel and Expense Management:

Ariba Travel and Expense

SCORES Analysis

Strengths

As one of the earliest B2B vendors to profit from on-demand software delivery, Ariba has gained new momentum with its successful Ariba Network strategy. Already there are 263,000 suppliers on the network, collaborating with buyers to complete more than \$142 billion worth of transactions last year. The acquisition of Quadrem will add another 70,000 suppliers and \$28 billion worth of purchases through the Ariba system.

Ariba is simplifying such transactions by steering buyers and suppliers to a common platform that leverages the Cloud infrastructure, which delivers a host of applications functionality from Ariba and its partners.

With Ariba Travel and Expense, users can combine travel with other spend categories to develop a holistic view of its services expenses while formulating a corporate wide strategy for optimized cost savings, employee productivity and supplier relationship management.

The holistic view can be further enhanced by other features available from Ariba Commerce Cloud to create a complete picture of a company's total spend at all levels, a particular benefit for organizations that have disparate operations around the world.

With 15 years of experience selling B2B applications, Ariba has transformed the way buyers and suppliers interact and do business on a regular basis. The first-mover advantage of Ariba Commerce Cloud, augmented by its usability and the network effect, exemplifies the best practices in spend management stemming from a thriving community of users, suppliers and business partners, all of whom will have more to gain through continuous online collaboration.

Customers

Ariba has more than 200 customers including BB&T Bank using Ariba Travel and Expense.

Opportunities

In addition to selling its software features over Ariba Commerce Cloud, the Ariba Network has become one of the most dynamic parts of its business, representing a quarter of its sales from almost nothing in 2003. Because of the scale of the network, Ariba makes money from both buyers and suppliers and any incremental growth in the number of participants could result in exponential increase in recurring revenues for the vendor.

Ariba is also planning to levy fees on others services that it provides. Ariba Discovery, which provides leads to suppliers, is another fee-based opportunity that the vendor plans to exploit in the spring of 2011.

Then there is Ariba's existing installed base of Ariba Travel and Expense customers running Version 8.4 or 9R1 that are expected to upgrade, which in turn will yield add-on sales opportunities.

Risks

The combination of Ariba Network and Quadrem is expected to yield further synergy to the vendor in its attempt to dominate the eMarketplace world by the sheer size of its transaction volume, adding heft to an already major force in B2B eCommerce. The issue is whether Ariba will pursue the expansion of its eMarketplace strategy at the expense of its buyers since suppliers now represent the bulk of its subscription revenues on the Ariba Network. By comparison, buying organizations accounted for the bulk of Ariba's revenue stream during its early years.

Ariba's near-term risk has more to do with its future travel and expense management applications offerings, which are derived from an OEM arrangement between the vendor and KDS. The latter may have every reason to expand its presence in the North American market where Ariba has its most customers. It is likely that the two sides will have to establish rules of engagement, enabling them to target and support separate customer segments without forcing them to migrate and converge.

Ecosystem

With more than 330,000 supplies in the Ariba Network, the vendor's ecosystem has never looked stronger and it is fair to assume that the net effect will be a proliferation of service offerings perhaps unmatched in the short history of B2B eCommerce.

Moreover, Ariba is partnering with Salesforce.com on the Force.com, allowing the two Cloud-based offerings to collaborate and ensure maximum interoperability.

Shares

With a 2% share in the travel and expense management applications market, Ariba's ability to gain share is above average because of robust recurring revenue streams from its core software products as well as network activities.

On the upside, Ariba is taking B2B eCommerce to the next level by addressing the end-to-end business process improvement needs of buyers and suppliers alike, thus eliminating costly integration and transforming their operations through real-time collaboration.

On the downside, Ariba is increasingly pinning its future on suppliers rather than buyers, its traditional target audience, a shift that could backfire if purchasers fail to see tangible cost savings and consistent quality of their suppliers, something that Ariba needs to avert at all costs.

Replicon

Calgary, Alberta, Canada

www.replicon.com

Overview:

Through continuous product innovation and superior customer services, Replicon has grown to become a viable alternative to some of the biggest software companies when it comes to expense and workforce management.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	12.5	15

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	8	54%
EMEA	4.1	28%
Asia Pacific	2.7	18%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	5.5	19%
Large(1K-5K ees)	6.9	53%
SMB(1K ees and below)	2.7	28%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	0	0%
Maintenance	0	0%
Subscription	15	100%

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2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Above average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 2% share in the Travel and Expense Management market, Replicon's ability to maintain and win share in the market segment in 2011	Average

Full overview:

Founded in 1995, Replicon, which offers a list of on-demand offerings in expense reporting, time and attendance and project and billing, has built a loyal following because of its product functionality, aggressive pricing and successful push into key verticals such as professional services.

Over the past few years, Replicon has seen its installed base topping 1.5 million users, while its customer count reaching 7,300 including some of the big companies such as Allstate Insurance, Haliburton and Nike.

With a staff of 160 employees, the company has grown dramatically over the years with its installed base jumping from 750,000 users in 2004 to more than 1.5 million in 2010 as a result of expanded product offerings and customer wins in 70 countries. Aggressive pricing also helps. Now many of its offerings are priced at \$3 per user per month, substantially less than that of traditional software licenses, or even competing on-demand offering for that matter.

With the goal of reaching \$200 million in revenues in a few years, Replicon is laying the ground work for sustainable growth. In August 2009, Replicon acquired MySchedule.net Workforce Management Solutions to shore up its employee scheduling offerings.

Key Applications For Travel and Expense Management:

Replicon Web Expense

SCORES Analysis

Strengths

Despite its relatively small size and short history, Replicon has amassed the economy of scale to tackle expense management requirements of some of the world's largest organizations. Already it has become entrenched in the inner workings of its corporate accounts providing timesheet reporting, project and billing and expense management applications, all of which are heavily used by their employees and contractors. That magnifies the impact of Replicon's applications, whose usability is expected to rise following its acquisition of MySchedule.net.

Another key strength lies in how its products are being used by professional services organizations such as accounting firms, engineering and consulting companies, allowing Replicon to develop deep understanding of project-based industries, a major growth engine in many regions.

Because of its Web-based offerings that can be plugged into any back-end accounting systems, Replicon's expense management applications are considered easy and inexpensive to maintain, requiring little IT involvement, which appeals to mid-sized and many large organizations. Replicon's products include Web Timesheet: Project & Billing Edition; Web TimeSheet: Time & Attendance Edition; Web Expense and Web Resource. These products work separately or as one seamlessly integrated solution. This enables companies to selectively deploy products as needed, at either a department level, or globally at a corporate level, using a single install. This provides companies with the flexibility to choose their level of independence and control.

Designed for everyday user, Replicon has taken the simplicity message to heart devising new and intuitive ways for users to speed through otherwise time-consuming chores like expense and time-sheet reporting. Attention to detail and how users can be better served also extends to its corporate culture, which pays special care to career development, morale boosting and collaborative workspace. It has been named one of the best workplaces in Canada by local media.

Customers

Replicon has more than 3,500 customers using its expense management applications and its total customer count exceeds 7,300.

References include HP, Compaq, AT&T Wireless, Barnes & Noble, Amazon, Turner Broadcasting, Ferrari and Charles Schwab.

Recent wins included Communicopia, Michelle Durpetti Events, Optimization Group, Principal Partnering Group, and QRC Technologies.

Opportunities

One of the biggest opportunities for Replicon is to help its customers standardize on its on-demand offerings by offering integrated solutions that combine travel and expense management with workforce management for time and labor and scheduling automation.

Its recent introduction of RepliConnect API will also help extend Replicon's capabilities to other applications being used by its customers. RepliConnect API is a set of APIs designed to simplify integration between Web TimeSheet and payroll, billing, project management and other applications such as Intuit QuickBooks.

Additionally Replicon is likely to step up its presence in key verticals such as professional services, while continuing its aggressive pricing strategy to boost adoptions in new and emerging regions.

Risks

The next phase of growth for Replicon is to deliver travel requests and planning modules to complement its workforce management solutions. The addition of MySchedule.net signaled its intention of building out its operations through complementary acquisitions.

Another challenge lies in getting its customers to standardize on its modules and use these features extensively as an preemptive strike against ERP and workforce management vendors, which are seeking to displace Replicon by incorporating expense reporting into their core functionality and boosting their wallet shares among their existing customers.

Ecosystem

Replicon is leveraging social media tools to help build an ecosystem using its inhouse experts as well as customers and business partners.

Shares

With a 2% share in the travel and expense management applications market, Replicon's ability to gain share is above average because of its fast-growth track record and loyal customers.

On the upside, aided by its enhanced features, competitive pricing and exceptional customer support, Replicon has been gaining traction with existing customers, which top 7,300. And its selective acquisitions have helped round out its product offerings.

On the downside, its R&D capabilities will be tested as its product offerings are required to connect to a slew of front-end and backend project management and financial applications. Additionally Replicon has been selling heavily into the professional services vertical and it remains to be seen whether the vendor can sustain the momentum without crafting a long term strategy for governance, risk and compliance, which is becoming prerequisites for multinational professional services organizations.

CyberShift

Parsippany, NJ

www.CyberShift.com

Overview:

Following its 2005 acquisition of TEM vendor Necho, CyberShift has been offering both travel and expense management and workforce management applications to a growing base of customers on both sides of the Atlantic. Typical customers are mid to large corporations that generally are headquartered in North America, but have significant international presence.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	13	14

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	10.5	75%
EMEA	3.5	25%
Asia Pacific	0	0%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	7	50%
Large(1K-5K ees)	5.8	42%
SMB(1K ees and below)	1.1	8%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	1.1	8%

Maintenance	3.5	25%
Subscription	9.3	66%

2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Above average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 2% share in the Travel and Expense Management market, CyberShift's ability to maintain and win share in the market segment in 2011	Average

Full overview:

When it comes to helping companies meet employee expense reporting, scheduling as well as time and attendance requirements, CyberShift has done a fair share of streamlining the underlying processes and creating tangible business value for some of the biggest enterprises.

This puts CyberShift in a unique position of providing total solutions designed to manage and control labor and travel and entertainment costs, often two of the biggest expense categories at many organizations.

Since its initial launch in 1996, CyberShift has been heavily involved in the workforce management applications market and the Necho purchase allowed the vendor to automate a full range of workforce-specific business functions for hundreds of customers.

Benefits to its customers are obvious with some experiencing significant cost reductions by automating expense report processing, providing access to rich data streams for effective negotiation with travel suppliers, and eliminating unnecessary cash floats.

A more disciplined approach also means reducing or redeploying headcount no longer needed for manual expense report management, while controlling spend by ensuring that employees follow published spending guidelines and policies, as well as greater use of corporate credit cards for accurate spend capturing.

The vendor uses transaction-based pricing for its CyberShift Expense, which is based on the volume of expense reports a client processes in a monthly period. CyberShift's "à la carte" approach is designed for clients that need to buy only the services that they require. Optional modules and services can be selected by clients based on their business requirements.

Such flexibility also extends to its delivery models, which include both the on-demand version, hosted by Cybershift, and the traditional on-premise system that is being managed by the client.

Key Applications For Travel and Expense Management:

CyberShift Expense

SCORES Analysis

Strengths

CyberShift started out selling its products just like any other software company by sticking to on-premise implementations as its key to success. While a large number of clients still opt for on-premise deployments of CyberShift Expense, CyberShift has adopted and mastered the Software As A Service delivery model when it shifted its recurring revenue stream to subscription fees in 2003. Today, recurring revenues account for two-thirds of its revenues. That has allowed the vendor to generate dependable revenue streams having bridged the great divide that separates on-premise and on-demand delivery.

CyberShift is headquartered in the New York tri-state area with offices in Toronto and Montreal. Its CyberShift Expense solution is fully scalable and has been deployed for clients with as few as several hundred business travelers to organizations with over 300,000 users.

CyberShift Expense provides users with an intuitive and easy to use interface which is critical to ensure adoption and use by business travelers. The product, while focusing on ease of use, also provides a full range of critical features to meet the requirements of organizations including spending based policies that can be set by business unit or any layer of the organization, flexible approval hierarchy, robust organization and cost element configuration to parallel a client's general ledger structure. Other best-of-breed capabilities include receipt imaging and management, charge card integration with all industry vendors including support for hotel folio and Level III data feeds VAT recovery processing, automated workflow and the ability to capture all employee discretionary spending beyond travel and entertainment.

Another differentiator of CyberShift lies in Boomerang, an expense management solution designed specifically for the Lotus Notes platform. This gives Cybershift access to some of key accounts that have standardized on the team collaboration solution from IBM.

Customers

CyberShift has more than 700 customers in travel and expense management.

Reference wins included American Electric Power, Benco Dental, Loomis Sayles, Oakwood Worldwide, and RR Donnelly.

Opportunities

In 2011 CyberShift is expected to expand its footprint and ecosystem by working closely with reseller partners to penetrate key verticals.

Another key initiative is to emphasize its ability to provide multiple deployment methods, especially those that want to try out the on-demand model before bringing the solution on premise.

Many organizations in the market are still looking to deploy an expense management system on-premise behind their firewall. Cybershift's multiple deployment options should enhance its appeal among these potential customers.

Risks

In addition to the need to stay competitive against other leading TEM vendors by boosting its customer count, CyberShift has reached a pivotal point in its history. Much is riding on its ability to either build out its functionality for other employee resource management requirements such as project billing and invoicing or narrowing its focus by becoming more entrenched in a handful of strategic verticals in order to drive greater differentiation.

Ecosystem

Despite the economic downturn, CyberShift has continued to thrive by retaining a laser focus on its core competency and devising a means for companies to reduce operating costs and boost employee productivity. To augment areas beyond CyberShift's core competencies and to help complete their offering, the company has developed complimentary partnerships with other vendors. Partnerships have been developed with firms such as nuTravel (online booking), TravelGPA (travel benchmarking and consolidated reporting and analysis), Meridian Global Services (VAT recovery and Sales/Use Tax processing) and other Travel Management Companies and Corporate Card Providers.

CyberShift has signed with BMO Spend & Payment Solutions, a division of BMO Financial Group, to jointly market BMO's corporate card solutions with CyberShift's expense management applications. Last year BMO acquired the North American operations of Diners which has significantly increased their portfolio. This will also translate into increased opportunities for CyberShift.

CyberShift has adopted a best of breed partnering approach rather than acquiring or building its solution beyond traditional expense reporting. This strategy has allowed CyberShift to focus on its core competencies while expanding its footprint into other market segments.

To that end, CyberShift has partnered with Travel GPA to integrate its Performance Benchmarking capabilities into its travel and expense management applications. The integrated Travel GPA and CyberShift offering is designed to track and evaluate booked vs actual expenses for travel. This data analysis will give clients unprecedented access to evaluate their corporate travel programs and preferred vendors performance against actual spend.

Similarly the agreement with nuTravel entails the addition of online corporate self-booking tools. The integrated offering will provide business travelers with a simple and scalable solution that automates the entire travel and

expense cycle from pre-trip authorization to travel booking through to recording of the actual business expenses to employee reimbursement and post-payment reporting.

In 2010, CyberShift announced the availability of outsourced services for its expense management solutions. These services will allow clients to offload many of the time consuming and repetitive but required tasks associated with expense management automation. These outsourced services provide CyberShift clients with a new option to further reduce their costs while streamlining and refocusing their AP departments on higher value tasks. CyberShift's outsourced offerings include: expense report audit, receipt processing and management, reimbursement, system administration and end user help desk.

Shares

With a 2% share in the travel and expense management applications market, CyberShift's ability to gain share is average as the economy continues to rebound boosting demand for travel and expense solutions.

On the upside, CyberShift's growth with global organizations is gathering momentum because of its flexible deployment in different regions, while its vertical expansion will help the vendor become more entrenched within core markets.

On the downside, CyberShift's race to the top of the TEM market is a work in progress and its relatively small size could make it an attractive target for tucked-in acquisition by bigger competitors and even financial institutions, travel companies or employee service providers.

ExpenseOnDemand

Marlow, Buckinghamshire, U.K.

www.expenseondemand.com

Overview:

ExpenseOnDemand has become one of the fastest growing on-demand applications vendors in the UK by siphoning shares away from leading vendors such as KDS.

Applications Revenues In Travel and Expense Management:

	2009	2010
\$(M)	11	13

2010 Applications Revenues In Travel and Expense Management By Region:

Region	2010(\$M)	% of total
Americas	0	0%
EMEA	11.7	90%
Asia Pacific	1.3	10%

2010 Applications Revenues In Travel and Expense Management By Company Size:

Size	2010(\$M)	% of total
XL(5K ees and above)	2.6	20%
Large(1K-5K ees)	6.5	50%
SMB(1K ees and below)	3.9	30%

2010 Applications Revenues In Travel and Expense Management By Revenue Type:

Type	2010(\$M)	% of total
License	0	0%
Maintenance	0	0%
Subscription	13	100%

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2010 SCORES Box:

Evaluation	Criteria	Results
Strengths	Key differentiators, domain expertise, product portfolio, solution scope	Average
Customers	Customer wins across regions and customer segments, momentum among new and existing customers	Average
Opportunities	Market opportunities at the vertical and subvertical levels	Average
Risks	Ability to handle internal and external risks and challenges	Average
Ecosystem	Network effects of VARs, resellers, SIs and ISV partners, health of ecosystem	Average
Shares	Market shares, company sales, size, overall market presence	Average
Total	With a 1% share in the Travel and Expense Management market, ExpenseOnDemand's ability to maintain and win share in the market segment in 2011	Average

Full overview:

ExpenseOnDemand has become one of the fastest growing on-demand applications vendors in the UK by siphoning shares away from leading vendors such as KDS.

Since its beginning in 2003, ExpenseOnDemand has been keeping up with market demands by paying close attention to customer demands. Dedicated Internet kiosks that allow users to connect to ExpenseOnDemand and file on-the-spot expense reports after each assignment can be found among some of its customers in China and India, underscoring its understanding of specific cultural and business requirements for its diverse base of customers.

Another attribute lies in its mileage and vehicle management features that ensure that organizations that have large volumes of mileage claims do not have to have teams of people checking these or allow incorrect items to go through. The EOD system is designed to perform 100% checking - automatically, with little or no human interaction. Some of its customers Our customers have saved between 15% and 26% of their mileage claims.

Currently the majority of ExpenseOnDemand's customers are in the UK and continental Europe, but it has recently set up offices in India, Australia and Singapore to serve many of the fastest-growing countries in the region.

Key Applications For Travel and Expense Management:

EOD for ondemand expense management

SCORES Analysis

Strengths

ExpenseOnDemand has become a disruptive force snatching deals from major TEM applications vendors because of its agility and quick delivery of features that meet customer expectations.

Despite its short history, ExpenseOnDemand has secured some of the biggest users in the UK. Housing authorities with hundreds or thousands of employees are among key customers of ExpenseOnDemand.

The same applies to other government agencies and organizations that have recognized the benefits of converting manual expense reporting through automation realizing quick ROI as a result.

Customers

ExpenseOnDemand has more than 1,000 customers in the travel and expense management applications market.

References include Badger Group, Bhandari Gupta Jefferies Consulting, Bromford Housing Association, Central Telecom, Connexions, EMS (A TESCO company), Infospectrum Inc., Sysnet Global, Thompsons Online Benefits, and Threshers.

Opportunities

In 2011 ExpenseOnDemand will ramp up its global expansion through its multinational customers, while banking on large-scale customer adoptions in countries such as India. It is also expected to invest heavily to ensure continuous innovation in areas such as automating mileage reimbursement and other requirements overlooked by others.

Risks

ExpenseOnDemand is heavily involved in the public sector, but it has succeeded in tapping into developing countries in Asia Pacific. However the vendor may find it tough going as it ventures farther from its home base without first developing an all-encompassing ecosystem that includes an extensive network of reseller and integration partners.

For the time being, the SaaS model has served ExpenseOnDemand well, but the next phase of growth will depend on how it fits its vision into that of its major customers for maximum IT leverage as well as end-to-end expense management visibility.

Ecosystem

ExpenseOnDemand has started building a fledgling ecosystem in Australia and United States to support its multinational customers.

Shares

With a 1% share in the travel and expense management applications market, ExpenseOnDemand's ability to gain share is average because of its recent successes in selling into developing countries.

On the upside, its global expansion plan, coupled with aggressive pricing and displacement strategies, will bode well for ExpenseOnDemand.

On the downside, its early gains in the public sector market could be a burden as government agencies in the UK have slashed spending. Additionally its evolving ecosystem is relatively immature, while there has been a lack of reseller and integrator participation in big deals.

Research Methodology

Data used in research reports are derived from publicly available documents, continuous surveys of applications vendors, customers, resellers, Independent Software Vendors, systems integrators and other verifiable sources.

Vendor shares and market forecast results are based on a combination of existing databases as well as demand side and supply side research conducted throughout the year with validation from vendors, customers, channel partners and documentations such as earnings releases and 10Q and 10K filings, vertical industry studies, regional and country-level statistics from public and private institutions(i.e. colleges, universities, government agencies and trade associations).

For additional information on our methodologies, here's the link:

<http://www.appsruntheworld.com/Members/research>

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