



2021 Travel & Expense Management Trends Report

Annual T&E Outlook and Benchmarks

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Summary

A decorative graphic at the top of the page features a dark blue background with white dotted lines forming curved paths. Two paper airplanes, one teal and one red, are shown flying along these paths. Below the paths are stylized blue clouds.

Business is done differently these days, and travel and expense management is no exception. After a year like no other, more organizations are putting technology to work. A recent study of CFOs and decision-makers showed that over 80% of organizations were negatively impacted by the pandemic. Over 70% stated cash flow as a primary reason with only 14% of all respondents expecting to recover losses in the next 12 months.

These statistics document an undeniably difficult year for organizations of all sizes. After business travel spending dropped 52% in 2020, companies are staying optimistic for an economic rebound. What remains certain is that smart organizations are turning challenges into opportunities—and employing automation for the advantage.

Over the years, we've surveyed thousands of finance leaders at organizations outside our customer base for the *Travel & Expense Management Trends Report*. The report provides benchmarks to help companies identify specific areas of T&E management that deserve their attention—and reveals how companies are leveraging technology to improve processes.

The report also acts as a foundation for further insight into what organizations should do to establish the visibility and control they need to mitigate expense report processing costs while fueling employee productivity across the enterprise.

2020 was a year marked by three key themes

1. **New ways of working**
2. **Different types of spending**
3. **Heightened cash flow concerns**

The pandemic raised the stakes for organizations to scrutinize their spending more closely. Cash flow uncertainty made managing working capital effectively a priority response to fast-changing business conditions.

One thing that didn't change over the past year was the need for business continuity. The case for digitizing and simplifying the way that organizations process expense reports and report on spending has never been more critical to the success of an organization.

While the findings of this year's annual *Travel & Expense Management Report* show some hopeful signs that organizations are embracing cloud-based expense management solutions, many organizations still have a lot of work to do.

How quickly organizations automate their financial process will go a long way in determining how well they navigate the new reality.

Respondents to this year's survey reported during the pandemic:

49%

of organizations reviewed supplier payment terms

46%

of organizations reviewed customer payment terms

20%

of organizations changed suppliers

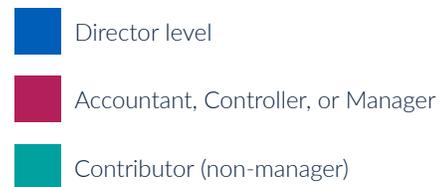
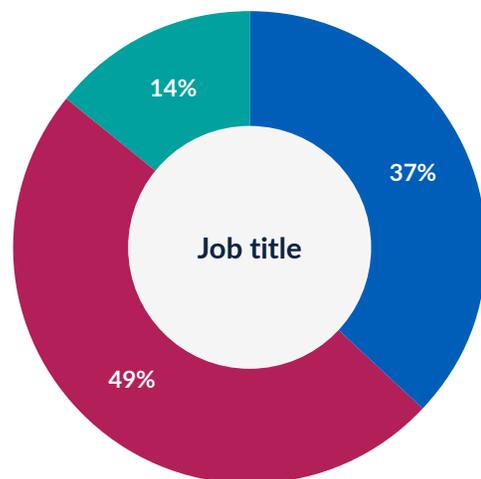
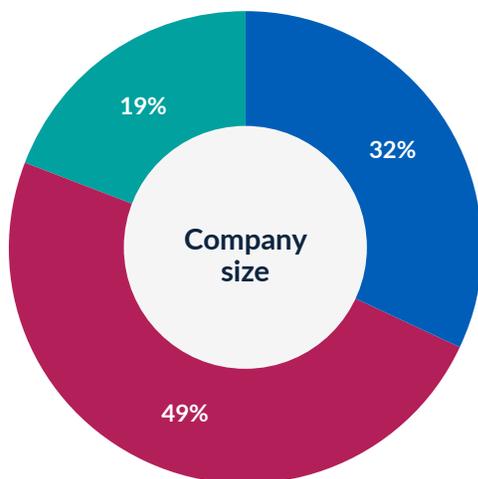
Compared to large enterprises, organizations with fewer than 50 employees were twice as likely to have reviewed customer payment terms during the pandemic.



About the research

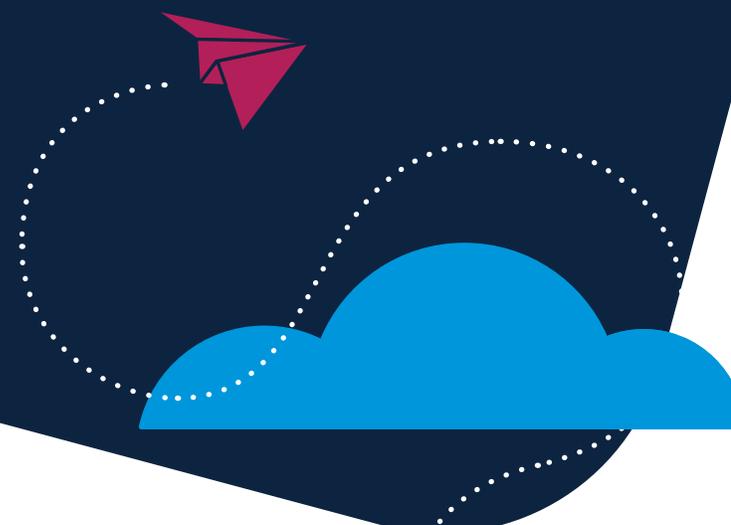
From January 11 - 29, 2021, we surveyed 515 finance professionals outside of our customer base to gain their perspectives on the changing T&E landscape.

Survey demographics





A new travel and expense reality



As organizations plan their return to growth, it is critical that they choose frameworks and tools that are easy to use, powerful, and most of all, adaptable.

Expense management technologies and processes

Despite strong growth of cloud-based solutions, many organizations manage their travel and expense reports using manual processes. Paper, spreadsheets, and proprietary systems offer little barrier to entry. But the benefits start and stop with whoever is tasked with maintaining the system. Adoption of automated systems such as cloud-based T&E solutions and the expense modules in enterprise resource planning (ERP) applications has been slow.

But the sudden shift to remote working has exposed the shortcomings of manual systems. It is hard for organizations to adapt paper-driven processes for submitting, approving, and reimbursing expense reports to a remote working environment.

The challenges that organizations encountered as staff worked from home will be the impetus, and likely, the business case for organizations automating their travel and expense management.

Over one-third (36%) of organizations surveyed are using some form of a manual system, a 7% decrease from the number of organizations that reported using a manual system in 2019, and a 13% drop from 2018. "Manual" is defined in the survey as any process that uses pen and paper, Excel spreadsheets, homegrown systems, or any combination thereof.

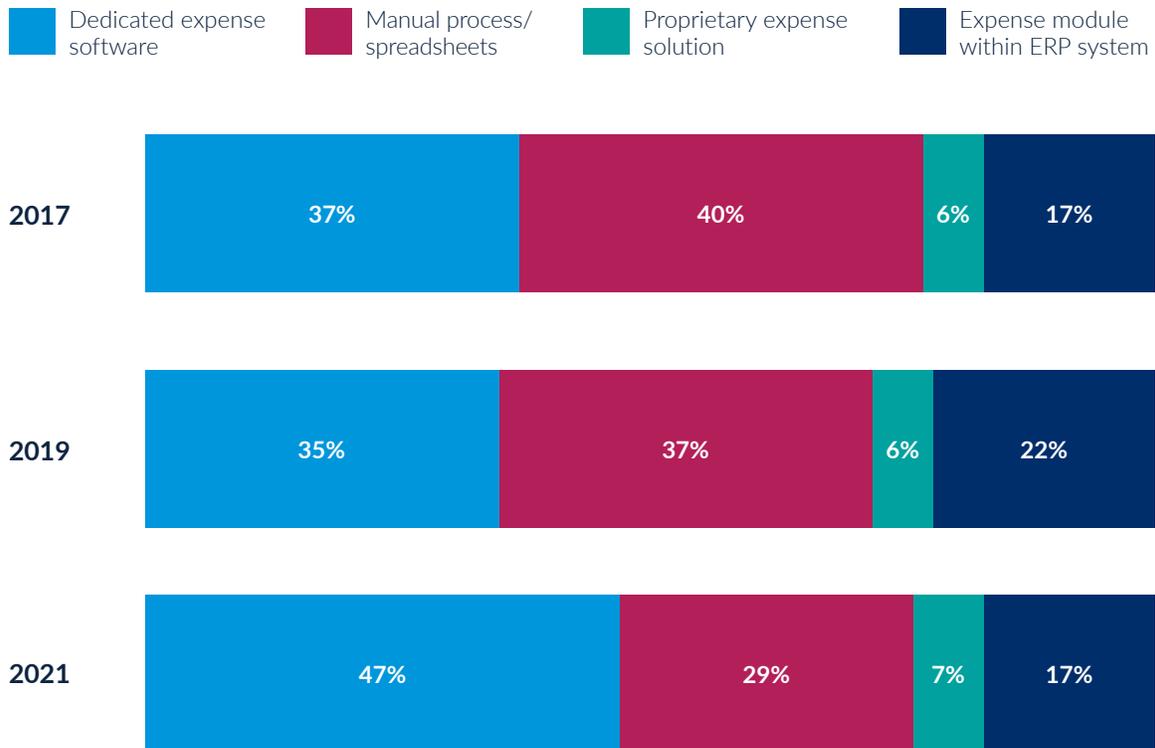
Adoption of expense management automation varies by organization size. More than half of the organizations surveyed with more than 1,000 employees use a cloud-based solution. None of the enterprises surveyed use manual processes to manage T&E spending.

Enterprise organizations primarily use cloud-based solutions and ERP applications for travel and expense management.

Conversely, small organizations are most likely to manage their expenses using manual processes. Only 41% of organizations with fewer than 50 employees have deployed a cloud-based expense solution. Small organizations rely heavily on manual processes, with 45% reporting.

It might be tempting to think that only large organizations can justify the expense of a cloud-based expense solution. But many of these providers offer pricing models that are affordable for the smallest of organizations. As evidence, 53% of the organizations surveyed with between 101 employees and 500 employees use a cloud-based solution. Mid-market companies are often growth-focused and just as cost-conscious as their smaller counterparts.

Expense management systems 2017-2021



Lightweight solutions make it easier for small organizations to implement a cloud-based travel and expense management solution.

Organizational pressures driving change

Manual and semi-automated travel and expense management processes can be a significant barrier to growth. They drain two things that an organization can least afford to waste: money and time.

Cost

Every organization is trying to do more with less these days. Automating travel and expense management is one way that many organizations can reduce their operational overhead for all involved.

One-third (33%) of survey respondents said it costs their organization less than \$10 to process a single expense report. Thirty-seven percent of organizations with fewer than 50 employees spend less than \$10 to process a single expense report. And 41% of organizations with between 2,501 employees and 5,000 employees spend less than \$10 to process a single expense report.

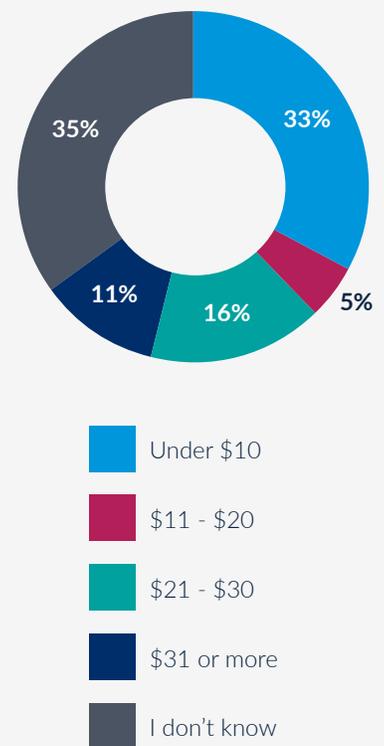
Over 33% of organizations don't know the cost to process a single expense report.

Nearly as many organizations spend more than \$10 to process a single expense report as those that spend less than \$10.

Additionally, many organizations are likely spending a lot more than they think to process expense reports. Over a third of respondents either don't track or don't know how much it costs.

Without knowing their cost to process expense reports, it is hard for organizations to identify opportunities for improvement.

Average cost to process an expense report



Cycle Times

In a post-pandemic world, company-wide agility is essential, which makes choosing systems that prioritize scalability and usability a critical factor.

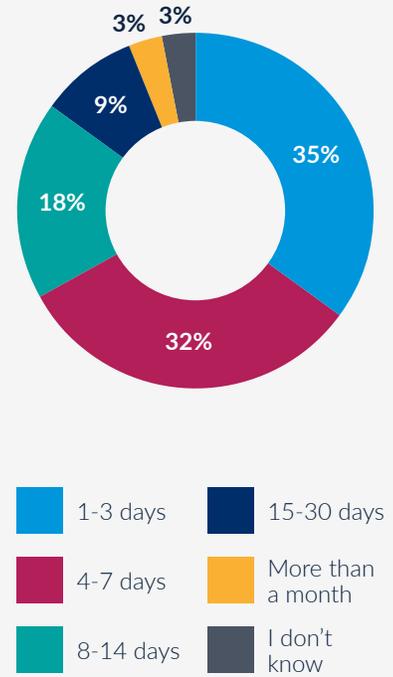
While many organizations can process expense reports within a day, nearly one-third of the survey respondents said it takes their organization eight days or more to approve and reimburse an expense report.

Delays in approving and reimbursing expense reports can contribute to employee frustration, slow chargebacks to clients for reimbursable expenses, difficulty forecasting cash, and budget overruns.

Manual processes are a big contributor to delays in approving and reimbursing expense reports. It takes 11% of these organizations more than a month to process a single expense report—an eternity in today's fast-paced business world.

Nearly half of the organizations with between 5,001 employees and 10,000 employees take between eight days and 30 days to approve and reimburse expense reports. This speaks to the increased complexities that organizations face as they grow and suggests additional opportunities exist for automation among large enterprises.

Average expense report processing time



New realities bring new costs

The pandemic also had an impact on the cost of employee duty of care and regulatory compliance.

Employee duty of care

Organizations have a legal responsibility to protect employees and create a culture of safety.

42% of organizations expect increased duty of care costs.

And it's simply the right thing to do. But the pandemic has made duty of care far more complicated—and in some cases—expensive. Almost half (42%) of survey respondents anticipated that their organization's costs for employee duty of care would increase because of the pandemic. As business begins to rebound, duty of care will remain top-of-mind.

Regulatory compliance

Along with duty of care costs, 40% of survey respondents expect their organization's regulatory costs to increase because of the pandemic. Many organizations faced new government regulations because of the pandemic. In the best of times, government red tape can be a financial and time burden for businesses, especially small ones.

But managing dynamic health-related regulations, byzantine zoning regulations, tax codes, licensing, non-compete measures, and other government regulations can be crippling. Especially to a business trying to regain its footing after the financial blows delivered by the pandemic.

This advantage alone can make a big difference as business begins to rebound.

Because of the pandemic, in 2021 I expect...

	Agree	Disagree	Neither agree nor disagree	I don't know
Increased costs of regulatory compliance in my business	40%	24%	25%	11%
Increased costs related to employee duty of care	41%	18%	23%	18%



Points of pain in the expense management process

Manual processes stand in the way of efficiency. In a manual environment, travelers, managers, and accountants waste lots of time chasing down documentation and tediously reviewing for policy compliance.

Smaller organizations are more likely than their larger counterparts to identify employees losing paper receipts or submitting expense reports without receipts as their top pain point.

A large proportion of companies echoed similar challenges:

- Employees losing paper receipts or submitting expense reports without receipts is the biggest expense management challenge identified by survey respondents.
- A lack of timeliness in expense report submissions was the second-biggest expense management challenge identified by survey respondents. Delays in employee submission of expense reports can complicate cash forecasting, budgeting, and financial operations.
- Expense report errors were a challenge for 27% of survey respondents. Manual processes throw the door open wide to incorrect general ledger codes as well as payment errors. Correcting errors only adds complexity and can even damage the reputation and reliability of your spend data.

Top 5 expense management pain points

- 1 Employees losing paper receipts/submitted reports without receipts
- 2 A lack of timeliness in expense report submissions
- 3 Expense report errors
- 4 Data reconciliation
- 5 Time it takes to reconcile, review, and approve reports

Over the last four years, respondents to the annual *Travel & Expense Management Trends Report* have ranked the same five challenges among their top pain points, suggesting that organizations have work to do in eliminating manual tasks and inefficiencies from their expense management processes.

New ways of working create new costs

Reimbursing non-employee expenses is another pain point for many organizations. New ways of working introduced new types of operational costs. Non-employee groups, such as contractors, consultants, or candidates can contribute to hidden spend that has a major impact. A flexible workforce certainly appeals to many organizations, the battle for exceptional talent continues to wage on. A recent study by Gartner showed that CFOs plan to unfreeze hiring first, followed closely by travel and expense spending.

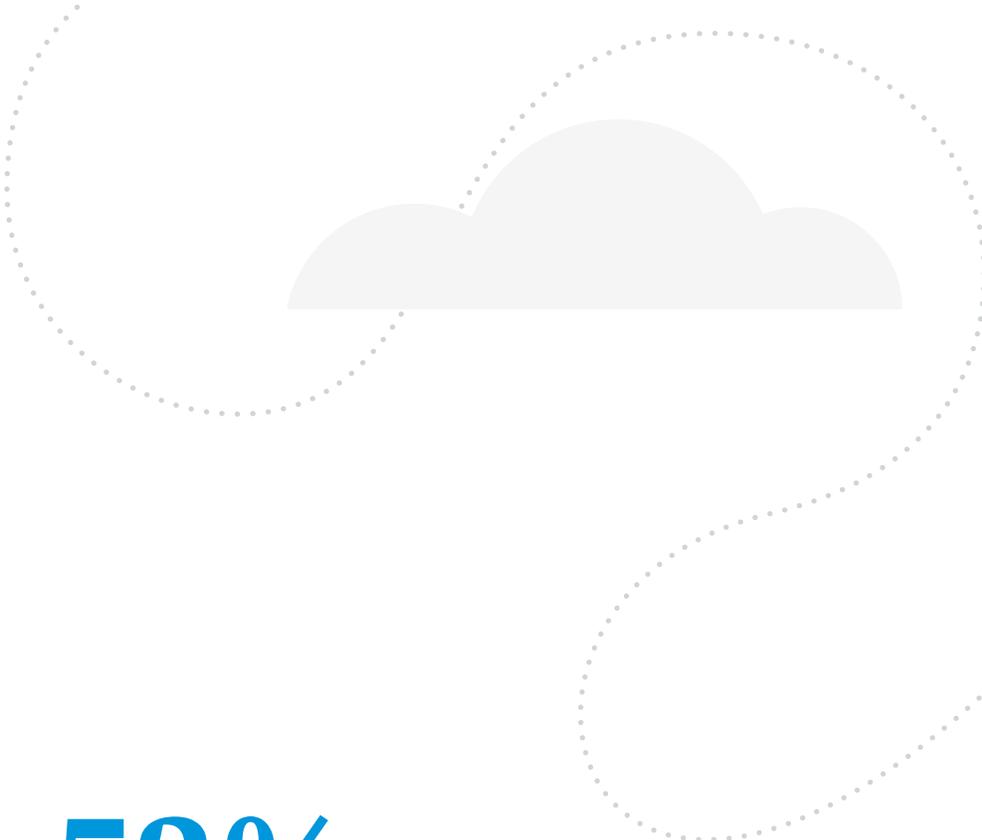
Over a third (36%) of survey respondents reimburse non-employee expenses.

While most survey respondents said their organization processes 50 or fewer expense reports annually for non-employees, there is no simple way for these groups to submit receipts for reimbursement. And there is certainly no efficient way for organizations to process and repay them in a timely fashion.

As a result, finance teams have been forced to use non-standard, time-consuming, and manual workflows to reimburse these groups. This has required them to set up one-time vendor payments in the general ledger system and introduced new risks of expense fraud and manual re-keying errors.

Making matters worse, 59% of survey respondents said their organization does not have a formal travel and expense policy in place for non-employees.





52%

of organizations use a
manual process to manage
non-employee expenses.





Driving digital transformation in finance



An uncertain climate and volatile market have pressured finance to unify disconnected systems and bring the finance function up to date.

Migrating to the cloud

The shift to remote working and the increased demand for real-time visibility into cash and spending puts more pressure on organizations to digitize processes such as expense management.

In a recent [survey of CFOs and finance directors](#), 94% stated that digital transformation was critical to the success of their organization.

The new realities of work may have prompted change for some of our survey respondents. Of the organizations that rely on pen and paper for T&E management, 56% plan to deploy a cloud-based solution. But it is only a matter of time before all these organizations ditch the ink.

Interestingly, none of the respondents from organizations that use pen and paper said they were satisfied with their organization's current processes for travel and expense management.

When it comes to refreshing legacy travel and expense management solutions, organizations with between 1,001 employees and 2,500 employees are leading the charge. Over one-quarter (27%) of these organizations are planning to replace their existing cloud-based solution with a new one.

94%
of CFOs
said digital
transformation
is critical to the
organization's
future success.

Source:
Financial Director Survey, 2020



What's holding organizations back from automating?

Among the organizations with no plans to deploy a cloud-based expense management solution, 43% said their current systems and processes work well enough. A low volume of expense reports (27%), a lack of internal resources (13%), a weak knowledge about cloud-based solutions (10%), and a lack of executive sponsorship (7%) are other reasons respondents cited for not migrating to a dedicated cloud-based travel and expense management solution.

Of organizations with more than 10,001 employees, 78% believe their expense management processes work well enough that they don't need to deploy a cloud-based solution. Over half (54%) of organizations with between 501 employees and 1,000 employees agree.

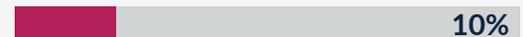
Seventy percent of organizations that manage their travel and expense with a module in their ERP application believe their existing processes work well enough that they don't need to deploy a dedicated cloud-based solution. More than half (57%) of organizations that use a homegrown solution to manage their expenses believe their existing processes work well enough.

Survey respondents who use a module within their ERP application or a homegrown solution to manage their expenses also believe their expense report volumes are too low to justify migrating to a cloud solution.

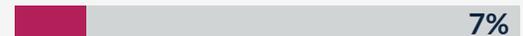
These users are likely unaware of lightweight cloud solutions that can support any expense report volumes.

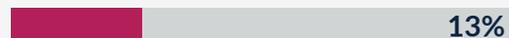
You said you're not making a change. Why?

Our current processes work well enough
 43%

Not enough knowledge of potential cloud solutions
 10%

We don't process enough expense reports to warrant a change
 27%

Lack of executive sponsorship
 7%

Too busy/not enough internal resources to make the switch
 13%



The benefits of expense management automation

Organizations that grasp the challenges of expense management understand the need to leverage technology that simplifies the expense report process, while ensuring control and visibility.

Certain features were noted as offering more value than others. The common thread for all of these centers around efficiency gains and ease of use.

Mobile accessibility is a key component to T&E efficiency in the eyes of organizations that have automated their processes. Receipt capture, automated report creation and approval workflows eliminate the possibility of lost receipts. They also improve the timeliness of expense report submissions and keep approval processes moving no matter where staff work. Finance benefits by gaining unparalleled transparency across the reporting process.

Mobile receipt capture was the feature of an automated solution valued most by organizations.

Integrations with legacy financial and human resources systems are another benefit of automating expense management with a cloud-based solution. Connecting a dedicated expense solution with a credit card feed and systems such as an ERP, accounts payable system, or a treasury application improves efficiency instantly. The connection eliminates or reduces manual data entry, accelerates the delivery of spend data downstream, decreases the chance of errors, and provides 360-degree visibility into cash flow and corporate spending.

Common integrations organizations have implemented with their cloud-based solution (% reporting)

Credit card feed (personal and corporate)	58%
General ledger system	52%
Accounts payable solution	44%
Physical and virtual cards	39%
ERP	39%
Accounts receivable platform	30%
CRM	27%
Workforce management system	27%



Top 10 most valuable features



1. Mobile receipt capture



2. Electronic payments and reimbursements



3. Mobile report creation



4. Automated policy enforcement



5. Automated expense report building



6. Reporting and analytics



7. Optical Character Recognition



8. Automated reconciliation



9. Live and online support



10. Multi-currency support

Cloud-based solutions deliver a fast return on investment

Few organizations have the appetite for expensive, complex technology projects. Even the strongest ROI calculations wouldn't outweigh the risk. Fortunately, cloud-based expense management solutions deliver a fast return on investment.

Over one-quarter (27%) of survey respondents said their organization recouped its investment within six months of implementing a cloud-based. An additional 19% of respondents stated they achieved positive ROI within one year.

In today's uncertain economic environment where capital and resources are limited, the quick win provided by migrating to a cloud-based expense management solution should be compelling to organizations.

46% of companies achieved positive ROI in less than one year after switching to a cloud-based expense system.

Lower expense report processing costs was the biggest contributor to achieving payback for organizations that switched from spreadsheets or the expense reporting module in their ERP to a cloud-based solution. Organizations that previously used a homegrown

solution said improved employee productivity was the biggest factor in achieving payback on their cloud-based solution.

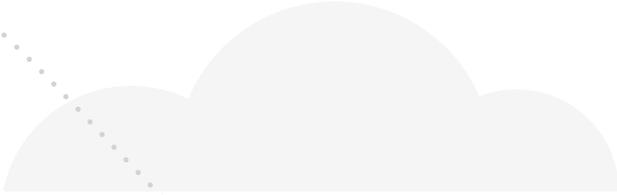
Organizations with fewer than 50 employees cited improved employee productivity as the primary driver of return on their investment in a cloud-based expense management solution. Cloud-based expense management solutions eliminate manual tasks and free staff to focus on higher-value activities that fuel business growth. Organizations with more than 10,001 employees said lower expense report processing costs was the biggest driver of payback on their cloud-based solutions.

What drove rapid payback?

- 1 Lower expense report processing costs
- 2 Improved employee productivity
- 3 Increased T&E policy compliance



76%
of respondents
said deploying a
cloud-based solution
improved expense
report processing.



What organizations look for in an expense management solution

Efficiency gains are a top goal of organizations that are automating their T&E process. So it is no surprise that they are looking for cloud-based solutions with features that will eliminate manual tasks and simplify the expense reporting process.

Automation is the outcome most important to survey respondents from organizations that currently manage their expenses using manual processes.

Respondents from organizations that currently rely on manual T&E processes, and the expense reporting module in their ERP said integration with downstream systems is the feature in a cloud-based solution that is most important to them.

Survey respondents that use homegrown expense reporting solutions also said that simplicity and ease-of-use were top considerations when evaluating cloud-based expense management solutions.

Over three-quarters (78%) of survey respondents from organizations with fewer than 50 employees said that automation of manual processes is the most important feature of a cloud-based solution.

Organizations with more than 10,001 employees are looking for a cloud-based solution that is deployed fast, automates manual tasks, is easy to use, and provides complete audit and reporting.

Top 5 most important features when selecting a cloud-based expense solution

- 1 Automation of manual processes
- 2 Simplicity/ease-of-use for employees
- 3 Integration with ERP/finance/human resources systems
- 4 Mobile functionality and accessibility for travelers
- 5 Rapid deployment and onboarding



Efficiency gains are the top goal of expense management automation

Agility and efficiency have become an increased focus over the years—and brought to force in 2020. Every organization is taking extensive measures to manage cash flow better, and trying to do so in a way that provides adaptability to an uncertain future.

Organizations recognize that automating expense management is one way to accomplish that.

Without a cloud-based solution, employees spend a disproportionate amount of time tracking receipts, entering data across multiple systems, and physically routing reports through several layers of approval.

Manual processes can be equally if not more time-consuming for accountants and administrators.

Organizations should have no trouble achieving the efficiency gains they are after, if the experiences of current users of cloud-based solutions is any indication.

Timelier submission of expense reports was the top benefit that survey respondents achieved by switching from spreadsheets or the expense reporting module in their ERP to a cloud-based expense management solution.

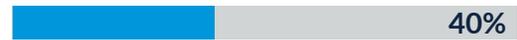
Top 7 reasons that organizations plan to deploy a cloud-based solution

- 1 Simplifying the expense management process for employees and managers
- 2 Faster reimbursement of employee expenses
- 3 Improving employee compliance rates to travel policies
- 4 Providing an expense management solution accessible from anywhere
- 5 Improving reporting and analytics around T&E spending
- 6 Reducing fraud
- 7 Increasing the frequency of expense report submissions



Goals for deploying a cloud-based solution (% reporting)

Reduce or eliminate the use of spreadsheets
 62%

Improve the accuracy of expense reporting
 40%

Reduce or eliminate manual data entry
 54%

Reimburse employees faster
 38%

Reduce the time spent on expense reporting processes
 50%

Increase the frequency of expense report submissions
 38%

Efficiencies gained after deploying a cloud-based solution (% reporting)

Improved the timeliness of expense report submissions
 59%

Sped up general ledger reconciliation
 37%

Reduced or eliminate spreadsheets for expense reporting
 44%

Reduced time spent on expense reporting processes
 35%

Reimbursed employees faster
 44%

Decreased or eliminated manual data entry
 32%



81%

of organizations that use a cloud-based expense management solution said simplifying expense reporting was the reason they deployed the technology.

Dedicated cloud-based solutions earn high marks

By and large, users of cloud-based expense management solutions are satisfied with the technology. Flexibility and mobility improve user adoption. And the workflows help to keep productivity up through enhanced efficiency.

Nearly two-thirds (63%) of survey respondents are satisfied with how their organization's existing cloud-based travel and expense management solution works.

That doesn't mean that organizations will stick with a solutions provider that fails to deliver.

85% of the organizations that plan to switch to cloud-based solutions said they would do so within a year of responding to the survey.

The reasons for switching to cloud-based expense management solutions vary by organization size. Dissatisfaction with pricing and terms is the top reason that organizations with fewer than 50 employees switch cloud-based solutions—highlighting pricing sensitivities for these companies.

An outdated user interface and user experience is the most cited reason that organizations with between 1,001 employees and 2,500 employees switch cloud-based solutions. And difficulty using the solution is the most likely reason that enterprises with more than 10,001 employees will switch from one cloud-based solution provider to another. This reinforces the need for choosing a solution that is easy to use—yet with powerful capabilities.

Top 5 reasons for changing solution providers

- 1 Dissatisfaction with pricing and terms
- 2 Outdated user interface and user experience
- 3 Poor integration with legacy ERP and finance tools
- 4 Inadequate reporting and analytics tools
- 5 Poor customer service and support





Best practices for leveraging automated technology



Improving productivity and lowering costs can begin by equipping employees with lightweight, user-friendly tools.

Addressing the root causes of expense management inefficiencies

At a time when customer demand is down, most organizations are reducing costs as an avenue towards profitability. Many organizations have set their sights on expense management.

Compared to the results of the 2019 *Travel & Expense Management Trends Report*, reducing expense report processing costs is a greater concern to organizations. This is no surprise when you consider that many organizations have experienced lower revenues and profitability because of lockdowns and travel restrictions due to the pandemic.

Among businesses with fewer than 50 employees, reducing expense report processing costs is the top pressure driving improvements in expense management. It's not just small organizations that are tightening their belt. Over one-third (35%) of respondents from organizations with more than 10,001 employees said that reducing costs is the motivation behind expense management improvements.

Organizations know that becoming more efficient is critical to achieving cost savings.

Top 5 pressures on organizations to improve T&E management

- 1 Need to reduce expense report processing costs
- 2 Disconnected systems
- 3 Lack of control over T&E spending
- 4 Inconsistencies and lengthy reimbursement cycles
- 5 Poor visibility into T&E data

2021's top areas for T&E improvement



Efficiency in creating, submitting and approving expense reports



Visibility and reporting into corporate spending



Mobile usability and accessibility



Integration of expense management and other internal systems



Increasing compliance with corporate travel policy



Accelerating reimbursements to employees

Best practices to improve policy compliance rates

Organizations want to know that their money is being spent in the best way possible. Hard policy controls are one way to gain peace of mind.

Over three-quarters (78%) of organizations have a formal travel and expense policy in place. Travel and expense policies detail allowances for hotels, meals, and other travel-related expenses, identify preferred vendors, and spell out the process for booking travel and submitting expense reports. Nearly all the large enterprises surveyed have a formal travel and expense policy in place.

While most organizations have a formal travel and expense policy, many business travelers are unclear of the details, making compliance a tall order. Nearly half (42%) of respondents admit that understanding of the policy among travelers needs work. Fewer than one-fifth of respondents said their business travelers don't understand their organization's travel policy very well or at all.

27% of survey respondents said that less than 75% of all submitted expense reports are within policy.

Respondents from organizations with more than 10,001 employees were the

most confident that their business travelers had an ideal understanding of their organization's travel and expense policy.

Nearly one-third of survey respondents from organizations with more than 10,001 employees said that corporate travel policy compliance is a critical area for improvement in 2021.

However, most organizations leave policy compliance up to the employee or conduct a manual review for policy compliance. Compared to the results of our previous surveys, manual policy compliance continues to be a persistent challenge. More than one-third of organizations use a mix of manual processes to review expense reports.

Unlike using a cloud-based expense management solution with integrated controls and policy compliance monitoring, this approach leaves it up to employees to do the right thing, assuming that they are aware of travel policy specifics in the first place. Almost half (47%) of organizations with more than 10,001 employees use an automated expense management system to flag out-of-policy expenses.

Given how these systems can also alert employees to out-of-policy expenses as they are entered into the expense report and notify managers and administrators to take a closer look at suspicious charges, these organizations are missing an opportunity to stop policing employee expense reports and make travel and expense policy enforcement automatic.

When the need to correct violations arises, enforcement then becomes a function of the system, which alleviates tension between employees and supervisors by taking it from a personnel issue to a system issue. Furthermore, when violations do occur, communications features within the system allow for rapid resolution, minimizing delays.

Another effective strategy to automate policy enforcement and control spending is by using an integrated travel booking tool that syncs with the company expense management platform. While not every business trip requires airfare or other travel-related services, for those that do, integrated travel booking offers two powerful features that automate different areas of employee compliance.

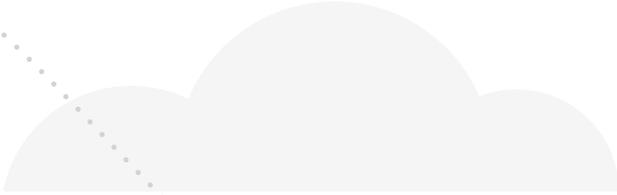
More than one-third of survey respondents manage their travel bookings through a consumer online travel site. The smaller the organization, the more likely it is to use a consumer online travel site.

Setting expense category maximums on items such as hotels, meals, and airfare is another way to control travel expenses. More than a quarter (27%) of survey respondents follow U.S. General Services Administration (GSA) per diem rates for expense category maximums. Other organizations set expense category maximums based on their annual travel and expense budget or historical spending.



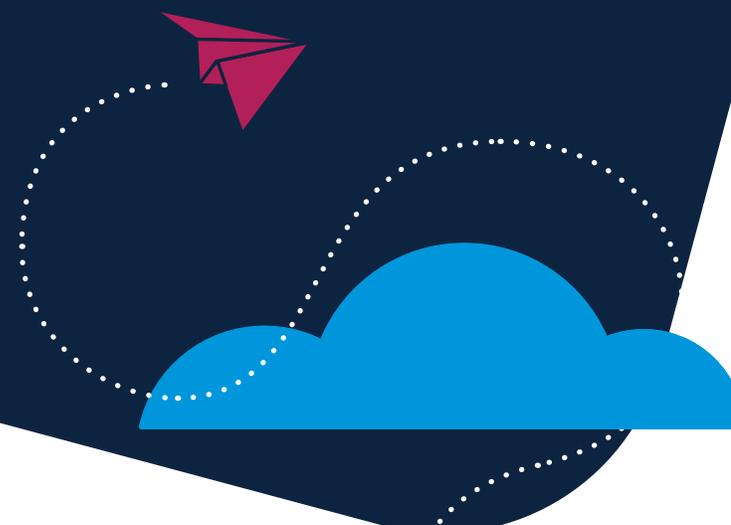


35%
of respondents
with a cloud-based
expense management
system use an integrated
feature to automatically
check for policy
violations.





Key trends and takeaways for 2021



The new reality of work has exposed a number of challenges and opportunities that smart companies will transform into a competitive edge.

Expense management trends to watch in 2021

Finance departments have experienced unprecedented changes over the past year. The results of the survey identified several travel and expense management trends to watch in 2021.

Efficiency will take center stage

With no telling how employees will return to the office or when customer demand will rebound, achieving efficiency through travel and expense management automation will become more critical than ever, for organizations of all sizes.

The ability to digitally process expense reports is no longer a “nice to have.” Automated travel and expense management systems provide the efficiencies organizations require. Business travelers can effortlessly capture images of receipts, create expense reports, and submit reports for approval. Out-of-policy expenses are automatically flagged.

Digital workflows keep approval processes moving, no matter where managers work. And seamless integration with an organization’s downstream systems eliminates the need for accounting to double-key information. Reimbursements can be made electronically, with real-time touch-free reconciliation.

Organizations will prioritize cloud-based solutions with features that will help them simplify and accelerate travel and expense reporting processes.

Most important features in a cloud-based expense management system (% reporting)

Simplicity/ease-of-use for employees	58%
Mobile functionality and accessibility for business travelers	40%
Expense management automation	38%
Audit and reporting	37%
Integration with finance/HR systems	35%
Payment and reimbursement capabilities	31%
Reporting and insight into spend	30%



Nearly two-thirds of survey respondents from organizations with fewer than 50 employees said that simplicity and ease-of-use for employees is the most important feature in a cloud-based solution.

Increased reliance on real-time insights

With working capital management continuing to be critical for many organizations, the ability to better forecast upcoming spend will be vital in 2021. Giving finance teams insights they need into corporate spending could also have a meaningful impact on decision-making and business growth.

Digitizing expense management processes makes it far easier to analyze expense data, enabling organizations to detect patterns of wasteful or inefficient spend, and make better-informed planning decisions.

Spending will make a comeback

After a year of cost-cutting in response to the economic fallout of the pandemic, survey respondents expect operating expense spending to increase in several areas this year. Almost half (48%) of survey respondents anticipate that their organization will spend more this year on salaries, benefits and wages compared to last year. Maintaining deep visibility into spending and cash will be key as budgets increase.

Targeted procurement will grow

Over the past year, the role of organizations in the greater good became front-page news. As a result, organizations are taking

steps to better align their day-to-day actions with their values.

Targeted procurement helps organizations make their environmental, social, and corporate governance (ESG) goals a reality by making them part of their supply chain activities.

Nearly one-half (49%) had an established ESG policy and program. Only 13% of survey respondents said that targeted procurement is built into their policies and supports their organization's ESG goals at great length. Nearly one-third (31%) reported that targeted procurement is part of their organization's commitment to compliance, participating in all programs that require it.

Conversely, 40% of the survey respondents said their organization doesn't have an ESG policy. The larger the organization, the more likely it is to have targeted procurement built into its policies. The growth of targeted procurement will be worth watching in 2021.

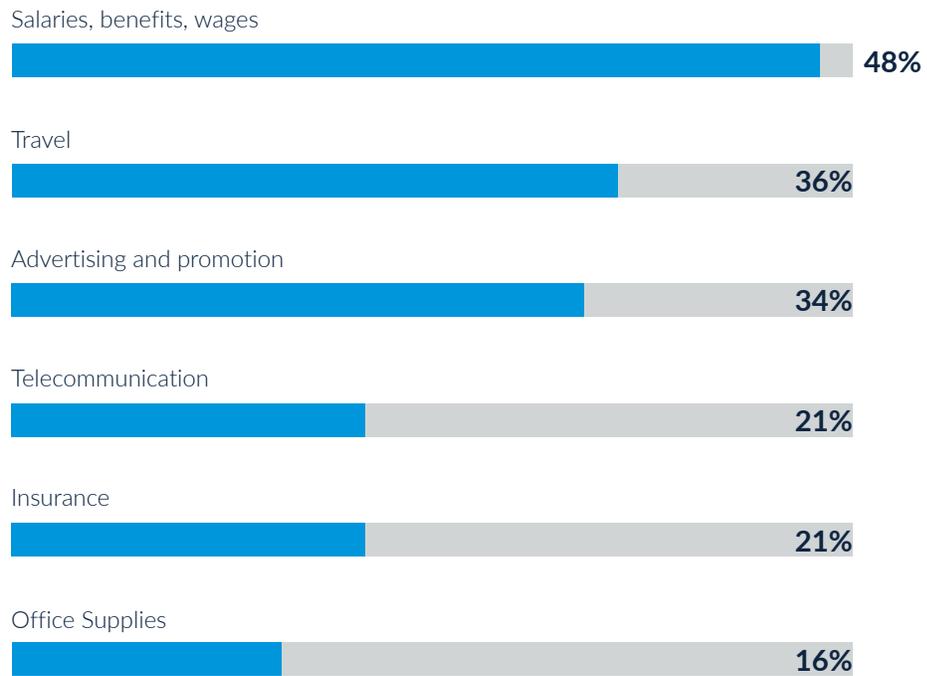
CFOs and finance teams are using several measures to enforce targeted procurement:

- Corporate spend cards and other built-in mechanisms
- Business unit reporting
- Approved supplier relationships
- Incentives

The main takeaway is that automating expense management meets short-term needs while positioning the organization for long-term success, no matter how the future unfolds. Having the right systems in place only further your ability to adapt to any circumstance.



Where do you expect spending to increase in 2021?



Recommendations for rethinking your T&E management process



Benchmark your expense management processes

Dig into crucial expense management metrics such as the average cost to process an expense report and the time it takes to reimburse employees. This will help you uncover areas that require the greatest focus as you streamline your processes.



Implement smart controls

Remote working has disrupted established processes and procedures for ensuring that an organization's money is well spent. Take back control by updating your travel policy and providing employees with a refresher. Regularly review data analytics to monitor budget performance and understand how money is being spent. Use technology to ensure that purchases are made with preferred suppliers. And automate the review of reports for out-of-policy expenses.



Automate everything

Gaps in your expense management lifecycle can result in costly inefficiencies. Implement a dedicated web-based solution that provides a single platform for digitizing and simplifying the expense management process, from pre-booking through payment reconciliation.



Strive for 100% visibility

Cash management means more in times like these. Deploy a solution that will provide real-time insights into your corporate spending, across the enterprise.



Don't delay

Organizations that take control of their corporate spending are better positioned to seize opportunities and adapt to changing market conditions as they prepare for the economic recovery.



Emburse offers a suite of award-winning expense and AP automation solutions. Emburse humanizes work by empowering business travelers, finance professionals, and CFOs to eliminate manual, time-consuming tasks so they can focus on what matters most.

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