2023

SPEND MANAGEMENT **TRENDS REPORT**

emburse®

Introduction

Every company wants to—and needs to—manage spending carefully in a market downturn. How and where they do so is up to the heroes in the finance department. Responses for this year's trends survey revealed: **where spend is happening in organizations, how it's managed, and what companies are doing to make the most of it.**

Company spending patterns have already evolved rapidly since the pandemic. Modern business spend's distributed and prolific nature demands that finance departments develop new strategies to control and optimize it. But there will be no time more crucial to deploy these strategies than during a recession. Companies of all sizes need to know that their cash is going to the highest and best use. As this research shows, many companies lack the visibility, control, and processes to understand their spending truly and confidently react to market conditions.

This report marks the 10th year we've studied spend trends. It explores how companies are taking action to fortify their spend ahead of market change and where the biggest strategic gaps still exist. As always, it tracks the application of technologies like automation, analytics, and digital payments. We've also taken an in-depth look at the lifecycle of an expense report across different sizes of companies.

The result of this research? A landmark guide to spend management best practices that help finance teams achieve financial resilience in even the worst market conditions.

Key findings

Employee expenses are growing in volume, increasingly falling outside policy and shifting towards high-volume/low-cost submissions. Some companies are streamlining the expense report process via electronic payments and reimbursements—which was named the best value-add spend management feature by this year's respondents—but many organizations have a long way to go on the journey to finance automation.

Organizations still using manual expense reporting methods experience higher rates of out-of-policy expenses. They also achieve less ROI from their spend management function and struggle to apply spend data to enhance external finance activities such as auditing, forecasting, and fraud identification.

By contrast, organizations that use software to manage expenses have improved their expense processing costs, compliance with T&E policies, capital management, and spend optimization abilities. They're deploying top-of-the-line tools to build automated spend reports, flag out-of-policy expenses, and run reporting and analytics programs. Perhaps most importantly, these companies are using data from their expense systems to inform planning and budgeting, making them better equipped to weather economic ups and downs.

And how are finance teams planning to weather the recession? Here are the top themes uncovered by our research that will define 2023.

Trends to watch for in 2023

DIGITAL PAYMENTS TAKEOVER

In 2020, analyst firm **IDC** reported that digital payment capabilities are becoming more integrated into expense management solutions. Our research confirms that the market is quickly moving away from paper-based payments. As companies look for opportunities to reduce costs—whether through budget cuts or improving employee productivity—digital payments will prove more attractive than traditional methods.

SPEND VISIBILITY AT THE FOREFRONT

Expense report volumes are rising, driven by small recurring expenses like subscriptions. Company spending patterns have decentralized, driven by the shift to remote work. As a result, finance teams are investing heavily in addressing their data management and visibility issues. Spend visibility is their strategy to find and control spend in a distributed environment.

POLICY ENFORCEMENT PROBLEMS

Companies still use manual methods to manage and approve expenses, and a significant portion reports high rates of out-of-policy claims. When it's time to cut costs, most companies start by looking hard at what spend is for, who's making it, and where they can live without. Policy control and enforcement will represent a significant investment area if the market continues to decline.

About the research

Emburse surveyed more than 500 finance professionals for insight into how organizations are applying spend management techniques ahead of a potential recession.

Survey Demographics

What is your organization's annual revenue in the most recent 12-month reporting period?

- Less than $1M **18.45%**
- $1M - $49M **30.56%**
- $50M - $99M **8.53%**
- $100M - $249M **7.94%**
- $250M - $499M **7.34%**
- $500M - $999M **10.52%**
- $5B or more **6.75%**
- $1B - $4.99B **5.56%**
- I don't know **4.37%**

What is your role/level within the organization?

- Manager **35.32%**
- Executive **27.38%**
- Director **18.65%**
- Staff **4.56%**
- Accountant **3.57%**
- Vice President **3.17%**
- Accounts Payable **3.17%**
- Controller **2.98%**
- Consultant **0.6%**
- Other **0.6%**

Where is your organization's primary headquarters located?

- North America **91.87%**
- South America **5.36%**
- Europe **1.98%**
- Asia-Pacific **0.79%**

What is your involvement in your organization's expense, travel, and invoice spend?

- I approve and submit expense reimbursements **35.91%**
- I approve expense reports for my employees **27.98%**
- I manage invoices and payments **24.40%**
- I report on our finances **11.71%**

Respondent profiles

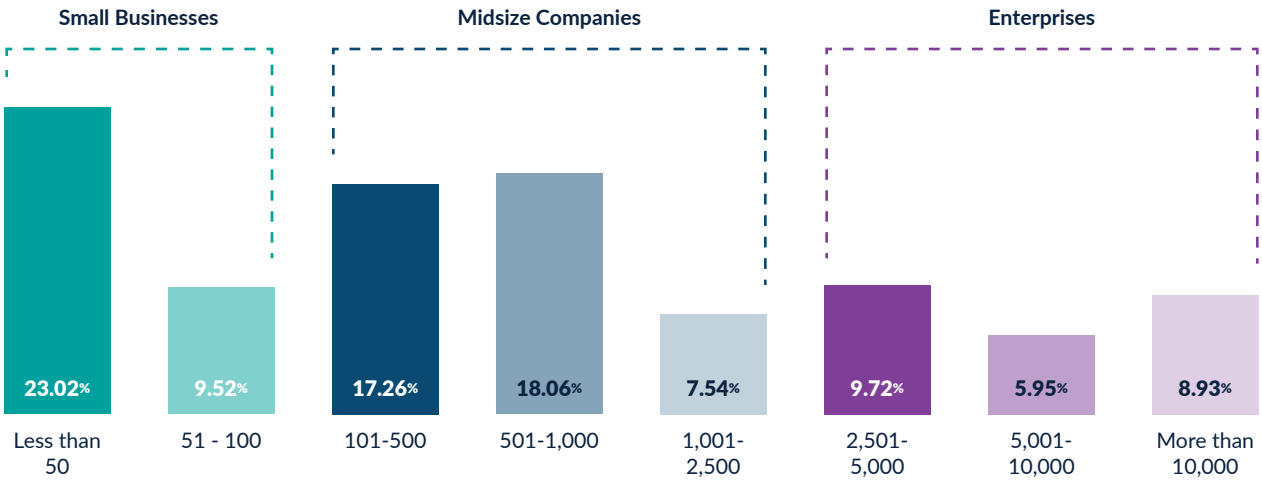
Are companies automating expenses?

Manual Companies
Manage expenses via pen and paper or Excel

Automated Companies
Manage expenses via a proprietary solution, module within their ERP, or dedicated expense software

Other

How many employees are at your organization?



Small Businesses
Less than 100 employees

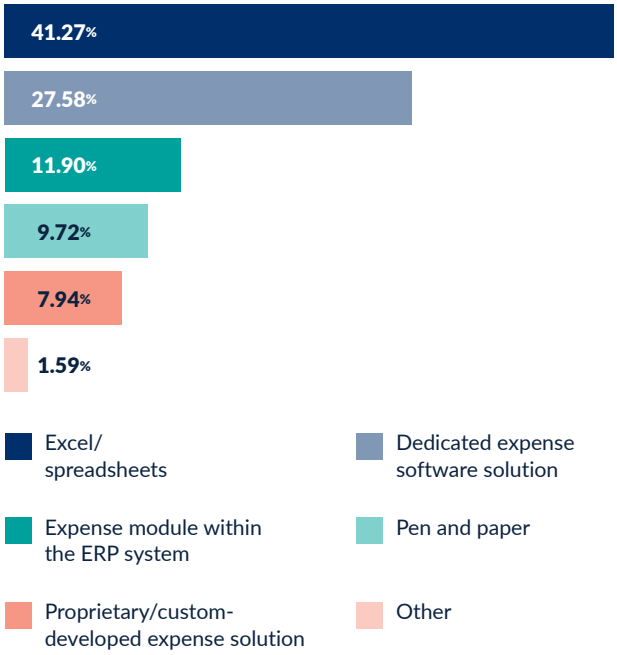
Midsize Companies
101-2,500 employees

Enterprises
2,501-10,000 employees

Taming the rising tide of expense reports

This chapter explores how companies of different sizes and technical maturity manage —or mismanage—expense reports. We've examined how the time, cost, and volume of expense reports change as companies scale. Finally, we look at the pain points contributing to where and why companies struggle to process expense reports efficiently.

What method does your organization currently use to manage expense reporting?



51%

of companies still use manual expense reporting methods

HOW COMPANIES ARE HANDLING EXPENSE REPORTS

These respondents constitute the "manual companies" profile referenced throughout this report. Most manual companies rely on Excel or spreadsheets to manage expenses, but 19% admit to using pen and paper.

The other half of survey respondents, hereby referred to as "automated companies," use some form of software to manage expense reporting. The most popular software option? 58% favor a dedicated expense solution, 25% use an expense module within their ERP system, and the last 17% use a proprietary solution.

Among the different sizes of companies, midsize companies were the biggest users of dedicated expense software, at 32%—just beating enterprises at 28%.

Not surprisingly, small businesses represent the biggest perpetrator of expense reporting by pen and paper. They use pen and paper and dedicated expense software at nearly the same rate: 16% and 18%, respectively.

The more surprising discovery is that some large companies still survive with pen and paper. 6% of midsize companies and enterprises use pen and paper to manage expenses.

AVERAGE EXPENSE REPORT VOLUMES

Most respondents process 10-50 expense reports monthly, and the next greatest majority process 101-500.

Small Business: 10-50

Midsize Company: 101-500

Enterprises: 1001-5000

More companies are processing expense reports at a very high volume

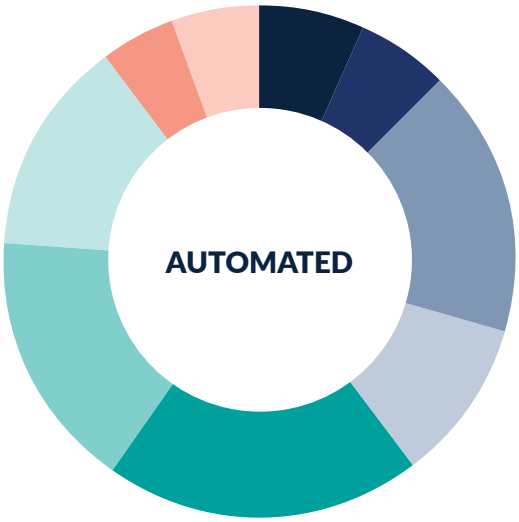
We consider "a very high volume" to describe 501-1000 and 1001-5000 expense reports/month. 24% of companies surveyed process expense reports at that volume, compared to 11% of companies in 2021. For the record, a small number of this year's respondents (8%) handle expense reports at an even higher volume: over 5000 every month.

One theory as to why manual companies haven't adopted expense management software? They tend to handle fewer expense reports. The majority of manual companies say they process 10-50 expense reports/month, while most automated companies have 101-500.

Automated companies are more likely to process expense reports at very high volumes. 50% of automated companies process expense reports in the triple or quadruple digits (that's 101-500, 501-1000, and 1001-5000 expense reports/month) over 32% of manual companies.

How many expense reports does your organization process monthly?

I don't know **4.67%**	Less than 10 **19.07%**	10 - 50 **23.74%**
51 - 100 **13.62%**	101 - 500 **14.01%**	501 - 1,000 **9.34%**
1,001 - 5,000 **8.56%**	5,001 - 10,000 **4.28%**	10,001 or more **2.72%**



I don't know **6.69%**	Less than 10 **5.86%**	10 - 50 **17.15%**
51 - 100 **10.04%**	101 - 500 **20.08%**	501 - 1,000 **16.32%**
1,001 - 5,000 **13.81%**	5,001 - 10,000 **4.60%**	10,001 or more **5.44%**

TREND **ALERT**

Spend visibility at the forefront

Decentralized corporate spending patterns may explain the rise in high-volume expense reporting. Because of the shift to remote work, transactions previously funneled through the AP process now get processed as personal expenses. Employees have grown accustomed to buying everything with personal or corporate cards. As a result, unmanaged spend is on the rise.

Also called indirect or tail spend, “unmanaged spend” describes transactions that fall between invoice-based procurement purchases and traditional T&E spend, and often come out of a team’s budget. SaaS apps represent a good example of what unmanaged spend can look like, and why it’s becoming more prevalent. Most businesses now use dozens or hundreds of SaaS apps, which individual employees can purchase via a vendor’s self-service channels.

AVERAGE TIME AND COST OF AN EXPENSE REPORT

According to this year's survey respondents, the average time between expense submission and reimbursement is 4-7 business days.

Among company sizes, small businesses claim to process expenses the fastest, at 1-3 business days. This group also has the fewest reports (only 10-50/month). The majority of enterprises and midsize companies both take 4-7 business days.

It costs respondents either "under $10" or "$21-$30" to complete the lifecycle of a single expense report—that is, ushering it through generation, submission, validation, reimbursement, and reporting. These two responses were equally the most popular.

As companies scale, expense processing costs grow proportionally. Small businesses spend less than $10/report, while enterprises spend double or even triple that. 32% of enterprises spend $21-$31 on each expense report, and 24% spend over $31.

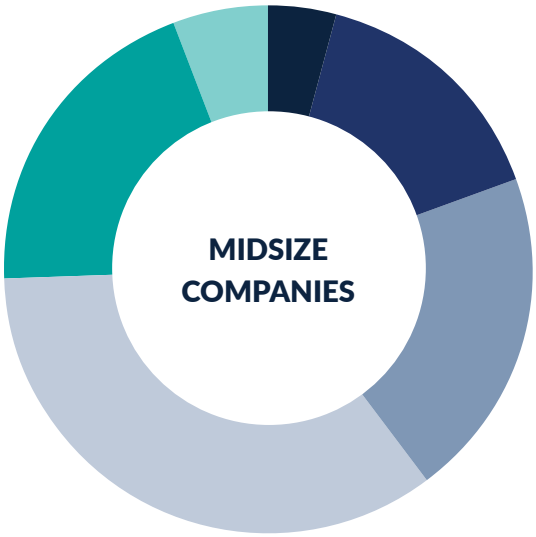
Since most enterprises handle 1001-5000 expense reports/month, we can estimate that the average enterprise spends between $21,000 - $155,000 each month processing expense reports.

What would you estimate is the average cost to process a single expense report in your organization?

- I don't know **6.55%**
- Less than $10 **24.60%**
- $11 - $20 **17.06%**
- $21 - $30 **24.60%**
- $31 or more **18.25%**
- We don't track these costs **9.13%**

What would you estimate is the average cost to process a single expense report in your organization?

- I don't know **3.05%**
- Less than $10 **43.29%**
- $11 - $20 **12.80%**
- $21 - $30 **12.20%**
- $31 or more **14.02%**
- We don't track these costs **14.63%**



- I don't know **4.17%**
- Less than $10 **15.28%**
- $11 - $20 **20.37%**
- $21 - $30 **34.72%**
- $31 or more **19.91%**
- We don't track these costs **5.56%**

- I don't know **8.86%**
- Less than $10 **10.13%**
- $11 - $20 **17.72%**
- $21 - $30 **31.65%**
- $31 or more **24.05%**
- We don't track these costs **7.59%**

TREND **ALERT**

Spend visibility at the forefront

Perhaps fueled by a need to control costs as we head into a recession, companies seem to be taking steps to gain visibility into their expenses.

We see a nearly 20% gain year-over-year in the number of companies tracking expense report costs.

In 2022, 16% of companies said they didn't know how much it costs their organization to process expense reports or didn't track these costs, compared to 35% of companies in 2021.

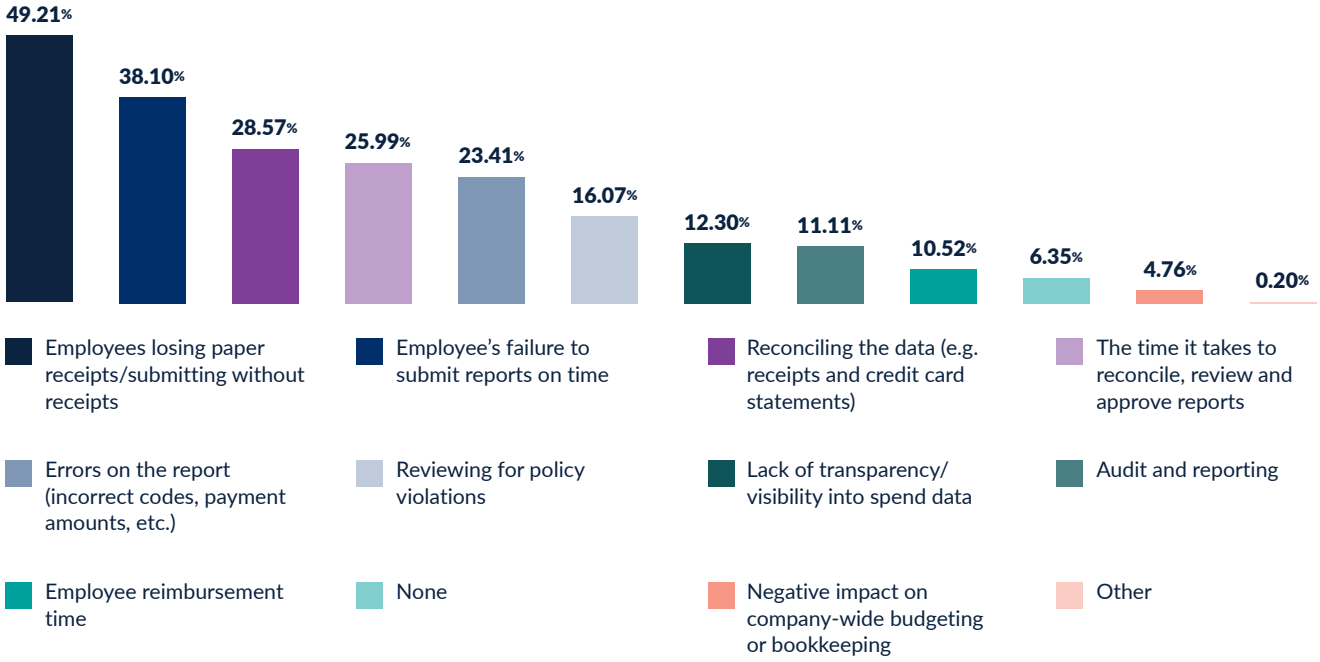
BIGGEST EXPENSE MANAGEMENT PAIN POINTS

Companies expressed the most frustration with administrative and data entry tasks. This finding especially illustrates the need for an expense management tool in the half of respondents using manual reporting methods.

The top five pain points in expense management are:

1. Employees losing paper receipts or submitting reports without receipts (49% of companies listed this as one of three top pain points)
2. Employees failing to submit reports on time (38%)
3. Reconciling data, such as data between receipts and credit card statements (29%)
4. The time it takes to reconcile, review, and approve reports (26%)
5. Errors in the report, such as incorrect codes or payment amounts (23%)

Please indicate the biggest pain points related to your current expense management process.
(Select all that apply)



TREND **ALERT**

Policy enforcement problems

Respondents in the 2021 survey selected the same top five expense management pain points, albeit in slightly different orders. Why haven't companies made any year-over-year improvements in policy uptake and process? One theory might be that the changing volume and nature of submissions have many companies fighting to maintain basic footing when it comes to enforcing and communicating expense policies.

TOP EXPENSE MANAGEMENT PAIN POINTS (BY SEGMENT)

SMALL BUSINESSES

1. Lost receipts (52% of companies ranked this in their top three pain points)
2. Time lost to reconciling, reviewing, and approving expense reports (25%)
3. Data reconciliation (25%)
4. Late reports (24%)
5. Report content errors (19%)

MIDSIZE COMPANIES

1. Lost receipts (48%)
2. Late reports (46%)
3. Data reconciliation (27%)
4. Report content errors (26%)
5. Reviewing for policy violations (19%)

ENTERPRISES

1. Lost receipts (51%)
2. Late reports (49%)
3. Data reconciliation (32%)
4. Time lost to reconciling, reviewing, and approving expense reports (29%)
5. Reviewing for policy violations (27%)

While companies of different sizes appear to have many of the same top pain points, some issues that ranked highly for enterprises fall off the radar at the small business level. Small Businesses struggle with late reports, but less than Enterprises do (24% vs. 49%, respectively). 27% of enterprises struggle with reviewing expense reports for policy violations, while only 7% of small businesses could say the same.

TREND **ALERT**

Digital payments takeover

The universal frustration from lost receipts may drive companies of all sizes to embrace virtual or physical corporate cards with built-in expense policies. These cards allow employees to make purchases on a corporate account while eliminating the need for receipts and expense reports, as purchase information is already included in the monthly card statements.

Improving the impact of spend management

This chapter details what processes and tools organizations use to achieve spend visibility for financial resilience, where they see benefits from spend management, and where their techniques fall short.

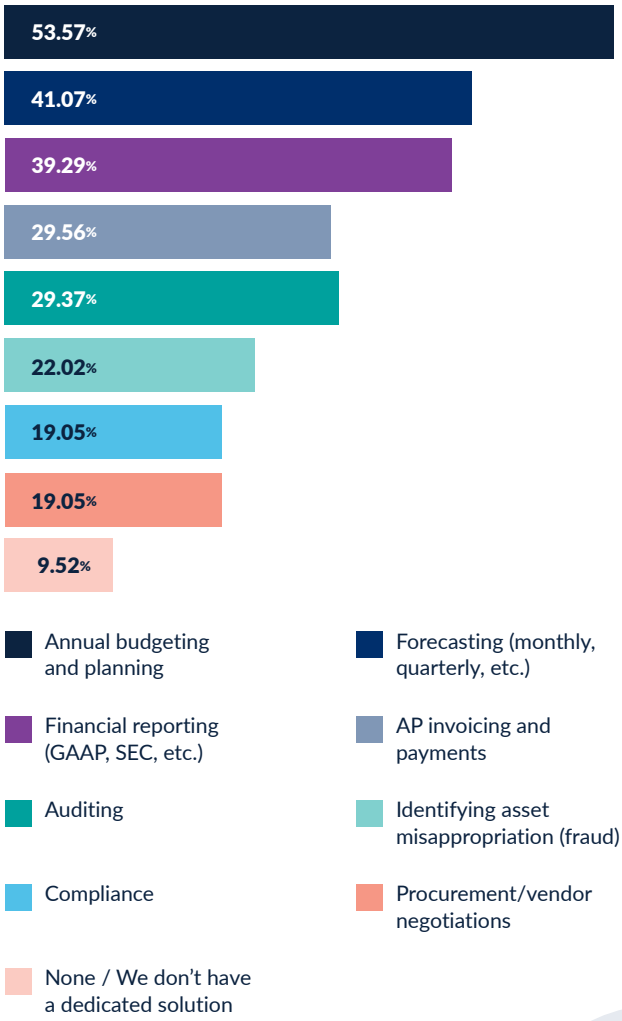
USING ANALYTICS TO INFORM FINANCE

Over half of respondents (55%) enhance their expense management function with analytics to inform other financial processes. Respondents most commonly used expense management data to support "annual budgeting and planning" purposes.

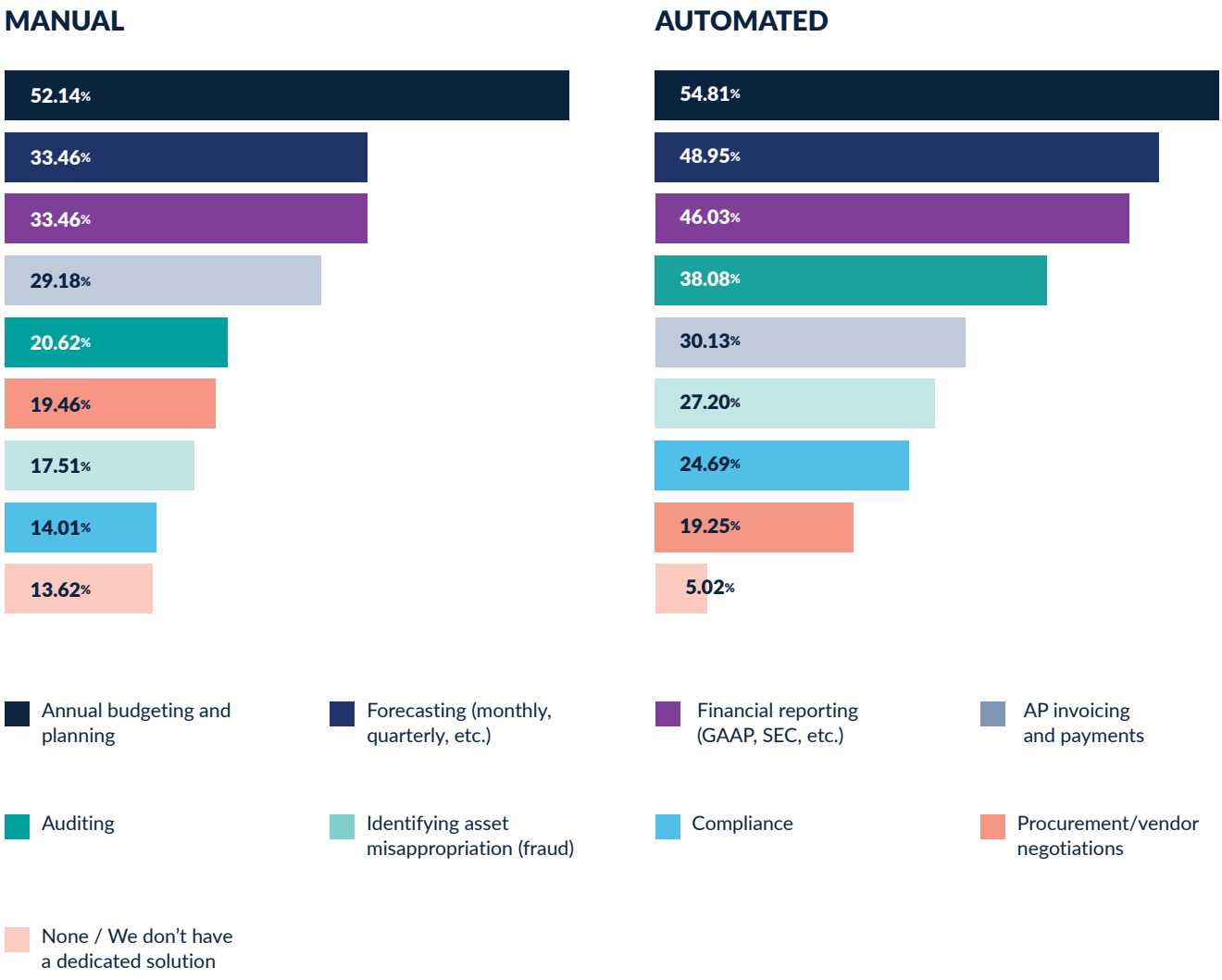
They were nearly twice as likely to apply data from their solution for auditing purposes compared to manual companies (38% vs. 21%, respectively). They were also more likely to use it for forecasting (49% vs. 34%) and identifying fraud (27% vs. 18%).

Automated companies use expense management data to inform finance activities more extensively than manual companies, and subsequently found more benefits from their solution.

Are you using data from your current solution to enhance any of the following accounting and/or finance-related functions?
(Select all that apply)



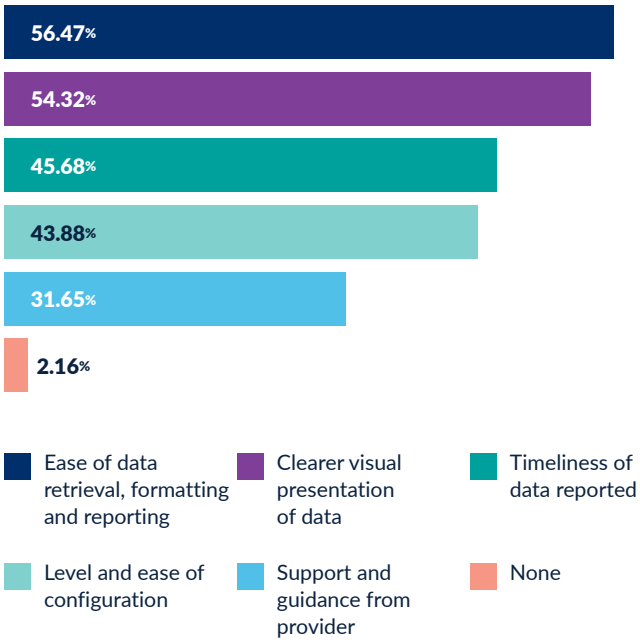
Are you using data from your current solution to enhance any of the following accounting and/or finance-related functions? (Select all that apply)



When asked which elements of their current analytics solution could be improved, respondents across company sizes had the same three top demands:

1. Easier data retrieval, formatting, and reporting
2. Clearer visual presentation of data
3. Timeliness of data reported

What elements of your current analytics source could be improved? (Select all that apply)



ROI OF SPEND MANAGEMENT

Financial value of spend management

Compared to manual companies, automated companies reported better rates of finance-related ROI from their spend management solution. They found higher rates of ROI in every category except for one: "Improved employee productivity."

Financial ROI of spend management according to automated companies, ranked in order

1. Lower expense report processing costs
2. Better spend optimization, such as less waste, better ability to secure vendor discounts Improved compliance with our T&E policy
3. Improved working capital management

It's worth noting that manual companies were allowed to participate in this question, even though they lack a dedicated solution. The benefits they reported may result from practicing spend management in general. For example, they can perform limited expense tracking and analysis in Excel.

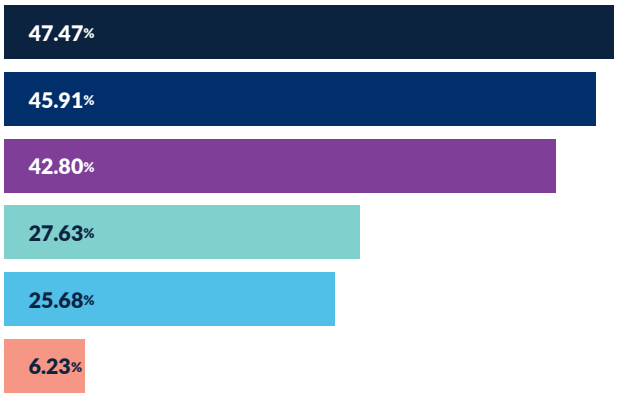
The ROI of expense management for "improved compliance with T&E" grows with company size. 14% of small businesses reported finding benefits in improved compliance, followed by 37% of midsize companies and 46% of enterprises.

Benefits found in "better spend optimization" (e.g., producing less waste, securing better vendor discounts) also scale, from 36% at the small business level to 50% at the midsize and enterprise level.

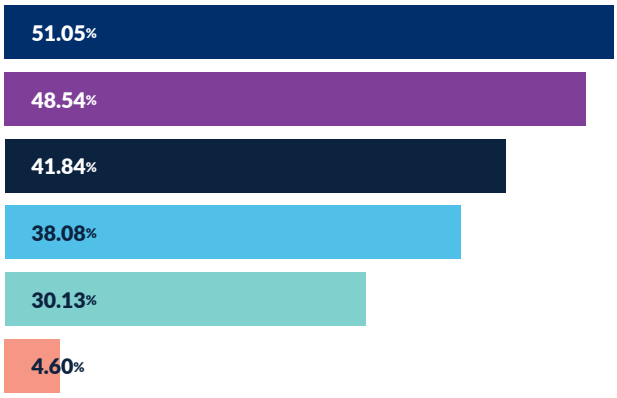
What are the main financial benefits of your current spend management solution?

(Select all that apply)

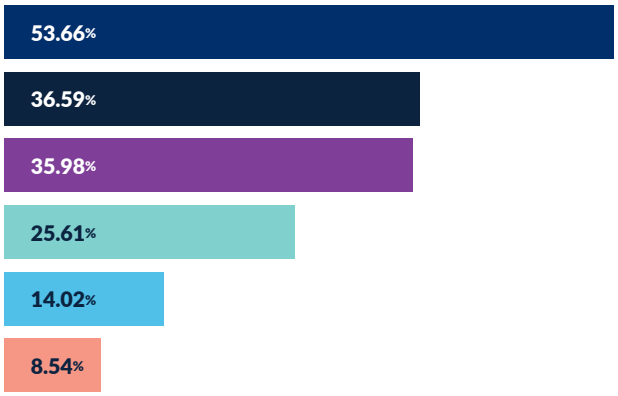
MANUAL



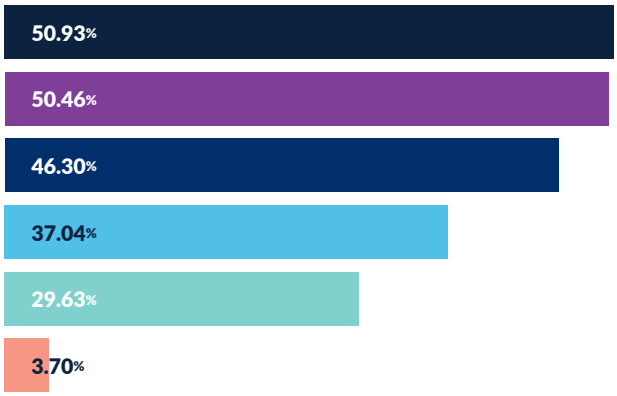
AUTOMATED



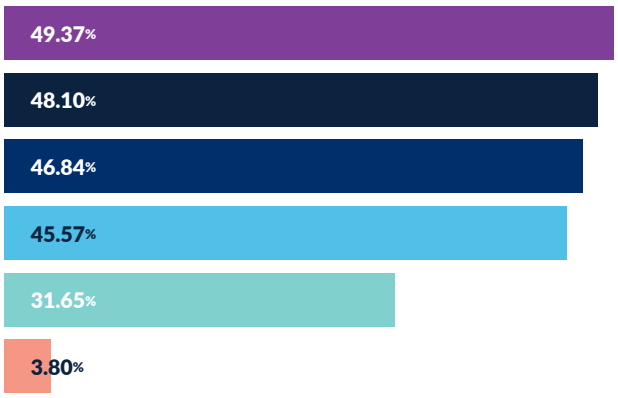
SMALL BUSINESS



MIDSIZE COMPANIES



ENTERPRISE



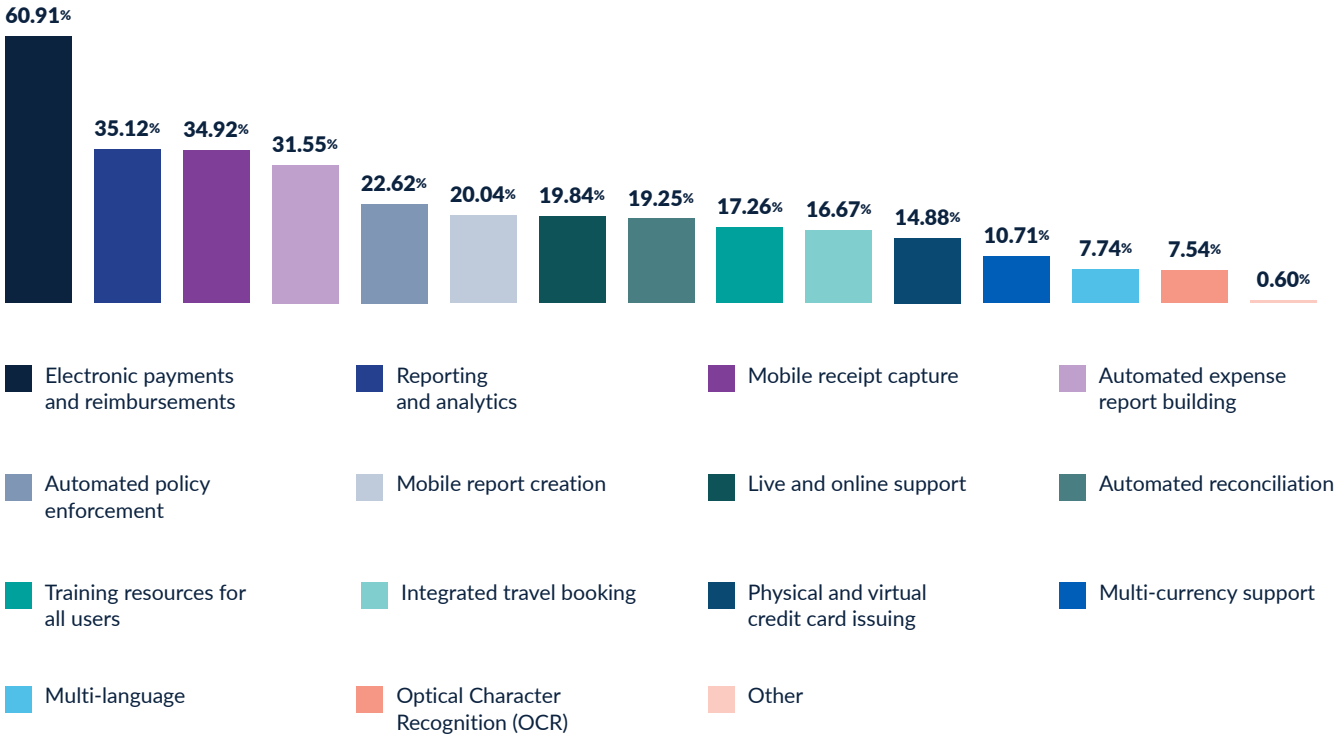
- Improved employee productivity
- Lower expense report processing costs (more efficient process)
- Better spend optimization (less waste, better ability to secure vendor discounts)
- Improved working capital management
- Improved compliance with our T&E policy
- I don't know

TREND **ALERT**

Digital payments takeover

The ranking of electronic payments as the number one value-add feature may reflect a pandemic-driven trend toward electronic payments across the board. Consider how e-wallets, QR codes, and mobile payment—both embedded within vendor apps like Starbucks, and standalone apps like Venmo and Chime—have started to dominate consumer payment behavior. In the B2B and B2E (business to employee) space, check runs have become a practical impossibility for most companies. In a separate section of the survey, 40% of respondents said they had or were planning to integrate credit card feeds (corporate or personal) into their spend management process.

Which features of your current process offer the most value? (Select all that apply)



Business value of spend management

Here are the top five value-add spend management features loved by companies:

1. Electronic payment and reimbursements (70% of companies listed this as one of their top five favorite features)
2. Mobile receipt capture (35%)
3. Reporting and analytics (35%)
4. Automated expense report building (32%)
5. Automated policy enforcement (23%)

Some manual companies said they found value in automated expense report building and reporting and analytics, indicating that they are likely using Excel to perform some rudimentary expense analytics and automation. But, automated companies reported higher rates of value in these feature categories. 37% of automated companies vs. 27% of manual companies earn ROI from automated expense report building, and 39% vs. 32% (respectively) from reporting and analytics.

Automated policy enforcement is a bigger deal for enterprises and midsize companies. They appreciate this feature at nearly three times the rate of small businesses (30% and 29% compared to 12%).

Midsize companies have a special appreciation for integrated travel booking. 22% of midsize companies found value in that feature compared to 11% of small businesses and enterprises.

The ROI of mobile report creation features trends upward with company size, from 17% of small businesses to 21% of midsize companies to 30% of enterprises.

HOW END-USERS FEEL ABOUT EXPENSE REPORTS

The majority of respondents believe end-users would rate their expense submission and reimbursement process as "good" or "gets the job done." That's despite the fact that most organizations also take 4-7 business days to process expense reports.

This positive rating seems at odds with the opinions end-users express on social media.

> **Show me a CFO that wants it to be easier to file expense reports, and I'll buy you an expensed steak dinner.**
>
> @AaronErickson
> Twitter

This suggests that finance professionals and managers have a rosier view of expenses—and may explain why a significant percentage of organizations still have not moved to automate the process.

In your opinion, how would your end-users rate the current expense submission/ reimbursement process?

- Very Poor **0.40%**
- Need Improvement **10.32%**
- Gets the job done **34.33%**
- Good **36.90%**
- Great **18.06%**

How much input do your end-users have in ways to improve the overall expense submission/reimbursement process?

- None **10.52%**
- Some **58.93%**
- A great deal **30.56%**

TREND **ALERT**

Policy enforcement problems

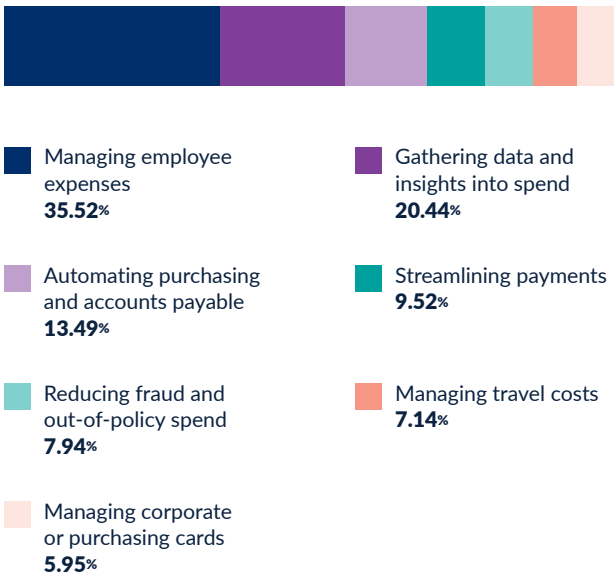
The area voted "greatest need for improvement" was an astonishingly simple priority that united companies of all sizes and expense management maturity: better management of employee expenses.

It's easy to see why a large organization using Excel would struggle to reign in employee expenses. But what about a midsize company that relies on expense management software? The finding may illustrate how even automated companies are having trouble getting their arms around the changing nature and volume of company spend. Or, it may speak to difficulties in user adoption or culture. In its 15 years of research on digital transformation projects, McKinsey & Company has consistently found **low rates** of success and completion. Spend management is not immune to the same adoption pitfalls of any strategic initiative, even when it boosts efficiency and improves business outcomes.

SPEND MANAGEMENT FUNCTIONS WITH THE MOST NEED FOR IMPROVEMENT

Next on the to-improve list are spend analysis and insights, followed by AP and purchasing automation. This suggests that companies aspire to more advanced finance optimization—but first, they need to establish control and efficiency in basic spend management processes.

Which elements of spend management need the most improvement?



MOST-DESIRED SPEND MANAGEMENT CAPABILITIES

When ranking the additional capabilities, most important to enhancing their organization's expense management function, manual companies listed a "more user-friendly" process at the top.

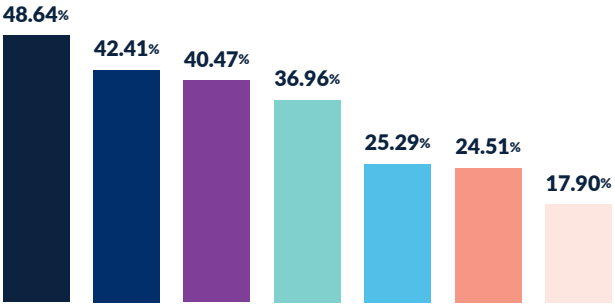
Meanwhile, automated companies expressed a greater appetite for more advanced capabilities like automation and analytics. In contrast to manual companies, they ranked "reporting and analytics," "automatic data extraction from receipts," and "automated reconciliation" as more highly desired capabilities.

Compared to small businesses, midsize companies and enterprises were more likely to look for expense management capabilities that enhance the following:

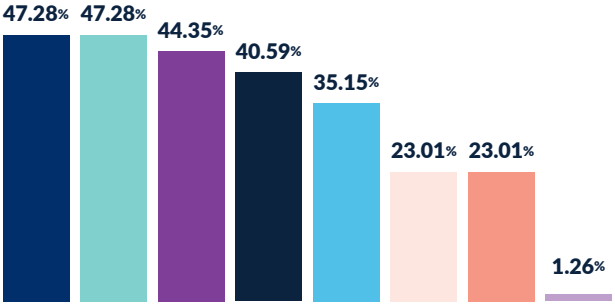
1. Integrations with other software
2. International capabilities
3. Automated reconciliation

Which additional services/capabilities are the most important to enhance your organization's expense management/accounts payable processes? (Select all that apply)

MANUAL



AUTOMATED



- More user-friendly
- Reporting and analytics
- Better integrations with other software
- Automatic data extraction from receipts/invoices
- Automated reconciliation
- Better international capabilities
- Physical and virtual credit card issuing
- Other

Optimizing spend in a downturn: achieving visibility and control

In this final chapter, we discover how the state of T&E enforcement may be driving up unwanted costs. We see which spend categories pose the most significant management challenges and which areas companies expect to invest the most in 2023.

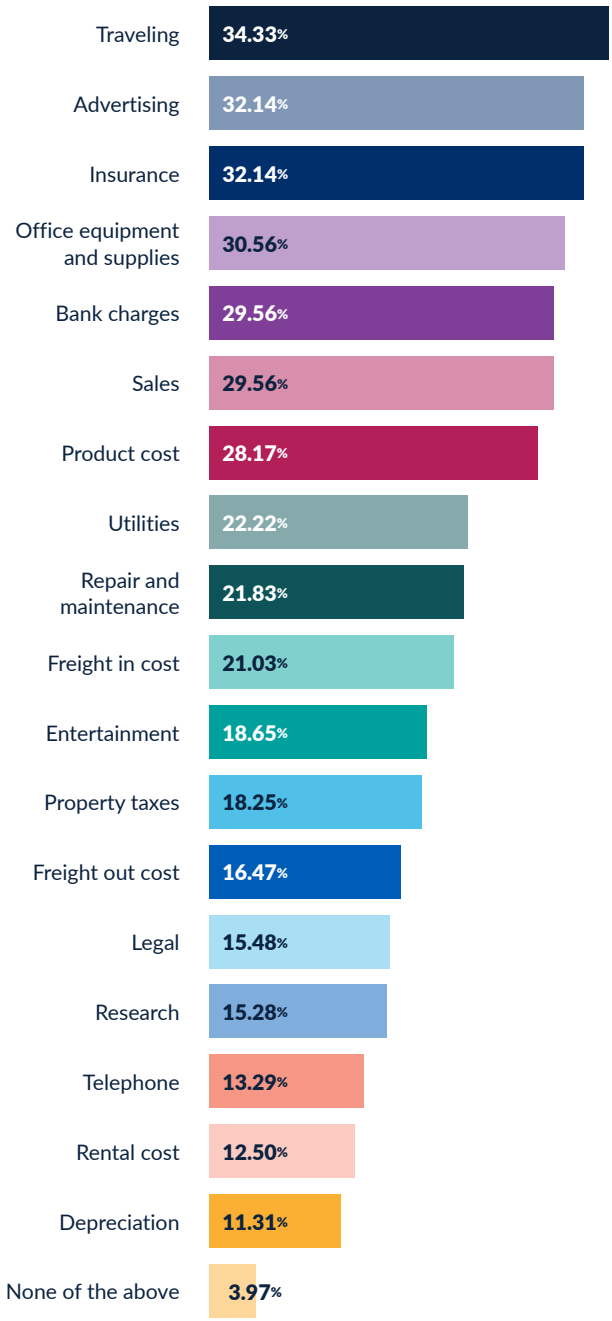
MOST FRUSTRATING SPEND MANAGEMENT CATEGORIES

Companies experienced the most frustration with high-volume/low-cost spend, closely followed by spend related to everyday expenses and travel.

Which spend management process generates the most frustration in your organization?

- Spend related to high-volume/low-cost, recurring expenses [supplies, software subscription, advertising, etc.] **50.60%**
- Spend related to day-to-day expenses and travel **36.31%**
- Spend related to AP and invoice **13.10%**

Over the next three years, which of your organization's operating expense spending categories are expected to see growth?
(Select all that apply)



TREND **ALERT**

Spend visibility at the forefront

What's another word for high-volume/low-cost spend? Unmanaged spend, which is typically thought to constitute around 80% of a company's transaction volume and 20% of total spend. 46% of small businesses expressed frustration with high-volume/low-cost spend, compared to 51% of midsize companies and 58% of enterprises. This data point helps characterize the problem as one of spend visibility: as companies get bigger, high-volume/low-cost expenses bloom, and they start to lose visibility and control.

Companies expect travel expenses to grow the most over the next three years.

Several factors could drive up travel expenses.

- Companies are getting back into the swing of business travel. In May 2022, even before the U.S. relaxed its last major COVID flying restriction and before the "summer of revenge travel," **all major U.S. airlines** reported upticks in business travel bookings. Another data point that would corroborate this argument is that last year's survey respondents designated "travel" as the second highest-growth category of operating expenses. In other words, business travel has been on the agenda for a while now.

- Companies have seen value from business travel even as many workers operate remotely and will continue to prioritize in-person meetings. It's worth noting that this category doesn't just describe business travel for sales or customer purposes. It also includes internal travel, such as when a company brings teams or departments who would otherwise work remotely together for an onsite.

- Some companies may travel more as an alternative to returning to the office. They might have found that flying their workforce in for the occasional in-person meeting is more affordable than paying rent on office space year-round. Suppose companies were planning to return to the office fully. Given the recent inflation hikes, we might have seen more respondents expecting growth in property taxes and rent beyond 18% and 13%, respectively.

- Inflation and rising fuel costs are making travel more expensive. An expected rise in product costs (28% of companies forecasted this) and office supplies (31%) support this theory. However, rising fuel prices would also correspond with higher freight in/out costs. Only 21% and 17% of respondents think their freight in/freight out costs (respectively) will grow.

MANAGING AND ENFORCING T&E POLICIES

77% of respondents across the board have a travel and expense policy. Breaking down the group further, automated companies are 10% more likely than manual companies to have a T&E policy. T&E policies are comparatively uncommon in small businesses but are considered non-negotiable in larger companies. 42% of small businesses don't have a policy, while 95% of Enterprises do.

68% of respondents believe that employees fully understand their travel policy, or that they understand it sufficiently and are improving their comprehension.

How does your organization manage travel bookings?

- Consumer online travel sites (Expedia, Kayak, Priceline, etc.) **38.49%**
- Corporate travel agency **18.65%**
- In-house travel department **15.08%**
- Corporate online travel site (Egencia, GetThere, Cytric, etc.) **11.31%**
- Combination of the above **16.47%**

TREND **ALERT**

Policy enforcement problems

26% of companies described travelers' understanding of their policy as needing improvement, and 6% rated it poor or non-existent. It's worth noting that most companies don't use an in-house travel department to manage bookings. Instead, the majority use consumer travel sites like Expedia.

HOW COMPANIES RATE THEIR FRAUD-CATCHING CAPABILITIES

Compared to automated companies, manual companies were more likely to give themselves a more favorable rating when it comes to catching fraudulent expenses. 75% of manual companies claimed that their fraud-catching abilities were "outstanding" or that they caught "most" fraud, over 68% of automated companies who gave the same response.

That's despite manual companies being less likely to use an expense management process to catch fraud. Earlier in the survey, 18% of manual companies reported using their solution to identify fraud, compared to 27% of automated companies.

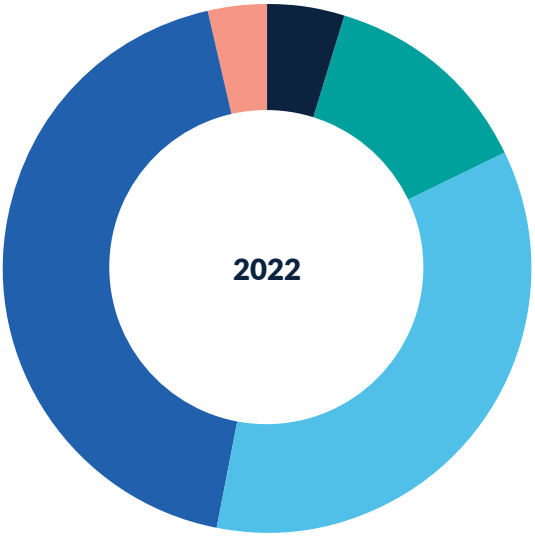
WRANGLING EXPENSES WITHIN POLICY

Because the volume of expense reports has grown compared to 2021's data, and because manually checking each expense is the most popular way companies enforce spend policies, it stands to reason that submissions will increasingly fall outside of policy. That appears to be true as only 43% of respondents said that 75%-100% of employee expenses were within policy. In 2021, 57% of respondents could make that claim.

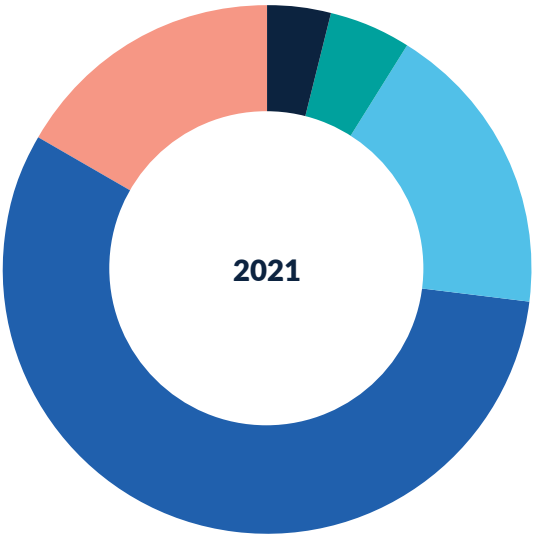
How does your company enforce its spend policies?

- Approver manually checks each expense **34.10%**
- Approver manually, reviews expenses with a high value **21.28%**
- Responsibility of employees to self-police **16.15%**
- Our T&E system automatically flags out-of-policy expenses **15.38%**
- Our T&E policy is more of a guideline **12.31%**
- I don't know **0.77%**

What percentage of submitted expenses are within policy?



- 0% - 24% **4.87%**
- 25% - 49% **13.08%**
- 50% - 79% **35.13%**
- 75% - 100% **43.33%**
- I am not sure **3.59%**



- 0% - 24% **4.01%**
- 25% - 49% **5.11%**
- 50% - 79% **17.88%**
- 75% - 100% **56.57%**
- I am not sure **16.42%**

TREND **ALERT**

Policy enforcement problems

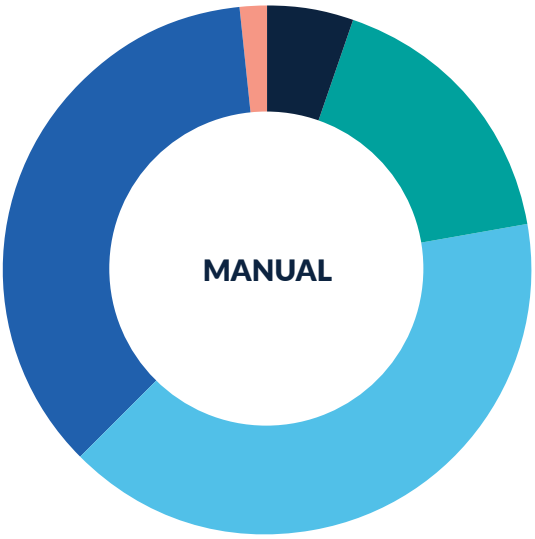
The most popular way to enforce spend policies is manually checking each expense. That's even true for automated companies. Only 24% of them use a system that automatically flags out-of-policy expenses.

Manual expense enforcement is also the most popular method used by enterprises that process 1,001-5,000 expense reports per month.

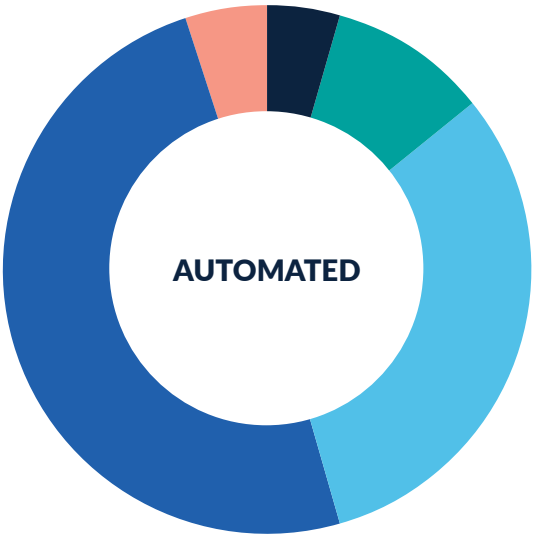
AUTOMATED COMPANIES HAVE HIGHER RATES OF IN-POLICY EXPENSES COMPARED TO MANUAL COMPANIES.

Half say that 75%-100% of employee expenses are within policy, versus one in three manual companies. One in five manual companies has very low rates of in-policy expenses: less than half of their employee expenses (0%-49%) are within policy.

What percentage of submitted expenses are within policy?



- 0% - 24% **5.43%**
- 25% - 49% **16.85%**
- 50% - 79% **40.22%**
- 75% - 100% **35.87%**
- I am not sure **1.63%**



- 0% - 24% **4.48%**
- 25% - 49% **9.95%**
- 50% - 79% **31.34%**
- 75% - 100% **49.25%**
- I am not sure **4.98%**

TREND **ALERT**

Spend visibility at the forefront

Even if it means manually checking each expense, companies seem to recognize that they have spend blindspots and are taking steps to gain visibility into them. In 2021, 16% of respondents said they “weren’t sure” what percentage of employee expenses fell within policy. In 2022, only 4% of respondents said the same.

Best practices to help finance teams prepare for market changes

No matter the size of your company, spend optimization can help you operate more efficiently and reduce costs in the face of market uncertainty.

Spend optimization is an integrated approach to corporate spend for achieving frictionless finance. It uses automation, digital transformation, and data visibility to unite the six categories of corporate spend that usually operate in silos: expense management, travel management, accounts payable and invoices, payments, insights and analytics, and compliance and audit.

Finance leaders can expect the following benefits from spend optimization:

- Eliminate employee errors and late submissions
- Enforce policy compliance automatically while reducing fraud
- Better balance your spend and budgets to inform investments
- Reduce your overall operating costs
- Improve your spend visibility to make data-backed decisions
- Unify your data sources to distill information quickly and easily
- Get more done in less time

To get started, follow these steps:

1. **Schedule a spend optimization assessment with Emburse:** identify your organization's unique opportunities to reduce operational costs and define the process needed to achieve visibility and control.
2. **Streamline expense reports:** use prepaid corporate cards to reduce the average time and cost of processing employee expenses. Plus, they eliminate the need for expense reports and data reconciliation.
3. **Shepherd more spend within policy:** ensure that purchases are made with preferred suppliers, automate the review of reports for out-of-policy expenses, and replace personal cards with preloaded virtual cards.
4. **Automate transactions:** Get all transactions, including expenses and AP, under management through automation. This enables later spend analysis and delivers productivity gains since employees can operate more efficiently.
5. **Maximize payments:** Capture rebates on card transactions to earn returns or reduce costs. Optimize payment timing (deciding whether to pay early to get discounts or pay later to conserve cash for upcoming invoices). Real-time cash management makes a big difference during a downturn.
6. **Apply analytics and intelligence:** Run AI and ML-based analytics across the captured payments and transactions to reveal which departments, functions, and policies need more investment or present opportunities for cost reduction.

ABOUT **EMBURSE**

Emburse is the global leader in spend optimization. Our expense, travel management, purchasing and accounts payable, and payments solutions are trusted by more than 12 million business professionals, including CFOs, finance teams, and travelers. More than 18,000 organizations in 120 countries, including FORTUNE 100 corporations, high-growth startups, public sector agencies, and nonprofits, count on our intelligent automation, sophisticated analytics, and unmatched spend control to streamline processes, increase spend visibility, enhance compliance, and deliver positive financial outcomes.

We humanize work. We eliminate manual, time-consuming tasks, so our customers and their teams can focus on what matters most in their personal and professional lives.

For more information on Emburse, visit **emburse.com**, or follow our social channels at @emburse.

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