



The 10 Characteristics of a Modern Finance Organization



Digital transformation in finance

It's an astonishing statistic: **97% of CFOs** have accelerated their digital transformations in 2021. That means almost every finance department in the land is undergoing major change. The drivers for this change are well known: on the one hand there is the pressure to accelerate processes, conserve cash and protect margins from the effects of rising commodity prices. On the other, there is the imperative to become a more strategic business partner, bringing insight that will drive revenue and improve performance. And to complicate matters further, there are the more recent workforce dynamics of skilled talent shortages, high employee turnover and the expectation that work will be seamless, intuitive and distributed—for finance professionals and employees at large. The modern finance function must now meet all these challenges.

Although the transformation imperative is clear, the path to get there is less so. The balance any CFO must strike is how to meet urgent needs today, while implementing the systems and processes needed to support a department's needs well into the future. It's the proverbial problem of building the plane while flying it.

Travel and expense represents a unique opportunity to achieve that balance. There has been a tremendous amount of innovation and investment in expense management technology, creating best of breed solutions that can deliver all the benefits of modern finance, with relative ease and speed, no matter which stage of the digital transformation journey a company is at. In fact, far from being a distraction, modernizing expenses now can even accelerate and help fund the broader transformation process.

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True finance digitalization entails the integration of multiple technologies and strategies that enable the finance function to deliver value in the digital age.

[Gartner](#)

97%

of CFOs accelerated digital transformation in 2021

CFOs spend

46%

of their time on strategic leadership

75%

of CFOs believe their company is on a course to redesign how people work

72%

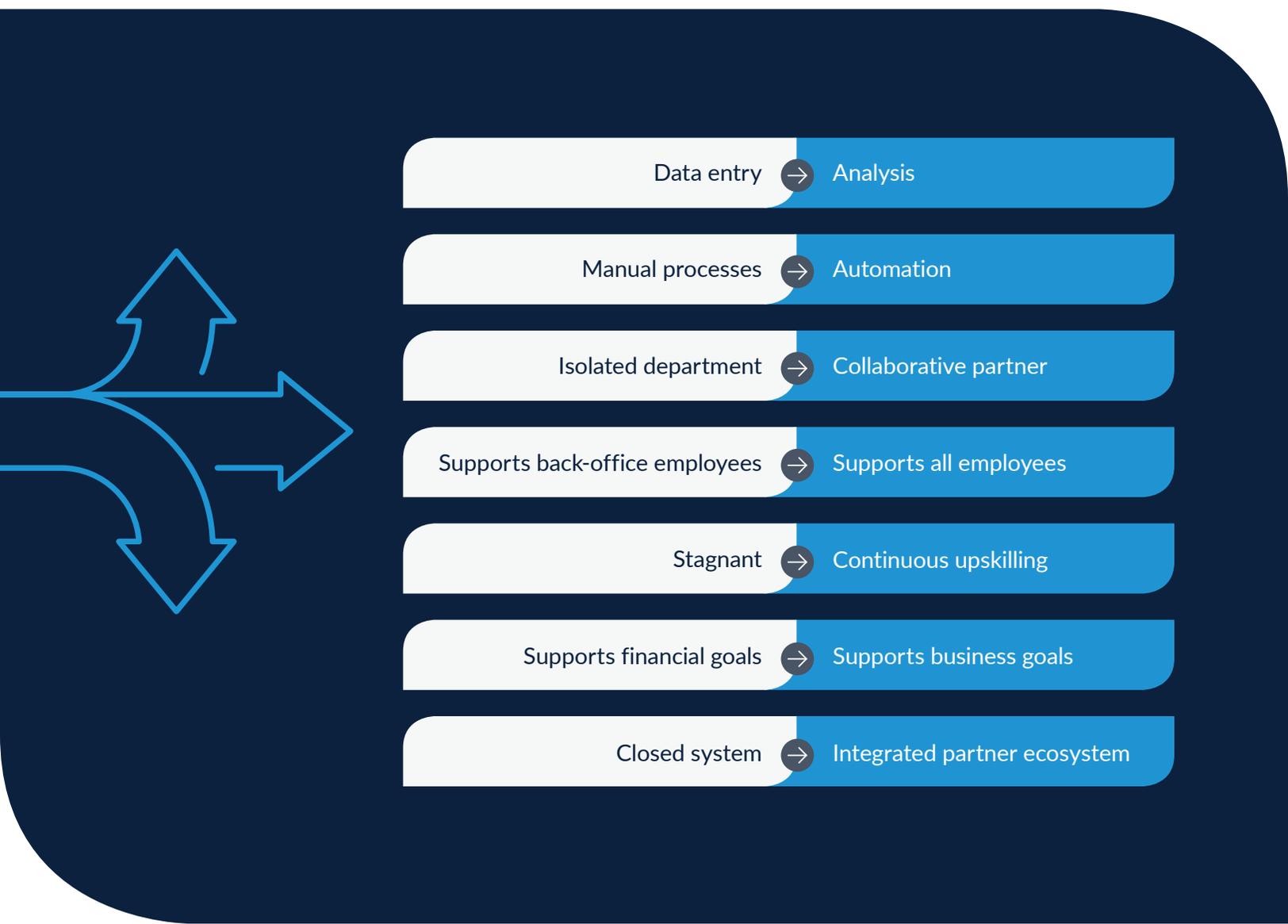
of CFOs believe their company will need to rethink processes & operating models to be more resilient



What is modern finance?

Less concerned with retrospective number crunching, modern finance teams are emerging as strategic business partners, using data and innovative technologies to uncover value, drive growth, and define new ways of working across the entire organization.

Modern finance departments replace manual systems and processes or legacy systems with cloud-based workflows powered by artificial intelligence and automation. They embrace agile approaches to finance operations, supporting the quality, accuracy, and actionability of data from across the whole organization to enable continuous improvement and innovation.



Characteristics of a modern finance department



The role of expenses in modern finance

Many organizations have historically relied on paper or manual processes for travel and expense (T&E) management. The process of reconciling paper receipts and forms is time consuming, prone to errors and omissions as well as policy violations, even with the assistance of an ERP application—but it does the job. Or at least it did, until faced with the challenges of a remote work environment and rapidly changing business conditions.

However, the truth is that there is **no volume of expenses that is too low to see a positive return** on a modern, card-oriented, expense solution.

Optimizing Spend

Modern expense solutions provide deep functional capabilities to uncover hidden cost savings and growth opportunities. Today, **eight in ten** organizations are vulnerable to cost leakage, leaving value creation and savings opportunities on the table including minimizing out-of-policy expenses and fraud, card rebates, more prompt third party billing or making more informed decisions about travel providers and other vendors. In fact, most organizations only audit spend for executives or for obvious expenses, leading to leakage issues.

Today, digitizing and simplifying the way that businesses process expense reports has never been more critical to the success of an organization. The more streamlined the process, the greater the opportunity to optimize spending.

AD HOC

Laborious manual processes reduce productivity and block spend data insight

MANAGED

Initial automation gains begin to drive down operational costs and reduce chaos

ACCELERATED

You further increase spend management visibility and control improves as more technology gets

OPTIMIZED

With a digitally evolved solution stack, you can meet strategic goals with greater ease

THE STAGES OF SPEND OPTIMIZATION



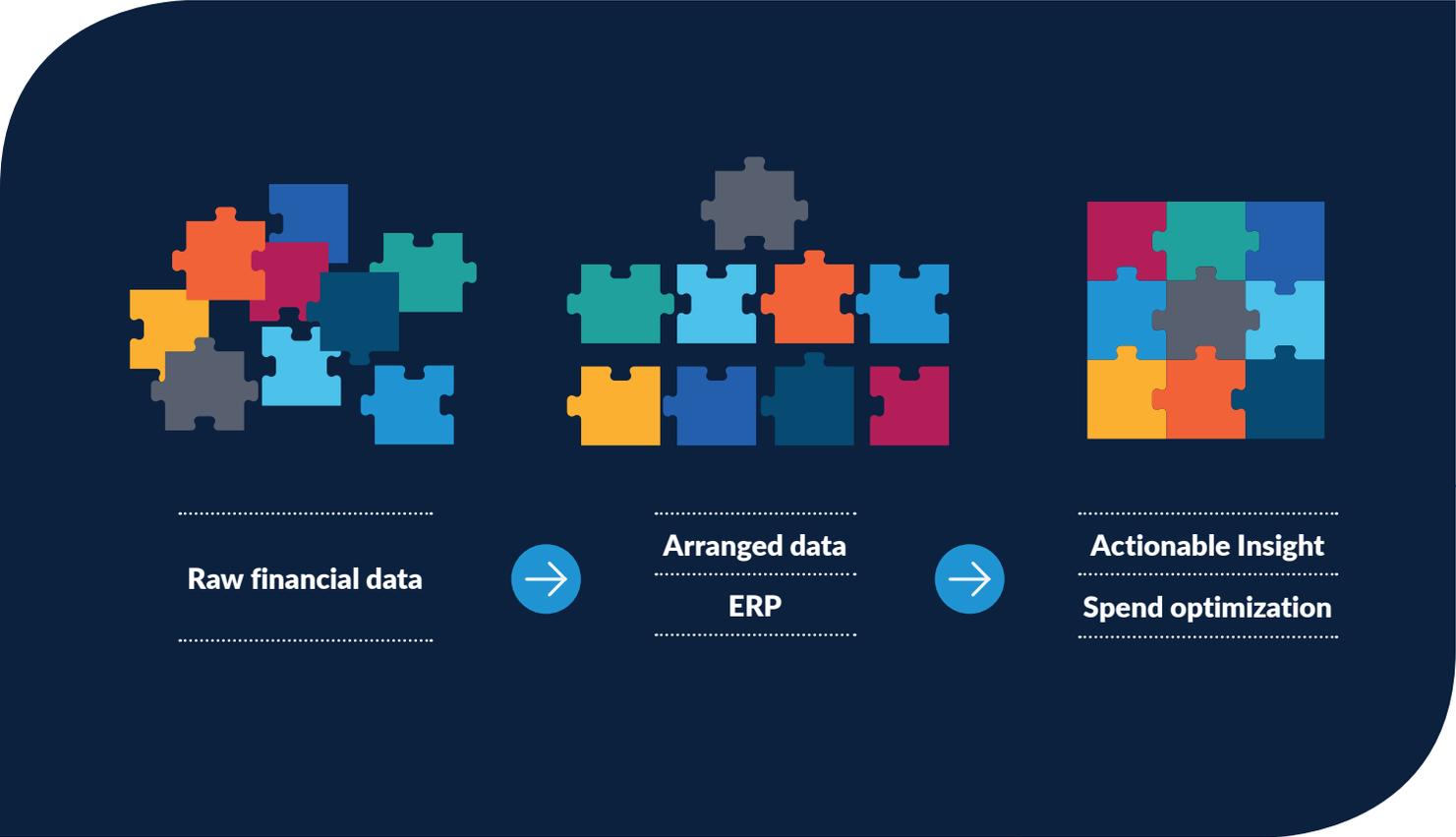
The role of expenses in modern finance



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At the most basic level, simplifying tedious expense and policy enforcement processes with automation will drive operational costs down. At the most elevated level, implementing sophisticated analytics and unifying expense data with accounts payable and payments data will equip finance teams with advanced and actionable insight about spending and create room for data-driven decision making.

Ultimately, the goal is complete visibility over where money is being spent to help reduce costs, inform investments and make other strategic decisions. The result is a more forward-thinking and agile team led by a CFO who gains the time and bandwidth to take on an expanded strategic role for the entire organization.



The role of expenses in modern finance



(Continued)

Improving productivity

Let's not forget that expense systems are not just important in finance—they are a touch point with nearly every employee. And in today's environment, every touch point counts. Organizations that adopt modern spend solutions can deliver on a streamlined expense process and real-time reimbursement—both boosts to the employee experience and to productivity.

Organizations that take control of their corporate spending are better positioned to seize opportunities and adapt to changing market conditions.

That's why the use of dedicated expense software, which is designed expressly to optimize spend and productivity, has jumped from 37% to 47% in the past five years.



36% of organizations rely on manual expense systems



83% of organizations vulnerable to spend leakage



Only 23% of organizations have basic spend controls in place



Organizations that get employee experience right generate 25% higher profits



What to look for in a modern expense solution

A modern expense solution will meet you wherever you are on your digital transformation journey, integrating seamlessly with your existing tools and services, and offering a path toward a completely automated expense workflow.

Consider looking for a solution that supports:

Automation	<ul style="list-style-type: none"> ✓ Centralizes expense and AP data into a single source of truth ✓ Data normalization (DVI) capabilities 	<ul style="list-style-type: none"> ✓ Payment reconciliation from a single system 	<ul style="list-style-type: none"> ✓ Policy enforcement
Spend optimization	<ul style="list-style-type: none"> ✓ Real-time budget and expense reports ✓ Cash flow analysis 	<ul style="list-style-type: none"> ✓ Live drill down capabilities ✓ Policy insight (e.g. how many policy violations were there and how many people had to review each violation?) 	<ul style="list-style-type: none"> ✓ Vendor and spend optimization
Actionable analytics	<ul style="list-style-type: none"> ✓ AI-powered business intelligence ✓ Visually appealing charts to show common spending across organization, department, region or vendor 	<ul style="list-style-type: none"> ✓ Real-time reports and smart dashboards ✓ Schedule, share and download reports in many formats 	<ul style="list-style-type: none"> ✓ Easy report customization tools to track the KPIs important to you ✓ Policy-based reports (e.g. policy violations) and goal-based reports (sustainability, targeted procurement)
Compliance and risk	<ul style="list-style-type: none"> ✓ Automated policy enforcement with embedded business rules engine and configurable approval routing ✓ Approved supplier relationships 	<ul style="list-style-type: none"> ✓ No limits on customizable policies ✓ Add-on audit services 	<ul style="list-style-type: none"> ✓ Custom audit parameters ✓ Audit ready reports
Employee experience	<ul style="list-style-type: none"> ✓ Create, submit, and approve expenses anytime, anywhere, and on any device ✓ Customized dashboards and personalized reports ✓ Simple mobile interface ✓ Minimal training required by finance or employees 	<ul style="list-style-type: none"> ✓ Real-time expense reimbursement ✓ Delegation capabilities ✓ Provision access to self-monitor spending 	<ul style="list-style-type: none"> ✓ Integrated corporate and personal cards (physical/virtual) ✓ Sophisticated OCR—eliminate the time associated with expense forms ✓ Fully integrated with travel services
Future-proof	<ul style="list-style-type: none"> ✓ Ready-to-use external integrations (e.g. global banks, credit cards, VAT reclaim, travel systems) ✓ Open integration platform to solve custom needs ✓ Supports pre-approved key card spending 	<ul style="list-style-type: none"> ✓ Integration with internal finance, ERP, HR systems ✓ Constantly innovating and releasing updates 	<ul style="list-style-type: none"> ✓ Payment and reimbursement capabilities ✓ Grows with you



Why you should consider modern expenses now in your finance transformation journey

Wherever you are on your digital transformation journey, a modern expense management solution can unlock efficiencies now.

If you already have an ERP in place with a legacy expenses module built in, adding on a best of breed modern expense solution is easy. As an ERP-agnostic provider of expense, travel, and AP products, Emburse is pre-certified with many ERP ecosystems to allow organizations to “lift what they love” from their existing add-on modules into their new Emburse expense solution.

If you are considering, or in the middle of, an ERP rollout, it may not seem like the right time to invest in another project. In fact, it may seem counterintuitive to swap a “free” add-on expenses solution for one that

has a cost. But consider whether your free solution will deliver the spend optimization and productivity boost you truly need—and that it could be years (and hundreds of project hours) away from functionality, while you can achieve an immediate ROI with an Emburse expense solution.



FREE UP AP HOURS

Automations free up AP hours to support the ERP roll-out or other value-add activities



IT LIGHT PROJECT

Integrate seamlessly with existing tools and services, rapid deployment. ERP agnostic



IMMEDIATE COST OPTIMIZATION

Immediately put a stop to cost leakage and fraud



Emburse can help



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.

For more information on Emburse, visit emburse.com, call 877-EMBURSE, or follow the organization's social channels at [@emburse](https://twitter.com/emburse).

About Emburse

Emburse is a modern spend management company that offers a growing portfolio of solutions that revolutionize the way organizations manage employee expenses, process invoices, and make payments.