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Steps to Automated Expense Management

certify ✓
by emburse

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Smart automation improves adaptability.

Manual business processes are limiting. This is especially true if you are hoping to adapt and thrive as market conditions change. Simply put, doing it by hand puts your success at risk. And not from some mysterious external force, but from operational inefficiency multiplied across departments.

Research from our 2019 Travel and Expense Management Report shows that nearly half (43%) of organizations are managing their expenses with a manual, or home-grown system.

44% of organizations said “our current processes work well enough.”



The problem with manual business processes.

Manual processes are too time-intensive for everyone involved. Users need to collect and consolidate piles of receipts that may be for different projects or clients. Then they need to reconcile every transaction in a spreadsheet filled with 'easy-to-break' formulas. After all of this, they send in their expense report, hope everything is correct, and patiently wait for approval and eventual reimbursement.

Managers and administrators have mountains of reports awaiting review and approval, each slightly different than the last. They must check every transaction for policy compliance and proper coding before being approved and sent to finance for reimbursement. That is only if the report didn't need corrections and another round of review.

The time spent by your employees isn't likely showing up as a separate line item on your general ledger. It was time they could spend doing tasks best suited for human thought, like developing strategy or finding other ways to improve the business.

This eBook outlines six simple steps that any finance leader can take to build a case for automating one of the most costly budget items. By the end, you'll have the insights and data you need to convince even the most skeptical CFO to prioritize automation.



Step One:

Expose the Costs of Inefficiency

Manual processes seem affordable—at first. Without calculating your costs, it’s tough to know the exact toll manual procedures are taking on your organization. As you may remember, 44% of organizations believe their current processes “work well enough” to avoid switching to a dedicated expense solution.

Use the checklist on the next page to identify which of the areas could be improved to increase efficiency and lower costs.

TIME REQUIRED FOR MANAGING EXPENSES

- Training staff on policy and procedure
- Notifying staff to submit reports
- Creating and submitting reports
- Waiting on manager or administrator review
- Correcting errors
- Reconciling transactions
- Processing reimbursements
- Entering data into ERP or accounting platform
- Expense reports
- Assisting staff with process issues
- Other: _____

HARD COSTS WITH MANUAL PROCESSES

- Office supplies (paper, ink, staples)
- Storage (Management fees, folders, boxes)Creating and submitting reports
- Postage
- Expedited postage
- Other: _____

COMPLIANCE CONTROL COSTS

- Manual data entry errors
- Duplicate expenses
- Fraudulent expenses
- Policy enforcement
- Out of policy corrections
- Auditing expense reports
- Other: _____

REIMBURSEMENT COSTS

Average reimbursement times:

- 0-7 days
- 8-15 days
- 16-30 days
- 31-60+ days

Reimbursement methods:

- Paper check
- ACH Fee
- Wire Transfer fee
- Included in paycheck

63% of companies cited improved efficiency as the primary source of ROI.

Step Two:

Identify and Prioritize Your Needs

Improving the expense process doesn't have a one-size-fits-all solution.

Your organizational structure and users are vastly different from even your closest partners or competitors.

While there are certainly best practices to expense management, tailoring a solution to meet your needs is essential. By outlining what you need from an expense solution for every user group—from the CFO to the end-user—you'll identify exactly what is required for successful digital transformation.

WHAT MATTERS TO USERS?

End-users want a simple tool that makes expense reporting effortless.

- Anytime, anywhere access
- Ease of use (creating, submitting, editing reports)
- Digital receipts and expense reporting
- Fast reimbursements

WHAT MATTERS TO APPROVERS?

Approvers want to review only expenses that need attention.

- Powerful compliance controls
- Flexible approval workflows
- In-app communication with submitter
- High employee adoption rates
- Accessible support for every user

Top 5 T&E pain points (% reporting)

1. Employees losing receipts/submitting without receipts **(53%)**
2. Employees' failure to submit reports on time **(41%)**
3. The time to reconcile, review, and approve reports **(35%)**
4. Errors on the report (incorrect codes, payment amounts, etc.) **(27%)**
5. Reconciling travel and expense data **(26%)**

WHAT MATTERS TO FINANCE DEPARTMENTS?

Finance wants accurate data with little administration.

- Increased policy compliance
- Greater insight into employee spending
- Airtight audit trails for compliance and reporting
- Full-service or guided implementations
- Scalable integrations that adapt with the organization
- Reliable solution with minimal downtime

WHAT MATTERS TO IT/ENTERPRISE?

IT wants a secure, "no-maintenance" application.

- Reliable solution without maintenance
- Highest standards for security and compliance
- Complete, accessible help center



Step Three:

Find the Right Partner

Assessing vendors is both an art and a science.

Technology is a crucial lever for improving efficiency and adaptability. Yet making sense of the latest software can be overwhelming. A more straightforward approach involves comparing your must-have features with the qualities of best-in-class expense solutions.

Finding the perfect product fit is critical to [achieving rapid ROI](#) and improved visibility into company spend.

DEVELOP AND USE A CHECKLIST

Build a feature list to outline the necessary features in your dedicated solution. Be sure to evaluate each solution from the perspective of every potential user to gauge their adoption rate.

READ REVIEWS FROM REAL USERS

After selecting a shortlist possible vendors, take your search online. For real-world reviews from verified users, check out sites such as [Capterra](#), [G2](#), and [Software Advice](#).

You'll get a pulse for the different solutions, which will help narrow your options.

INCLUDE YOUR EMPLOYEES

Inviting a diverse user group to product demonstrations is invaluable. You'll not only uncover any potential shortcomings of a solution, but also streamline stakeholder buy-in across the organization.

Attending a live demonstration also has a hidden benefit. You'll gain a good sense of how the solution provider operates at the administrative level—which is very important with SaaS-based solutions.



Example Vendor Assessment

H&R Block: Vendor Assessment Process

At the start of the selection process, H&R Block defined specific requirements of a dedicated expense management solution, making sure all departments agreed on the necessary features.

Their requirements included:

- **SCALABILITY**
- **EVERYWHERE ACCESS**
- **EASE OF USE**

Be Certain:

When selecting business software, let managers narrow the vendors and let the users make the decision. User satisfaction and adoption will be much higher—two critical components to achieving rapid ROI.

“

Focusing on three areas, H&R Block narrowed down the final vendors and tested them with a conference room pilot. While unconventional in approach, the assessment pitted vendors against each other in the hands of real users.

We let the users of the system—the power users, the admins, the people that really have a stake in this and use the system from day to day—they are going to select the system. At the end of the day, they cast their vote. 9 out of 10 users selected Certify as their vendor. To us, that really spoke highly about the product and the end-user experience.

—Tim Harrison, Director of Corporate Systems

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Step Four:

Build a Solid Business Case

At this stage, you've narrowed down your list to one or two vendors. The next step is building a persuasive business case that wins your CFO's approval.

Base your case on the most common saving sources noted by companies who chose a dedicated expense management solution.

What to consider in your business case.

SAVE TIME (AND MONEY) ON MANUAL TASKS.

- Eliminate data entry and receipt collection
- Reduce time by automating report creation
- Limit managers tracking down employees
- Correct employee, managers, and accountant errors
- Spend less time reviewing expenses
- Streamline reconciliation with ERP and accounting
- Access T&E analytics more efficiently

“

It probably takes me one-third the time to do expense reports now. I'm spending maybe a couple of hours a week versus six hours.

—Jeannie Hagmeier, Senior Accounts Payable Specialist, iCAD Inc.

”

SAVE GREEN ON OFFICE SUPPLIES.

- Printer paper and toner
- Envelopes and mailing labels
- Staples, paper clips
- Postage and expedited mailing
- Storage for past expense reports

“

**We're reducing paper usage by
4,800 to 6,000 pages per year,
and cutting approximately
\$1,944 in postage as employees
no longer need to mail
in reports.**

”

—Terri Tweedy, Management Accountant, Physicians Mutual Insurance Company

IMPROVE POLICY COMPLIANCE.

- Stop duplicate expenses
- Automate policy enforcement
- Analyze spending trends
- Eliminate double-entry in ERP or accounting platform
- Maintain audit trails to back up every action in every report

“

Moving to Certify, we see an annual savings of over \$40,000 from avoiding the payment of duplicate and out of policy items.

—Eric Newman, Corporate Controller, Saddle Creek Logistics Services

”

Only 27% of companies have a system that automatically flags out-of-policy expenses.

Top 5 sources of expense report ROI (% reporting)

1. Improved efficiency/expense reporting process **(63%)**
2. Reduction in processing costs **(35%)**
3. Mobile accessibility **(31%)**
4. Elimination of payments for duplicate expenses **(30%)**
5. Reduction in overhead/staffing requirements **(26%)**

Step Five:

Implement Your Solution

Best-in-class expense vendors tend to start this process for you. If not, connect with your contact to build out an implementation timeline. This plan adds clarity around roles and responsibilities for everyone involved. It also helps estimate the time required of each project lead for a smooth rollout.

H&R Block: Implementation Process

NUMBER OF USERS

100,000+ across North America

CUSTOM INTEGRATIONS

Corporate credit cards, HRIS feed for employees and departments, single sign-on capabilities, fees for accounts payable.

Be Certain:

Select a vendor that exudes care and continuous partnership—they'll always be by your side.

“

Your implementation manager is the person who's going to be there from beginning to end of the project. From Certify's standpoint, we really relied on their expertise to help drive the process.

Picking the right partner, picking the right implementation manager, and not forgetting about change management—it's a critical piece. The technology is amazing, but if you don't have the other pieces in place, it will make the implementation, and ultimately the adoption, more difficult.

—Tim Harrison, Director of Corporate Systems

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Step Six:

Monitor the Rewards

After a successful rollout, you should begin to see the benefits company-wide almost immediately. Best-in-class automated solutions provide your finance team with instant access to their spend analytics. This will help them be more strategic and help the CFO identify new opportunities.

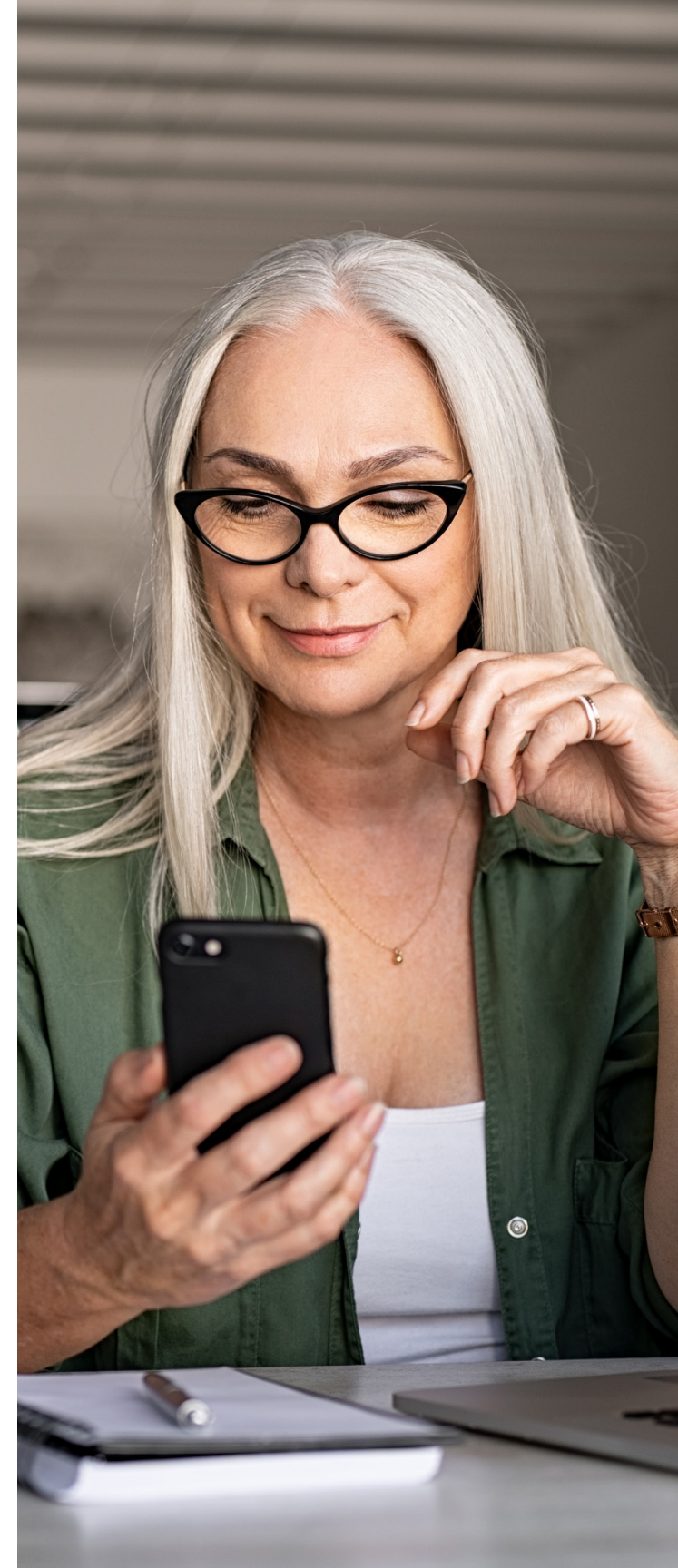
Depending on the provider you selected, they may also offer guidance on how to get the most value from your new solution—including other processes that could benefit from automation.

A few areas where we've been able to help:

- **ACCOUNTS PAYABLE AUTOMATION**
- **NON-EMPLOYEE EXPENSES**
- **TRAVEL MANAGEMENT**
- **PHYSICAL AND VIRTUAL CREDIT CARDS**

Some key benefits we've seen:

- 54% of companies decreased or eliminated manual data entry with a dedicate expense solution
- 57% of organizations surveyed experienced positive ROI in one year or less
- 50% reduction in expense management budget
- 36% of companies said direct deposit via ACH offers the most value
- 63% of organizations improved the efficiency of the expense reporting process
- 45% reduction in processing time



H&R Block: The Immediate Benefits

REDUCTION IN PROCESS LIFECYCLE

Expense report process lifecycle reduced from 54 days to 15 days using Certify

FASTER AUDITING PROCESS

Accountants can review 100 expense reports in one hour, compared to 4+ hours previously

MOBILE CAPABILITIES SAVE TIME

Users significantly reduced the time spent creating and submitting expense reports

ERASE PAPER

Paperless system eliminated 4,000 pieces of paper in the first month of use alone

AUTOMATIC RECONCILIATION

Automated technology removes manual reconciliation of expenses and receipts

INSIGHT INTO MILEAGE

Provided insights into automobile mileage via mapping and route functionality

STANDARDIZATION

Created a single, global platform with single sign-on (SSO) capabilities for web and mobile users



Summary

Choosing the right dedicated expense solution isn't easy. And yet, it doesn't need to be overwhelming. With a bit of strategic planning and a keen focus on user need, you will have a solid foundation to make the right choice.

Additional Resources

DIVER DEEPER INTO T&E MANAGEMENT TRENDS

Our annual [Travel and Expense Management Trends Report](#) informs industry analysts and global organizations the specific areas of T&E management that deserve more attention.

BENCHMARK YOUR SPENDING

See how your T&E spending compares to industry averages from over 50 million transactions analyzed in our acclaimed [SpendSmart™ Benchmark Calculator](#).

ESTIMATE YOUR RETURN ON INVESTMENT

Looking to improve your current expense management system? Our friendly team of [spend management experts](#) are happy to help calculate your potential ROI with Certify.

LEARN MORE ABOUT CERTIFY

Visit www.certify.com to learn more about what makes our approach so unique, and be sure to sign up for a personalized demonstration.

About Certify, part of Emburse

Certify is part of Emburse, a global leader in expense management and AP automation solutions, which is trusted by more than 4.5 million users in more than 120 countries. Over 14,000 customers, from start-ups to global enterprises organizations, rely on Emburse's tailored, highly-configurable solutions. Emburse enables organizations to make faster, smarter decisions, empower business travelers to recapture lost nights and weekends spent doing tedious expense management, and help make users' lives -- and their businesses -- better. For more information about Emburse, please visit emburse.com.

Certify is rated as a Leader in expense management by analyst firm, IDC, and is trusted by more than 10,000 organizations including Boot Barn, H&R Block, and Virgin Galactic, to streamline expense processing, purchasing and travel booking. For more information about Certify's solutions, please visit certify.com.

