Doing More of What You Do Best

When payments work harder, you can focus on what really matters.
Managing budgets isn’t easy. Neither is controlling spend, or processing payments, or keeping an eye on T&E. There are, however, ways to make this kind of work less work. In the articles that follow, you’ll find relevant insights into payments, spending, expenses, and the all-important issue of control. You’ll also learn how you can simplify your processes and find multiple ways to help drive savings.

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LEARN HOW TO HELP INCREASE CONTROL AND EFFICIENCY IN YOUR T&E PROGRAM WITH THIS CFO RESEARCH REPORT.
More companies are using cards to buy business-related goods and services purchases that cards weren’t traditionally used for, such as telecommunications services, shipping and office supplies.

The economy is brighter, but companies are still scrutinizing their cash positions. They’re concerned about health care and regulatory costs, as well as customers who seek to maximize the value of every dollar spent. As a result, many are working harder to provide value and win business in a fiercely competitive environment. That pressure is playing out in the steps finance executives are taking to manage cash.

Companies continue to squeeze money out of operations, build cash reserves and renegotiate terms—all to be prepared should business conditions shift. To maintain their footing, companies also need to maintain and improve collections and credit, revamp internal processes, and tap into investors for more than cash.

**HERE ARE SOME WAYS COMPANIES CAN IMPROVE CASH MANAGEMENT:**

1. **Re-evaluate payment terms and pricing.** Push out payment terms to hang onto cash longer, but not far enough to fall out of vendors’ good graces. If possible, renegotiate pricing. Perform regular internal audits to make sure departments are buying from pre-approved suppliers, and sticking to contract terms.

2. **Simplify processes.** Don’t overcomplicate accounts payables by requiring multiple sign offs on all supplier payments, which can help avoid problems but also be inefficient and add to
costs. Instead, re-evaluate to see where you can reduce approvals while keeping processes and spending tight. One option is switching to requiring purchase orders only for goods or services of a lower dollar amount, for instance $2,500 or more, and requiring multiple authorizations only for purchases of more than $5,000. Perform regular audits to make sure no one abuses the system.

3. **Lean on investors for introductions.** Gone are the days when investors simply wrote a check. Today, they’re likely to be involved in the daily business of companies they help fund. Tap into knowledge venture capital firms or other investors are likely to have of what’s happening in your market or industry. Ask them to recommend suppliers or make introductions to vendors they’ve worked with before.

4. **Use a corporate card to pay for supplies.** More companies are using cards to buy business-related goods and services purchases that cards weren’t traditionally used for, such as telecommunications services, shipping and office supplies.

5. **Automate processes in lieu of adding manpower.** Partner with a corporate card provider to create accounts payable payment solutions that alleviate the need for additional manpower. Such a move may require sharing supplier files and other sensitive information with a card provider. To overcome resistance to sharing such information, think of card providers as consultants who can help with cash-flow management and other internal efficiencies as well.

6. **Work with multiple financial partners.** Don’t limit yourself to one supplier’s payment solutions. Instead, be open to maintaining relationships with several parties, for example, a treasury bank and purchasing-card program provider, to maximize the spend you put on a card program.

7. **Encourage customers to use electronic payments.** Convincing even a relatively small portion of your customer base to switch to a card program can help cut costs associated with fraudulent checks and outbound phone calls for collections. From a resource standpoint, it’s an automated way of receiving payments.

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Why Smart Growth is Critical for Mid-sized Companies

SCALE YOUR BUSINESS WITHOUT INCREASING COMPLEXITY.

Originally published March 4, 2015

Mid-sized companies in the United States are thinking positive. As it was found in our survey, the American Express Survey of Mid-Sized Companies1, 44 percent of the 339 decision makers surveyed said over the next 6-months they expect their business to grow regardless of the economy, and a similar number, 40 percent, have an even more positive outlook, saying they actually see the economy improving and expanding opportunities for their business. This focus on growth is welcome—but growing right means growing smart.

44% 40%
EXPEC TO GROW REGARDLESS OF ECONOMIC CHANGES  SEE THE ECONOMY IMPROVING AND EXPANDING OPPORTUNITIES FOR THEIR BUSINESS

When putting together a comprehensive growth plan, you may want to focus on reducing costs and mitigating risks. Here are some suggested tactics.

1. Identify What Would Support Growth

AS THEY LOOK TO EXPAND, FINANCIAL DECISION MAKERS SURVEYED SAY THEY BELIEVE INVESTMENTS IN INFRASTRUCTURE, INCLUDING TECHNOLOGY AND OPERATIONS, WILL MOST HELP THEM GROW.

Access more cash flow or capital 20%
Retain or grow existing customers 14%
Attract and retain top talent 13%
Acquiring new customers 25%
Investments in infrastructure 26%
2. Use Data-Driven Decision Making to Mitigate Risk

HARNESSING AND UNDERSTANDING YOUR BUSINESS’S DATA IS IMPORTANT FOR KNOWING WHERE YOUR MONEY IS GOING, AS WELL AS DRIVING PROCESS IMPROVEMENTS, INCREASING FORECASTING ACCURACY, AND ACHIEVING TIGHTER CONTROL OF CASH FLOW.

“In my experience, too many decisions are made on gut feelings. They don’t have quality financial data that tells them what’s not working.”

LEE SWINERD, DIRECTOR OF TURNAROUND AND TRANSFORMATION, KPMG UK

3. Emerging Tech is Important for Growth

INVESTING IN DATA-DRIVEN TECHNOLOGY SOLUTIONS HAS PROVEN TO BE AN IMPORTANT STRATEGY FOR FORWARD-THINKING MIDDLE MARKET COMPANIES.

IN A 2013 DELLOITTE SURVEY OF MIDDLE MARKET EXECUTIVES...

- 45% said they were spending more on technology than they had the year before. By the following year, that number jumped to 58 percent.
- 56% of the executives say their organization is already using some form of cloud-based service.
- 67% of mid-sized companies have either developed (33%) or are planning to develop (34%) a mobile app.
4. It’s Never too Soon to Get Expert Assistance

MORE MONEY CAN MEAN MORE PROBLEMS FOR HIGH GROWTH COMPANIES. CONSIDER SEEKING OUTSIDE ASSISTANCE TO HELP SOLVE THOSE PROBLEMS.

<table>
<thead>
<tr>
<th>Have a great accounting team and the help of experienced tax attorneys</th>
<th>These can be a major help when navigating new tax territories and other challenges that come with growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bring in outside auditors</td>
<td>An independent firm can provide important knowledge as you’re growing</td>
</tr>
</tbody>
</table>

Mid-sized companies have more opportunities for growth than ever before, but too much too soon may damage your business.

Place data at the core of your growth plan

Place data at the core of your growth plan

Get help from the experts before implementing any major growth initiatives

To find out more about cash flow management, growth strategies, and preparing your business for new challenges, visit [business.americanexpress.com](http://business.americanexpress.com).

1. The American Express® Survey of Mid-sized Companies was completed online among a sample of 339 financial decision makers in U.S. Mid-Size Companies, defined as having revenues of $5 million to $1 billion annually. Interviewing was conducted by Ebiquity Research between June 2 – 19, 2014.
2. Personal Interview of Lee Swinerd, Director of Turnaround and Transformation at KPMG UK, Conducted by Contently Media LLC, (October 20, 2014)
3. Keeping the Middle Market Growth Engine Humming: Three key growth drivers to consider, Corporate Value Metrics, McGladrey LLP, page 1 (May 2013)
5. Perspectives on Technology, Mobility and the Cloud in the Mid-Market, Deloitte, page 8, (April 26-May 21, 2013)
6. Perspectives on Technology, Mobility and the Cloud in the Mid-Market, Deloitte, page 10, (April 26-May 21, 2013)
Hidden Ways to Help Save Money in Your Business

A LEAN APPROACH TO MANAGING EXPENSES

Originally published January 26, 2015

Even if you made cuts a few years ago, it’s worth re-examining business expenses to make sure operations are still being run efficiently.

Whether your company is enjoying a sales spike or is struggling through a slow period, it’s a good time to run a lean operation. Even if you made cuts a few years ago, it’s worth re-examining business expenses to make sure operations are still being run efficiently. Here are a few hidden ways to help save money running your business:

EMBRACE TECHNOLOGY

Companies of all sizes are replacing expensive, on-premise applications with on-demand cloud software, which can reduce capital and operating expenses. Deploying advanced automation for key business processes, such as financial and HR management, can also cut costs over time.

Investing in mobile applications can also enhance productivity. Executives, sales reps and field workers perform more effectively when they have secure access to corporate and customer data from the road. Similarly, employing videoconferencing or web conferencing instead of flying across the country can help save a midsize to large company hundreds of thousands of dollars annually on travel.

GET CREATIVE

When travel is required, consider non-cash options for payment. A number of corporate cards offer points or other rewards that can be earned on qualified purchases. Those points can then be
redeemed for air travel, hotel stays, dining and other purchases, even if they're not travel related. Some business owners redeem points for gifts for clients or employees, for example.

Some corporate cards offer additional benefits, like savings programs that may help you cut costs or earn rebates on such areas as travel, dining, shipping or office supplies. Consolidating multiple cards to a single card may maximize those benefits.

NEGOTIATE WITH VENDORS

Large suppliers may also be a source for savings, with a little nudging. Perhaps a long-term supplier can provide an additional service for the same cost, in exchange for loyalty.

Whenever possible, consolidate spending with fewer vendors to achieve volume discounts, get better terms and simplify transaction processes.

In a difficult market, vendors will value your business if you make payments on time. Do that, and vendors who normally would not budge on price may be inclined to offer prompt-pay discounts or extended terms. Whenever possible, consolidate spending with fewer vendors to achieve volume discounts, get better terms and simplify transaction processes.

Consider converting as many check payments as possible to electronic payments. This may take negotiating with vendors and suppliers, but it’s worth the effort to save on hefty check processing costs. Other financial benefits of converting to electronic payments include less manual effort, reduced fraud risk, better tracking and control of payments to highlight areas of noncompliance and waste, discounts and rewards from commercial cards, and improved cash flow.

Cutting costs takes ingenuity, but it requires a balanced approach. Employees and vendors may balk at altering too much too soon, so consider taking some time between significant changes. Also, be sure to clearly communicate the benefits from any changes to all those involved. They may even be able to help identify additional opportunities for savings.

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Making the Switch to Electronic Payments

DIGITAL PAYMENTS INFUSE SPEED AND SAVINGS INTO YOUR BACK-OFFICE

Originally published January 26, 2015

Moving to digital isn’t just a faster way for a company to get paid. It also can help businesses reduce processing costs, improve cash flow and provide a more efficient way to track and control expenditures.

Electronic payments aren’t just for consumers who want a quick way to download and watch a movie or spring for a latte. They are also transforming how companies collect for the goods and services they sell.

Moving to digital isn’t just a faster way for a company to get paid. It also can help businesses reduce processing costs, improve cash flow and provide a more efficient way to track and control expenditures.

Advantages aside, many companies continue to rely on paper checks. In the United States, large companies still make and receive more than half of all payments by check, according to a 2015 Federal Reserve report. Small and micro businesses rely on checks even more, using them for 70 percent and 90 percent of all payments respectively, according to the Federal Reserve. Some of the barriers to increasing adoption include the difficulty of setting up electronic payments, lack of support from financial institutions, and challenges associated with exchanging payment-related information such as invoices electronically, according to the agency1.
OVERCOMING VENDOR RESISTANCE

The other factor holding companies back is the difficulty they have convincing suppliers to give electronic payments a try. To make vendors comfortable about switching, focus on the potential benefits. Those advantages may include same-day payments, better cash flow, and lower costs for invoicing, reconciliation and tracking. By focusing on benefits, companies can help overcome the resistance vendors might have to paying the fees that are associated with accepting electronic payments.

EVOLVING NATURE OF ELECTRONIC PAYMENTS

Forms of electronic payments are expanding, and include virtual payments, buyer-initiated payments, and purchasing cards.

As times change and electronic payments are more widely accepted, suppliers who previously preferred to be paid by check may be more open to getting paid electronically.

To transition to electronic payments, consider analyzing spending with various suppliers. Such an analysis can help spot areas where a company could save on costs and segment suppliers according to their specific payment requirements.

Next, consider talking to suppliers about the benefits they would achieve by making the switch. As times change and electronic payments are more widely accepted, suppliers who previously preferred to be paid by check may be more open to getting paid online. They may also benefit from the switch to same-day payments with improved cash flow. And their costs for invoicing, reconciliation and tracking could be lower.

Finding the right balance between traditional payment methods and electronic payments may also depend on a company’s size and corporate culture, industry, the size of the suppliers they deal with, and total transaction volume.

Regardless of variables such as size or industry, given the many potential benefits there are to be had, electronic payments are well worth investigating.

Gaining Control and Unlocking Value in T&E Spending

QUANTIFYING THE BENEFITS, LEVERAGING THE DATA

A report prepared by CFO Research in collaboration with American Express
In December of 2014, CFO research conducted a survey of senior finance executives at large companies in the United States to examine best practices in the management of travel and entertainment (T&E) expenses. This presentation reflects 317 survey responses, and 6 in-depth interviews, from senior finance executives at companies with annual revenues of at least $100 million. Respondents represent a broad range of company segments, as follows:

**TITLE**
- Controller: 21%
- Director of finance: 21%
- CFO: 19%
- VP of finance: 14%
- Treasurer: 5%
- EVP or SVP of finance: 4%
- CEO, president, or managing director: 2%
- Other finance title: 15%

**REVENUE**
- More than $5B: 30%
- $2B-$5B: 14%
- $1B-$2B: 15%
- $500M-$1B: 13%
- $250M-$500M: 13%
- $100M-$250M: 16%

**INDUSTRY**
- Financial services/Real estate/Insurance: 22%
- Auto/Industrial/Manufacturing: 12%
- Wholesale/Retail trade: 11%
- Chemicals/Energy/Utilities: 9%
- Public sector/Nonprofit: 6%
- Business/Professional services: 6%
- Health care: 6%
- Food/Beverages/Consumer packaged goods: 5%
- Hardware/Software/Networking: 5%
- Media/Entertainment/Travel/Leisure: 5%
- Telecommunications: 4%
- Pharmaceuticals/Biotechnology/ Life sciences: 4%
- Aerospace/Defense: 3%
- Construction: 2%
- Transportation/Warehousing: 2%
The Problem of Complexity in Managing T&E Spending

As with any finance process, CFOs are keen to manage their companies’ travel and entertainment (T&E) expense processes effectively and well, with expenditures tracked accurately and comprehensively, wasteful spending eliminated, and value received for all company spending.

However, the complexity and scope involved with the typical T&E process often makes it a pain point for the finance function. The pain appears in the form of pushback from employees who are testing the boundaries of compliance with T&E policies and processes, frustration from finance team members who are asked to process T&E submissions manually and across multiple systems, and concern from finance team leaders about the larger question of what T&E management says about the efficiency of the finance function, and by extension about the management of the firm.

These were some of the conclusions drawn from an online survey covering management of T&E at mid-sized and large companies. Our survey of senior finance and other executives, conducted by CFO Research in collaboration with American Express, gathered 317 responses. All respondents came from companies with at least $100 million in annual revenue, representing a variety of industries. To augment these survey results, we also conducted interviews with several senior finance executives at $100M+ companies.

T&E can be one of the largest components of indirect spending, and it can be one of the most complex and hardest to control. But survey respondents see important opportunities for savings from improving T&E processes. Well-managed T&E processes also reflect a well-run finance function and a well-run company.

Goals for Managing T&E: Control, Information, Efficiency

To validate the most basic premise of our research, we first asked respondents if achieving better control over T&E would actually benefit their company. More than two-thirds (69%) of senior finance executives agree that their company would benefit.

We next asked survey respondents about the most important goals that could be achieved by better managing T&E spending processes, and the leading responses were: (1) savings from improved control over spending, (2) savings from negotiated or volume discounts, and (3) savings from transaction process efficiency. Approximately four in ten respondents say that these improvements are “very important” for their companies. (See Figure 1.)

We have restated those goals more generally:

› Managing complexity
› Using data
› Pursuing process efficiencies

Each of these is addressed in the remainder of this report.

Figure 1

How important are the following goals in managing T&E spending processes?

- Savings from improved control over spending
  - Very important: 42%
  - Somewhat important: 50%

- Savings from negotiated or volume discounts
  - Very important: 40%
  - Somewhat important: 47%

- Savings from transaction processing improvements
  - Very important: 37%
  - Somewhat important: 49%
Managing Complexity

Loose oversight and inadequate controls over T&E spending can prevent a CFO from knowing precisely whether value is being realized from T&E spending or not. In an open-response question, a survey respondent confirmed this notion: “Control and reporting variances are the key goals for T&E.”

The problem is that payment methods often are specific to different types of purchases or different circumstances. (See Figure 2.) Payment methods are adapted to accommodate a complex set of considerations, including the payment and control processes a company has in place, the type of employee making the purchase, the kinds of technology available both to make purchases and to process transactions, and the corporate culture. As a result, a company may well be employing different types of corporate cards, at the same time that it is enrolling vendors for purchase-order purchases while also reimbursing some employees for purchases they made themselves, or even using petty cash to front employees for some of their T&E expenses. In fact, about six in ten respondents report that their companies employ more than one payment method for T&E. Consequently, a company may find itself having to manage very different types of processes, with or without the aid of travel-specific applications and information systems, and all the while trying to minimize costs.

Finance executives are well aware of the problem. In the survey, 45% of senior finance executives say that their companies lack the centralized oversight or controls that would help them better manage T&E spending.

Many finance executives say that their companies lack the centralized oversight or controls that would help them better manage T&E spending.

Figure 2

What is the primary method that your company usually uses to pay for purchases in the following categories?

<table>
<thead>
<tr>
<th>Category</th>
<th>Purchase order, with corporate payment</th>
<th>Personal purchase, with reimbursement</th>
<th>Corporate card, with reimbursement</th>
<th>Corporate card paid directly</th>
<th>Other method</th>
<th>Not sure/Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile devices and services</td>
<td>36%</td>
<td>19%</td>
<td>9%</td>
<td>19%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Meeting and conference expenses</td>
<td>23%</td>
<td>15%</td>
<td>17%</td>
<td>41%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Employee relocation expenses</td>
<td>21%</td>
<td>29%</td>
<td>8%</td>
<td>15%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td>Gifts and discretionary purchases for client relations</td>
<td>11%</td>
<td>19%</td>
<td>19%</td>
<td>30%</td>
<td>2%</td>
<td>18%</td>
</tr>
<tr>
<td>Reserved travel (e.g., air, train, car rental)</td>
<td>6%</td>
<td>17%</td>
<td>24%</td>
<td>50%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Ground transportation (e.g., taxi)</td>
<td>3%</td>
<td>42%</td>
<td>20%</td>
<td>34%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>3%</td>
<td>25%</td>
<td>24%</td>
<td>41%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Lodging</td>
<td>2%</td>
<td>26%</td>
<td>27%</td>
<td>44%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Meals</td>
<td>1%</td>
<td>31%</td>
<td>27%</td>
<td>40%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>
T&E spending. And more than one-third (36%) report that ad-hoc or “maverick” T&E spending is hurting their company’s financial performance.

Consolidating payment methods and streamlining reporting and payment processes can be important steps toward helping a company regain control over its T&E spending. For example, Belk, a retail chain in the U.S. Southeast, chose a corporate card program to help manage T&E spending. Belk treasurer Jay Cook says about the program, “It really gives us a more controllable and mechanized asset for going through the expensing process than using petty cash or having somebody doing an expense report....It is an opportunity to get more value out of [T&E], and better manage and control the process.”

Using Data

T&E processes can generate a lot of data for many small transactions—and in many cases, the sheer volume of data can be a barrier to using it effectively. Even with the benefits of consolidation provided by a corporate card program, only about half of the executives in the survey say that they can quantify the benefits for T&E. Even fewer—27%—can claim that they make a regular practice of it. (See Figure 3.)

The senior finance executives responding to the survey made it clear that they need better visibility into T&E data in order to optimize it across an enterprise. Asked to choose the most valuable benefit of a mandated corporate card program for T&E, the top choice was “Better visibility into corporate-wide spending” (selected by 41% of senior finance executives).

But the wide range of processes used in any one firm to pay T&E expenses can make it more difficult to (1) gather data in compatible/comparable forms, (2) analyze spending patterns, (3) consolidate spending data to inform negotiation of discounts, and ultimately, (4) reduce spending.

The complexity of the data set can also hinder finance executives’ ability to derive measurable value from the data. Areas where survey respondents acknowledge that their companies need the most improvement in using T&E spending data are shown in Figure 4.

The two areas in greatest need of improvement—“Negotiating discounts with vendors and suppliers” (33%) and “Identifying opportunities to consolidate spending” (33%)—represent potential savings opportunities that are being lost to a company. The third area in greatest need of improvement—“Identifying spending patterns for use in business planning” (27%)—represents a lost opportunity for the finance function to partner with business units and play a more strategic role in the company.

Organizing, consolidating, and streamlining payment methods and processes allows the CFO to receive better data. One straightforward approach to achieving this is mandating the use of a corporate credit card for all T&E spend.

Two-thirds (65%) of senior finance executives agree that mandating a corporate card program for T&E would help their company save money.

Figure 3

Does your company quantify the benefits of its corporate card program for T&E in some form?

Yes, regularly: 30%

Yes, but only as requested: 22%

No; we don’t have a corporate card program for T&E: 11%

I’m not sure: 11%

No, we don’t have a corporate card program, but do not quantify the benefits: 27%
Survey respondents and interviewees debated the advantages and disadvantages of mandated corporate card policies, but two-thirds (65%) of them agree that mandating a corporate card program for T&E would help their company save money. In an open-response question, a survey respondent highlights a key area of savings: “[A mandated corporate card program] creates a consistent reporting process and maximizes the company savings from vendor rebates.”

Darin Holderness, CFO of the family-owned company Woodgrain Millwork, explains why greater visibility from mandated corporate cards is a benefit to employer and employee alike: “It allows you to take a good look at spending by vendor and use that for negotiating discounts. But with the reporting all together in one place, it also makes it simpler for the employees. Ease of use and acceptance are important.”

Pursuing Process Efficiencies

Without integration, disjointed T&E processes require more manual intervention, raise the risk of introducing redundancies and errors, and can be more costly to operate. The wide range of processes being used to pay T&E expenses are, by their nature, inefficient. (See Figure 2.) In fact, more than a third (35%) of senior finance executives rate “Streamlined payment process; less manual intervention required” as the most valuable benefit of a mandated corporate card program for T&E. (The only benefit rated more highly was “Better visibility into corporate-wide spending,” as noted previously.)

Both survey respondents and interviewees note that their companies are still using paper-based and manual-intensive processes for reporting at least some types of T&E expense, and this was true even at some of the largest companies included in the research. Many of these finance executives acknowledge the cost of continuing this
Another opines: “We need to find a better process for capturing employee expense[s] and getting them approved.” Even though this company has more than $5 billion in revenues, its CFO says it still is plagued by the need for “manual submission of paper receipts for reimbursement.” The goal, he says, is to streamline the process and “move toward electronic submission without receipts.”

Jay Cook, Belk’s treasurer, describes the kinds of challenges his firm dealt with before mandating a company-wide corporate card program: “Previously, if people needed a corporate card, we let them use it, but you could also use your own personal card, too. You’d then have to submit an expense report in our paper-based system. It couldn’t do a good job of tracking, so you couldn’t get volume discounts or the other advantages [that are based on card data].”

Technology is clearly a key factor in making processes more efficient. Howard Fowler, SVP and CFO of Transforce, a transportation industry staffing firm, is enthusiastic about the automated T&E system his company recently installed, noting that it has helped “grow our operations and our revenue without growing our infrastructure.” An open-response question supports this view of the wide-ranging benefits from a more automatic—and automated—expense process: “[The corporate card program] reduces the staffing levels necessary in the AP and procurement departments, as multiple small dollar amounts are electronically paid without additional work involved.”

In fact, survey respondents at companies that
enforced T&E discipline by mandating the use of a corporate card clearly are getting the results they wanted. Respondents from these companies are more than twice as likely as others to rate their processes as “excellent” in a number of key areas, including monitoring, control, and transaction processing. (See Figure 5.)

Rhys Read, controller for Wespath, which provides investment management services for United Methodist organizations, says that in his experience overseeing the T&E process, “technology is really moving by leaps and bounds these days, especially with mobile apps.” The technology allows him and other Wespath employees to submit and review their expenses anytime, from anywhere.

The payoff from eliminating both the amount of paper and the number of “touches” required for processing T&E expenses can be substantial. Transforce’s Howard Fowler points out the multiple benefits his company enjoys from its newly installed expense management system: “Instead of having to create expense reports from scratch, transactions now populate an account. That makes it easier to create the expense report, it reduces an extra point of data entry, and it gives us a richer data set for review and analysis.”

Darin Holderness at Woodgrain Millwork similarly describes the benefits of technology: “We have the ability for the employees to take a picture of receipts with their mobile phones, which automatically go into our system where they’re hooked up to their personal bank accounts for the out-of-pocket expense. So, we are never writing a check to an employee for expenses; it all goes through the [card] reimbursement program.” He sums up by simply stating, “Anyone who is still submitting paper expense reports and receiving a paper check shouldn’t be.”

Conclusion: Time to Move Ahead

Improving management over T&E processes, fully leveraging data, and creating more efficient processes are important components of success in managing T&E spending to the same standards as other business processes. Yet paper expense reports and manual T&E processes persist in corporate America. Our survey results make it clear that it is time for them to go.

Barriers to implementing streamlined, efficient processes can be overcome through conventional communication and change management practices. More efficient T&E management can make employees’ and CFOs’ lives better, help the company save on its T&E spending, and provide data that helps better manage the business.

“We need to find a better process for capturing employee expenses and getting them approved. Today we require manual submission of paper receipts for reimbursement, but we want to move toward electronic submission without receipts.”

—CFO of a $5B+ financial services firm

Key Benefits of T&E Process Improvement

- Manual processes reduced
- Data/analysis errors reduced
- Finance staff freed up for higher-value tasks
- Processing costs reduced
- Spending data visible in real-time via self-service
- Compliance improved
- Reporting accelerated