



5 Hidden Costs of Expense Reports

TripActions®

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End Old Legacy Processes, Let the Speed and Savings Begin

Expense reports are a source of stress for everyone--employees, managers, accounting and finance teams alike. Have you ever paused to consider how much they are actually costing your company?

Efficiency and productivity are more important than ever to help organizations on the path to business and economic recovery--and that includes outdated financial processes.

Expense reports are a part of this outdated process. They limit and delay your finance team's visibility, which leads to a lack of transparency and control into spend, and an inability to accurately budget or forecast. The good news is that this can easily be solved.

This guide will help you:



- Quantify the value of wasted time, visibility, and control
- Look at the need for real-time visibility
- Find opportunities for policy compliance
- Understand the costs associated with typical finance processes around expense reports





68%
of finance executives say

cutting time and errors from travel and expense reimbursement would yield a meaningful financial benefit.

27%
of the survey respondents

describe their company's systems for travel and expense reimbursement as highly automated, with dedicated, integrated systems for booking, expense reimbursement and reporting.



Because of complex processes, finance teams of yore would put much time and effort toward managing and tracking company expenditures. As with all manual processes, this introduces delays and errors.

Automation provides a better way for employees and finance teams to cover on-the-go, one time, recurring, and the rare out-of-pocket spend for expenses like business travel, software subscriptions, and digital advertising.

Spend that—when delayed by outdated expense management tools and processes—brings your business and employees to a screeching halt.



Cutting Costs Through Modernization

Let's start by painting a picture of your expense process:



Hidden Cost #1

Costly, unnecessary headcount

Expense reports can take up valuable time and is oftentimes the job of one or several people. In many companies, processing expense reports is a highly repetitive and mind-numbingly manual task. In fact, it’s a matter of sifting through these reports to find the exceptions--policy violations, for example--or uncovering trends that are often unclear until that data is aggregated.

Recent technology makes the manual labor of these reports unnecessary. With machine learning, new expense management tools can automatically flag suspicious charges and identify out-of-policy spend to eliminate repetitive and manual tasks.

“If all we’re doing is just reconciliation and chasing after expense reports, then we can’t add as much value as we’d like. If we can focus on closing books quickly then we can free more time for analyzing data and finding ways to save money.”

– David Wieseneck, VP of Finance



Average cost of headcount



Accountant

\$90,000
per year, fully loaded



Expense Analyst

\$60,000
per year, fully loaded

Hidden Cost #2

Monthly reconciliation headaches

Expense processing sucks up time across teams and distracts employees from high-value work.

Routing expense reports up the approvals chain eats into productivity. A manager manually reviews reports, may iterate with the employee, and then that iteration takes place again when they hit your finance team. Or, arguably worse, managers have little motivation to decline an expense. They get nothing out of having a conflict with their employee and it's easier to just hit "approve" hoping the approval makes it through Finance. However, a modern T&E solution with automation takes the managers' discretion out of the equation.



Source: survey by GBTA and HRS

If your company has



Source: survey by GBTA and HRS

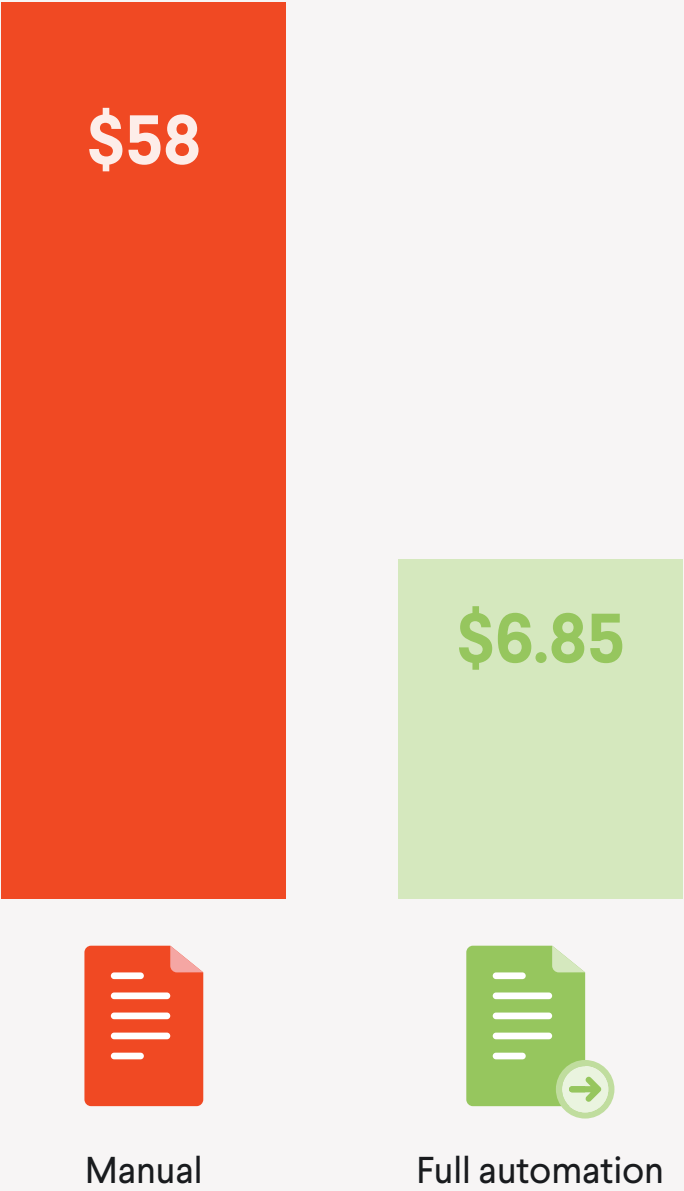
Hidden Cost #3

Employee time putting together an expense report

Employees are oftentimes frustrated that they can only make time for expense reports outside of normal work hours. They may procrastinate, which leads to imperfect reporting. Imperfect reporting means more back-and-forth with Finance. Wouldn't you rather have your employee focused on doing their best work (say, selling your product in a multi-million dollar deal), not paperwork like manually inputting data into little fields in a spreadsheet or web form?

Today technology gives organizations the ability to modernize expense management and eliminate these costs. Imagine having complete visibility into spend, solving the hassles of the employee experience and automating every step including reconciliation to drastically reduce time and money wasted on expense management.

Average cost to process an expense report



Source: PayStream Advisors, 2015 Travel and Expense Management Report

Hidden Cost #4

Lack of visibility into real-time spend

Expense reports are a choke point for finance. In an ideal world, the delay between the spend and an employee reporting that spend would be seconds. However, many employees hate doing expense reports and often have more pressing work at hand, such as closing a sale. They procrastinate as the pile of receipts stack up, sometimes for months. They may pull them together at the last minute, often while multitasking, which introduces the potential for errors. And these delays, across hundreds or thousands of employees can add up to a lot of money you have no visibility into.



A 2020 survey of finance leaders found that nearly **50% of companies found deficiencies in data, analytics** and insights for corporate travel spending.



Automation and integration in corporate travel systems are lacking, with only **27% of survey respondents reporting highly automated systems** at their companies and **19% still using completely manual systems**.



More than half of the respondents either don't have or don't know if they have enough travel spend visibility to negotiate effectively with travel vendors, such as airlines or hotels.

[Source: CFO.com Report CFOs & Spend Visibility in 2020](#)

Hidden Cost #5

Expense fraud and abuse

Broadly, the issue with T&E fraud is one of visibility--or lack thereof. When your finance team is inundated with thousands of expense reports every month that they are expected to sift through them and catch abusive and fraudulent activity--it's like looking for the proverbial needle in the haystack. When you use a corporate card system paired with a modern expense management solution, you can trust that your card is enforcing your expense policy since it's built right into the card at every swipe so that out-of-policy charges are declined automatically.

Your team will also be notified of flagged transactions whenever the platform catches questionable activity. Your finance team can then examine the charge and reach out to the employee. Repayment for erroneous or out-of-policy charges can even be made in app, via the employee's personal credit card.



Expense reimbursement fraud accounts for

21%

**of fraud
in small
businesses**

11%

**of fraud
in large
businesses**

[Source: Association of Certified Fraud Examiners' 2018 Report to the Nations](#)

Cutting Costs Through Modernization

These amounts can add up, especially in an economy where margin and cost savings on the path to business recovery are more important than ever. They also cost your finance team a significant amount of time; time that could be focused on higher priority, strategic initiatives.

The good news is, there's a clear way to eliminate these hidden costs and get your T&E processes in shape for today's challenging economy: a modern T&E platform. With the right system in place you will be able to keep your finance team tightly focused, efficient and effective. The T&E platform takes care of the rest.

"TripActions is the only complete, end-to-end corporate travel management solution for finance teams and travel managers, combining the best online booking tool, travel management company and travel payments solution into a single platform."

– Samantha DeRosa, Sr. Accounting Manager



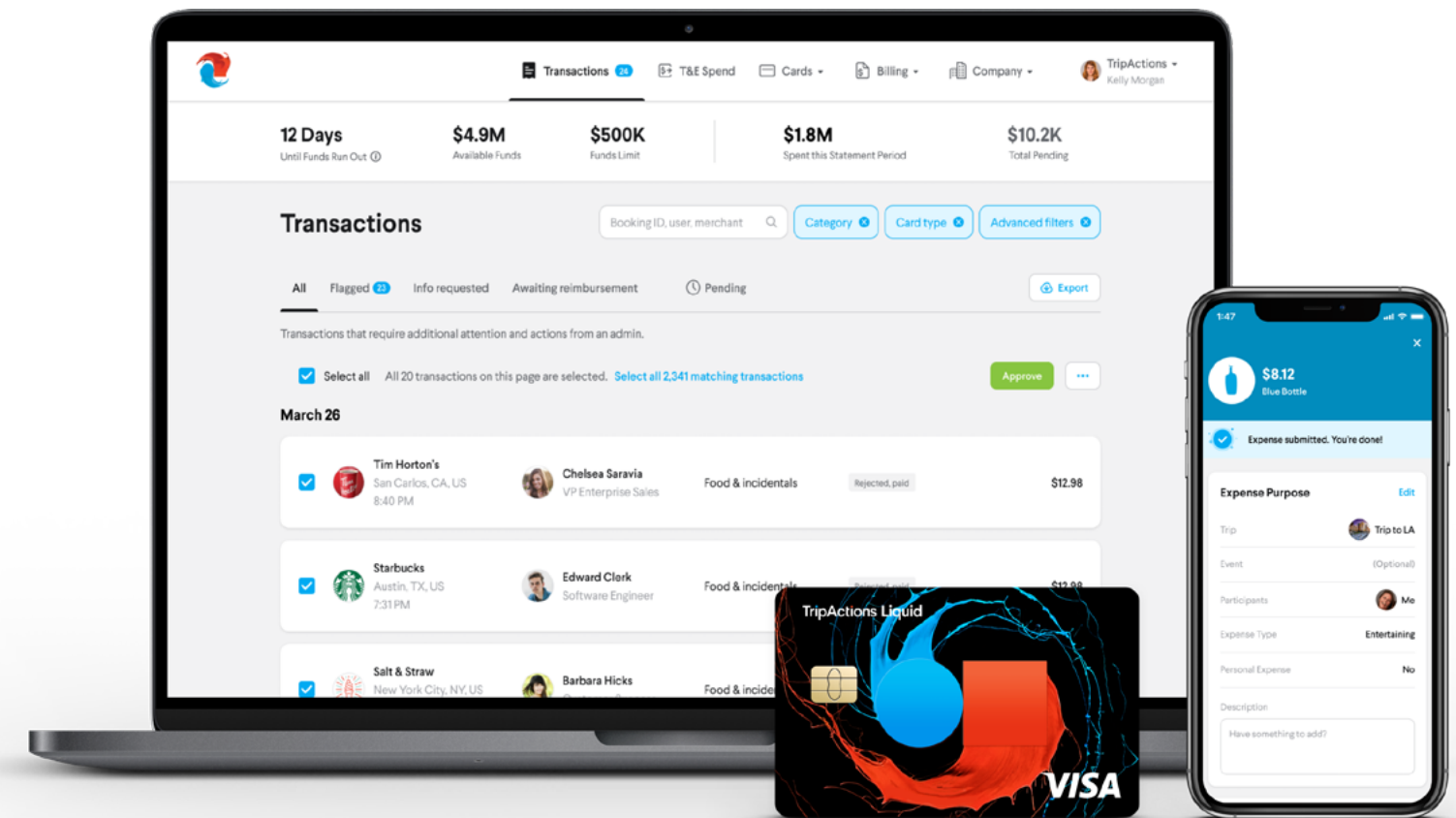
- **Consolidate** - Enable your company to consolidate all business spend and expense activities in one place
- **Accelerate** - Save your company time and effort every month with automated reconciliation and reporting of business spend and expenses
- **Oversee** - Give your company real-time visibility and control over spend with AI-driven policy controls and spend limits to increase compliance
- **Simplify** - Provide a refreshingly easy experience that gives finance, managers, and employees the right balance between control and efficiency when spending company money
- **Streamline** - Integrate easily with your travel bookings platform, providing a one-stop shop to easily and efficiently manage the entire T&E ecosystem, from booking travel through reconciliation

No More Expense Reports



It's easy to see: expense reports are expensive--and, in fact, unnecessary in today's tech-driven, digital world. All these issues can be addressed through a modern T&E management platform that delivers greater visibility and control, combined with automation to remove the highly manual reviews and analysis that go along with old-school expensing and expense management.

Modern T&E management platforms eliminate the need for expense reports. They build in expense policy, dramatically improve visibility into spend, assure better control, and minimize card abuse. Technology can liberate your finance team to focus instead on strategic work, such as analyzing trends and collaborating with other parts of your organization for greater efficiency and savings. With a modern T&E platform like TripActions Liquid, you put your company in the position to succeed: lean, fast, and in control of your future.



“TripActions Liquid is a major time saver. I run a lean team at Zoom, and we have actually been able to reduce reconciliation time from weeks to under an hour each month.”

– Vik Shah, Corporate Controller

zoom



TripActions is a leading corporate travel & expense management platform. Trusted by 4,000+ companies globally, TripActions empowers organizations with real-time data and insights to make business decisions, paired with flexible travel management tools that enable quick and decisive action to keep traveling employees safe, control costs and save money.

Learn more at www.tripactions.com.

Join the TripActions Community at <https://community.tripactions.com/>. #LetsGo



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