Status quo
vs.
Evolution

The average organization allocates 7-10% of its annual budget to T&E[1], making expense management more significant than ever. With steadily increasing pressure to manage this complex category efficiently and strategically, organizations must figure out the best way to gain efficiencies and improve their bottom line. For many organizations, it comes down to the numbers—and the perceived risk vs. reward.

Status quo

The costs of change

Top 5 reasons why some organizations still don't embrace automation:[2]

- Cost
- Complexity
- Learning Curve
- Integration with Legacy Systems
- Fear

While adoption for payment automation is on the rise, some key decision makers may believe the costs outweigh the value.

Top of mind are assumptions about the immediate costs. The perception is that payment automation can be extremely cost-prohibitive. It's not easily quantifiable that spending a large amount on system integration and automation will pay off—or even be justifiable.

In addition, the new technology may not integrate well, in which case unforeseen issues just add to the expense. Plus, there are data risks—there's no guarantee that the new system will be as secure as it promises to be.

Last but not least, there's an underlying belief that payment automation could eliminate jobs. In organizations that put employees at the top of their list, the last thing they want to do is gain efficiencies at the expense of the employees they value so highly.

Evolution

The advantage of automation

Automation allows employees to do more with less, providing increased data accuracy, reduced (or fully eliminated) paperwork, streamlined workflows and a reduction in time spent on tedious tasks such as manual reconciliation of receipts and invoice processing.

Automating the payment management process—from online travel-booking to expense report creation, submission, approval and reimbursement—can help companies reduce expense processing costs by over 46% and contribute to a 15% higher rate of policy adherence.[4]

Corporate card programs help even further. With feeds that pre-populate card payments into expense reports, processing times can be reduced by 54% and processing costs can be reduced by more than 50%.[5]

Automation Results:

90-95%
reduction in paperwork[3]

25%
increase in labor productivity[3]

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Finding the Balance

Evolution is the new status quo: a reality check

There's never been a better time to get serious about streamlining and automating expense management. In most cases, the costs of automation are based on system usage rather than the price of setup. Implementation is typically simple enough to require only minimal assistance from IT, and take days rather than weeks. When organizations find the right system, the ROI quickly outweighs implementation costs. Organizations that do not get on board will find themselves left behind.

[1] Runzheimer, ibid.
[2] Ayehu, Overcoming Objections to IT Process Automation, 2015
[3] Iron Mountain, 5 Myths About Accounts Payable Automation Debunked, 2012
[4] Aberdeen Group, Expense Management for a New Decade, 2011
[5] RPMG Research Group, 2011 Corporate Travel Card Benchmark Survey Results, 2011