71% of CFOs Say Travel & Expense Management Absorbs Too Much Time and Attention
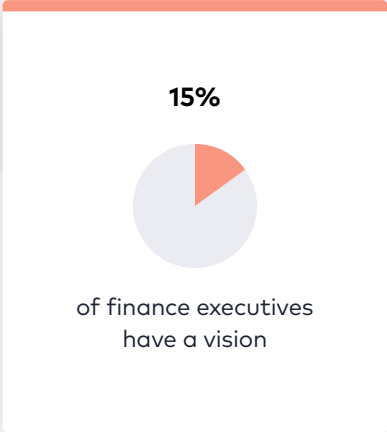
42% of finance executives report that their highest priorities for 2023 are adopting new technologies or replacing legacy systems in the finance department.

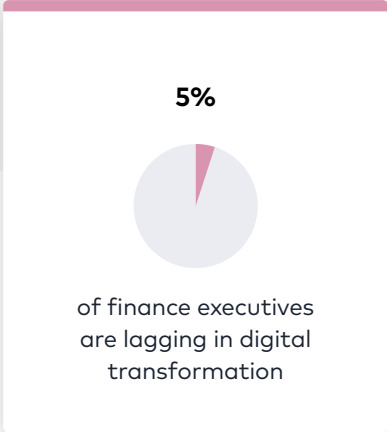Across industries, CFOs and finance leaders are deploying financial software to bolster their organization's growth. New research from TravelBank found that more than two of five finance executives report that their highest priorities for 2023 are adopting new techno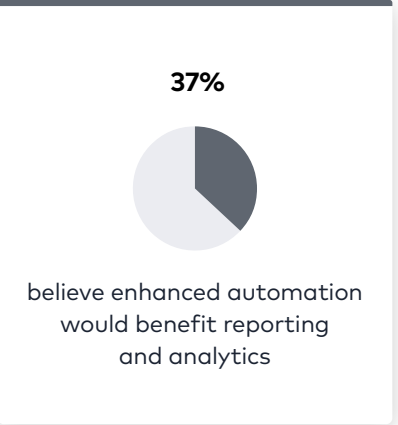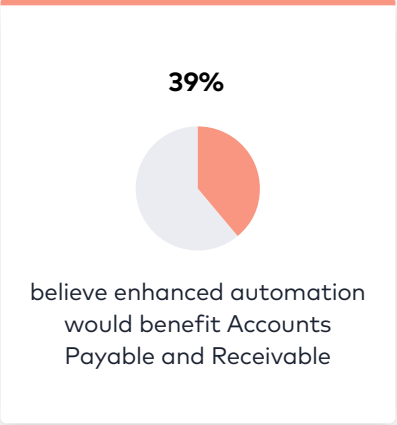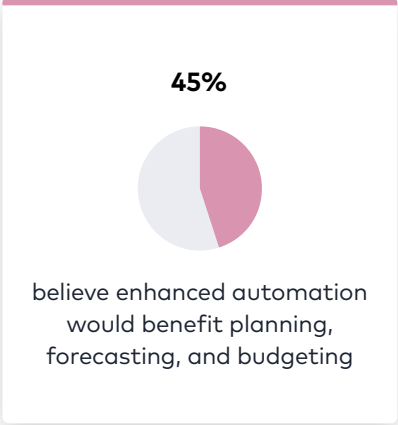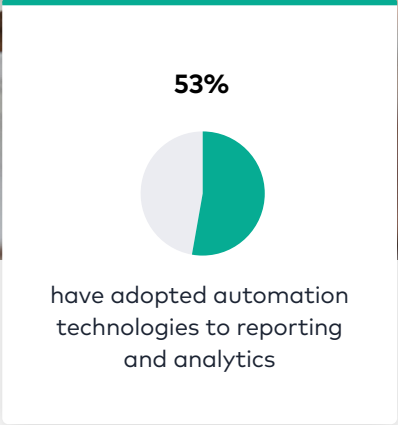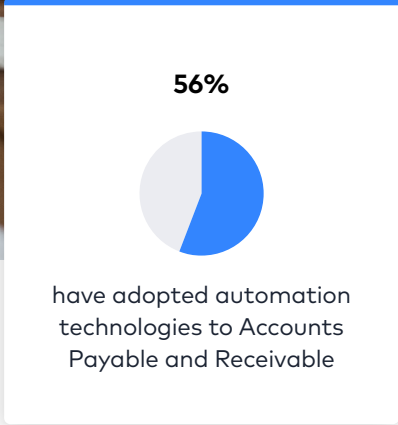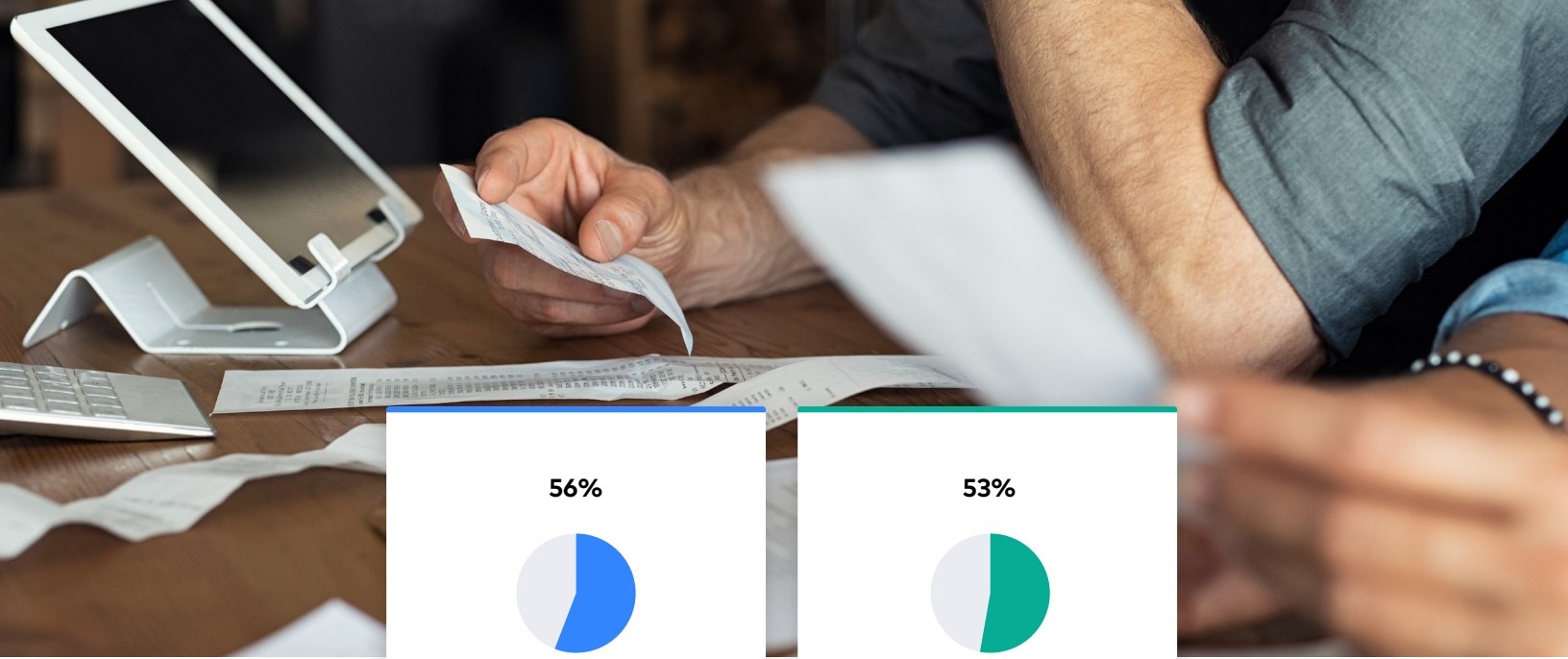logies or replacing legacy systems in the finance department (42%) and maximizing productivity and driving efficiencies (41%).

In addition, nine out of ten finance executives (88%) agree that fintech will be an important growth driver for companies over the next five years.

"We're seeing a digital transformation as businesses modernize or replace legacy systems," says Duke Chung, Founder and CEO of TravelBank. "For the first time, there are new technologies for the finance function that are bespoke and focus on making sure customers in the mid-market and small business segments are successful — rather than forcing them to use big, incumbent solutions."

While they may be moving away from legacy systems, 45% of finance executives report that their organizations are still in the earlier stages of digital transformation or digital technology use and deployment.

5%

of finance executives are lagging in digital transformation

15%

of finance executives have a vision

25%

of finance executives have a roadmap

56%

have adopted automation technologies to Accounts Payable and Receivable

53%

have adopted automation technologies to reporting and analytics

45%

believe enhanced automation would benefit planning, forecasting, and budgeting

39%

believe enhanced automation would benefit Accounts Payable and Receivable

37%

believe enhanced automation would benefit reporting and analytics

Regardless of the stage they're in, TravelBank's data shows that CFOs are eager to modernize their core finance department tech stack:

- More than half say that their departments have adopted automation technologies to Accounts Payable and Receivable (56%) and reporting and analytics (53%).

- More than a third believe that the three finance operations that would benefit most from enhanced automation are planning, forecasting, and budgeting (45%), Accounts Payable and Receivable (39%), and reporting and analytics (37%).

But with CFOs so focused on core areas like accounting and reporting, they may overlook ways to modernize other finance-adjacent processes that weigh down their teams with manual work.

For example, 21% of finance executives believe that travel and expenses would benefit most from enhanced automation — even though 71% agree that travel and expense management absorbs too much of the finance teams' time and attention.

"Historically, companies process around 51,000 expense reports and spend on average 3,000 hours correcting errors each year, according to the Global Business Travel Association," says Chung. "That's 3,000 hours of overhead just within the finance and admin teams fixing wonky or mis-submitted expense reports, just to ensure everything lines up."

> "Embracing automation can help eliminate that overhead and make expense management easier, while at the same time providing more accuracy and real-time visibility into expenses and reimbursements."
>
> **DUKE CHUNG,**
> Founder and CEO of TravelBank

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of finance executives believe that travel and expenses would benefit most from enhanced automation

71%
agree that travel and expense management absorbs too much of the finance teams' time and attention

Reducing or eliminating policy violations

For many companies, travel and expense management is a ripe area for transformation. Getting employees to adhere to travel and expense policies, for example, is challenging: 61% of finance executives report that their travel and expense policies are frequently or sometimes violated — and 73% agree that employee violations of travel and expense policies will become a bigger issue as their companies grow over the next five years.

"Many of these policies are stored somewhere as PDFs that employees are expected to find and read," says Chung. "But who's actually reading them? That static approach to travel and expensing opens up a lot of slack between the employer and employee. There's not much control on either side."

71%
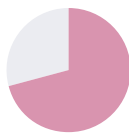
of finance executives agree that travel and expense management absorbs too much of the finance team's time and attention.

73%
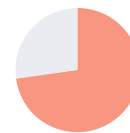
of finance executives agree that employee violations of travel and/or expense policies will become a bigger issue as their companies grow over the next five years.

Companies benefit from building controls directly into the travel booking process. With the help of an expense and travel management platform, they can auto-apply controls allowing flights from SFO to JFK, for instance, to have higher allowable budgets than those from SFO to LAX.

"You don't need to think about the policy as an employee booking travel," says Chung. "The policy in the system will tell you if it's approved or not approved, or if it's over- or under-budget."

Improving experience & reducing risk

Auto-applying budget controls and other rules to travel booking makes employees' lives easier. Streamlining and modernizing how employees handle expenses does the same.

"There's a misconception among CFOs that employees won't actually want to do their expenses and book their travel on a mobile app because it's small compared to a desktop," says Chung. "But the truth is, it's a lot easier to do an expense report on your mobile phone. It's very quick to link your credit card to it, for one thing, but also if you have to take photos for compliance, your phone is a much easier way to do that."

> "You can download the TravelBank app and within minutes of signing up we can help you generate an expense report that you can send wherever you want."
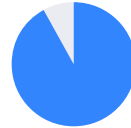>
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92%

of financial executives agree that having automated fraud detection features in their companies' travel and expense management processes would be beneficial.

Making it much easier to submit proof of expenses reduces the potential for lost receipts to hold up reimbursements. It also reduces the risk of fraud and abuse in the travel and expense process.

Technology can reduce that risk even further — and 92% of financial executives agree that having automated fraud detection features in their companies' travel and expense management processes would be beneficial.

When those travel and expense management processes are managed alongside corporate cards through a unified solution, companies can pre-screen potential fraudulent transactions and either block them or alert system administrators that fraud may occur.

Embracing the benefits of an end-to-end solution

Using a modern, unified solution for travel, expenses, and corporate cards creates many additional benefits. One is reducing the resources required to manage the corporate card program by using virtual cards to reduce violations and reconciliation requirements. A full 71% of finance executives agree that corporate card management absorbs too much of the finance teams' time and attention.

"When you give someone a traditional corporate card, you're just giving them an allowance, and you're trusting them to spend within policy," says Chung.

"With virtual cards, the policies are written into the software," says Chung. "You can let someone spend up to $1,000 on restaurants, but each dinner can only be up to $50, and transactions can only happen in Atlanta. And when the trip is over, you can pull back what they don't use and close the virtual card."

Another benefit to utilizing virtual cards and an all-in-one solution is gaining more and better data and visibility to support decision-making and proactive strategies.

CFOs can use an all-in-one platform like TravelBank to accurately assess where they're spending today, predict future spend, and use those insights to inform decisions for their business. That can be very challenging when travel, expenses, and corporate cards are managed through separate, unique applications or legacy technologies.

Using an all-in-one solution also makes it easier to adapt policies and budgets on the fly — preventing overspending and fraud as well as out-of-policy bookings and spending. Simplifying and reducing manual processes through automation also reduces the resources required for travel and expense management, enabling mid-market companies and small businesses to scale without plugging more and more work into efforts like reimbursement and reconciliation.

And over time, it will take even less effort for employees to submit expense reports, thanks to automation and AI.

"Automation already minimizes the processing costs, the administrative work, and the wasted time for both employers and employees. Employees can generate their expense reports much faster," says Chung. " Our technology pre-scans with OCR [Optical Character Recognition] and fills in all the details so that employees just submit the report. It's incredibly simple."

"We're constantly exploring AI functionality to bring that experience to the next level," says Chung. "We envision a future where you'll just swipe your card, and your expense reports will be generated, your summaries written, and your expenses categorized and made ready for submission."

Spend more time where it counts

Ultimately, CFOs are investing in change and reaping the benefits. Two of three finance executives (66%) have made technology investments to apply automation, measured the impact, and found they have experienced improvements.

CFOs that haven't invested in changing how they manage travel and expenses, however, are missing out on improvements ranging from reduced costs to a better employee experience.

"It's time to invest in tools that help your employees do their jobs better," says Chung. "They should be spending less time doing expense reports and less time focused on booking travel. They should focus more time on helping you build your business."

66%

finance executives have made technology investments to apply automation, measured the impact, and found they have experienced improvements.

TravelBank

TravelBank is the only expense and travel management company that can offer a complete, end-to-end solution. This includes expenses, travel, corporate and virtual card management, in-house customer support, dedicated 24/7 travel agents, and an innovative rewards program to incentivize cost savings. Learn how TravelBank's award-winning technology can make travel and expense management better for your team.

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