

# *2018 Travel and Expense Management Report*

An In-Depth Look at Trends and Technologies in Corporate Travel and Expense Management (TEM)

## **Q4 2018 | Featuring insights on...**

- » Current Trends in Expense Management and Travel Booking Among North American Organizations
- » Features of Leading Travel and Expense Management (TEM) Software Solutions
- » Organizations' Top TEM Goals

Underwritten in part by



# Contents

Introduction .....	3
Research Overview: Travel and Expense Management Today.....	4
Leading TEM Features and Functionality.....	15
Accomplishing TEM Goals.....	20
Fyle.....	25
About PayStream Advisors.....	28

# Introduction

In recent years, substantial developments in globalization, transportation, internet-based communication, and mobile technology have changed the requirements of businesses all over the world, further complicating the expense reporting and travel booking processes for business travelers. Therefore, traveling employees have a growing need for faster, more efficient, and simpler travel and expense (T&E) tools.

Travel and expense management (TEM) solutions automate the creation, submission, approval, and processing of expense reports, as well as providing travel booking support. Organizations of all sizes and industries turn to these automated systems to reduce processing costs and gain more control over T&E spend. As a result, TEM solutions are the most widely adopted back-office process technologies across all businesses today. By eliminating manual expense reporting and travel itinerary booking, organizations are increasing efficiency, cost savings, employee productivity, and their competitive edge within their markets.

This report is tailored for companies that have not yet adopted a TEM solution or may be hesitant to do so. With analysis of PayStream Advisors' survey data and market research, this report identifies common pain points of manual methods and the potential benefits that can be achieved through automation. It explores current trends for both expense management and travel booking, details the features of leading TEM software, and provides strategies for accomplishing TEM goals.

# Research Overview: Travel and Expense Management Today

A fully automated travel and expense management process involves the use of technology throughout the T&E lifecycle, from the beginning of a business trip to the post-trip spend analytics stage. The following section explores trends in travel booking and expense management using data from PayStream’s 2018TEM survey. This survey collected over 300 responses across organizations from many industries and market segments.

## The Current State

### Expense Reporting

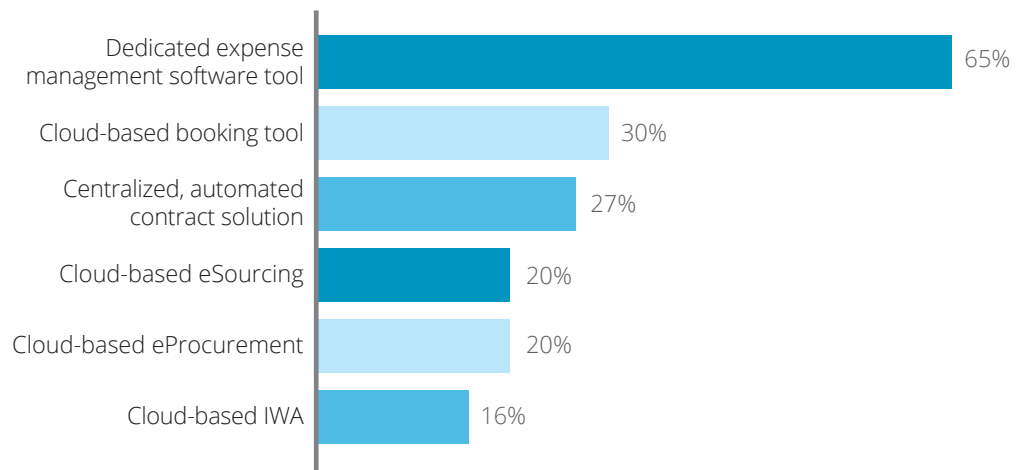
When it comes to improving back-office processes—from procurement and sourcing to contract management and invoice workflow—organizations are increasingly recognizing the value of automation software for enhancing efficiency and the bottom line. However, most adoption rates for cloud-based back-office technology, such as electronic sourcing (eSourcing), are under 30 percent. Expense management and travel booking solutions, on the other hand, are the most commonly adopted software types, with 42 percent of companies using expense management solutions and 30% using cloud-based travel booking tools, see Figure 1.

Figure 1

**Expense Management and Travel Booking Solutions Are the Most Commonly Adopted Automation Tools**

*“Across different B2B processes, what type of \_\_\_ solution/tool does your organization use?”*

**Adoption of Automated Solutions**



PayStream attributes this adoption trend in large part to the low-value nature of manual expense reporting tasks, and how quickly this process can increase in cost and time as a company grows. Another reason is the growing amount of travel in today's business landscape and the resulting importance of having efficient ways to book trip requirements and process large volumes of expense reports. TEM software provides straightforward solutions to meet these goals and drive down costs, thus delivering a greater ROI.

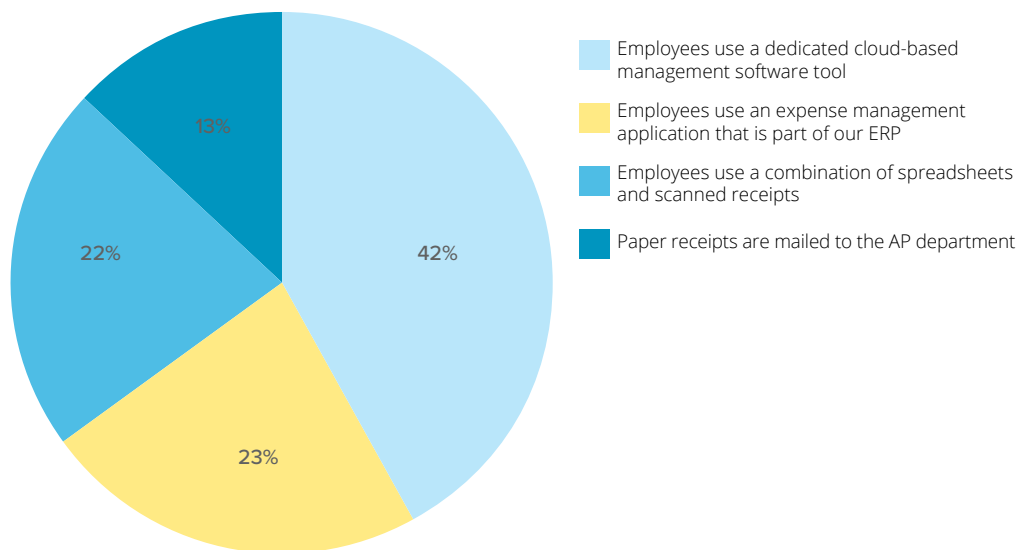
Research shows that while many companies have adopted a cloud-based TEM tool, over one half of AP departments still collect receipts using traditional and inefficient methods, see Figure 2. Travelers in these companies either send paper receipts or spreadsheet-based reports, or use an expense reporting tool built into their ERP. These methods are costly both in time and money, as they place most of the burden on the employee and require careful attention to ensure accuracy, wasting time on low-value tasks. Furthermore, these methods tend to lead to errors in reporting and a greater risk of non-compliant or fraudulent employee spend.

**Figure 2**

**Most Organizations Use a Cloud-Based Expense Management Tool**

*"Please select the method through which your employees submit expense reports."*

**Report Submission Methods**



Size plays a role in whether companies have automated their expense reporting process, see Figure 3. The larger a company is, the more likely it is to use a cloud or ERP-based solution, whereas smaller companies are more likely to use a paper-based or spreadsheet submission process. There are a few factors influencing this trend. One is simply that larger companies are more likely to have higher numbers of traveling employees, with executives, sales teams, consultants, and others traveling often to meet with clients and perform key business functions. With more travel comes more expense reports, leading to more employee time spent filling out required forms, processing reimbursements, and completing other related expense tasks. The lack of visibility into spend under a manual T&E process is also more of a liability in terms of lost savings and lack of compliance with company travel policies. Overall, expense management solutions have a greater ROI for larger companies managing more travel.

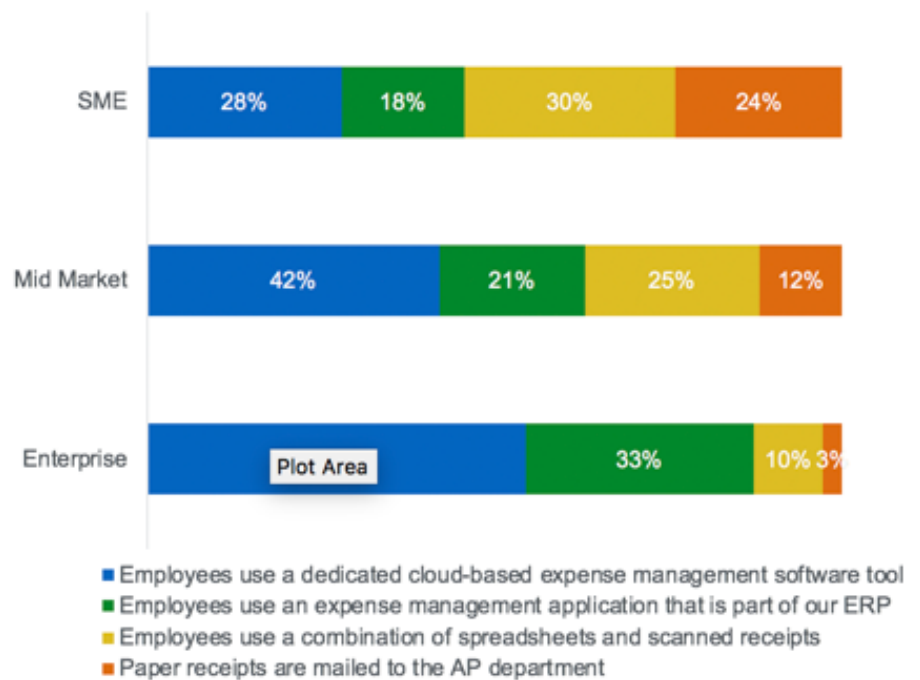
**Figure 3**

**Larger Companies Are More Likely to Have Automated Expense Management Processes**

*"Please select the method with which your employees submit expense reports."*

&

*"What is your company's annual revenue?"*



An organization's experience with technology also plays a role in its automation state. Larger organizations typically have the infrastructure to readily support more technologically advanced solutions; smaller organizations do not always have the resources to adopt and implement a large-scale solution. This issue is related to the relative lack of solutions tailored for small and mid-sized organizations. Until quite recently, most TEM tools were built and priced for the needs and

budgets of large enterprises. However, the last few years have seen a steady increase in available software options designed for smaller organizations, and PayStream believes the adoption rates in the SME and mid-market range will continue to increase as a result.

Expense management solution adoption also varies by industry, see Figure 4. PayStream attributes this to both the typical size of companies in different industries and the nature of their business structure. For example, the education sector has the lowest rate of TEM adoption; this aligns with the industry's characteristics, as these organizations typically fall in the SME and middle market space, and travel is not a large component of these organizations' business models. On the other hand, business and professional services have the highest rate of cloud-based TEM adoption, which is likely connected to the larger average size of companies within this industry and the prevalence of travel for these companies for activities such as consulting services. This results in a need for robust platforms to handle higher volumes of expense reports.

**Figure 4**

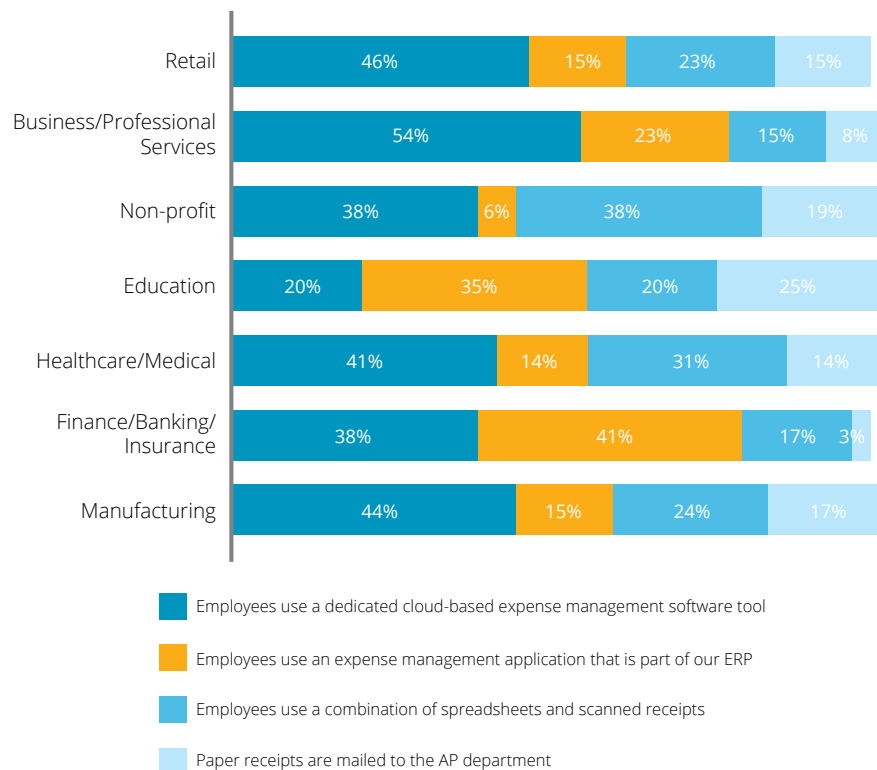
**Business/  
Professional Services  
Organizations Are  
More Likely to  
Have an Expense  
Management Tool**

*"Please select the method with which your employees submit expense reports."*

&

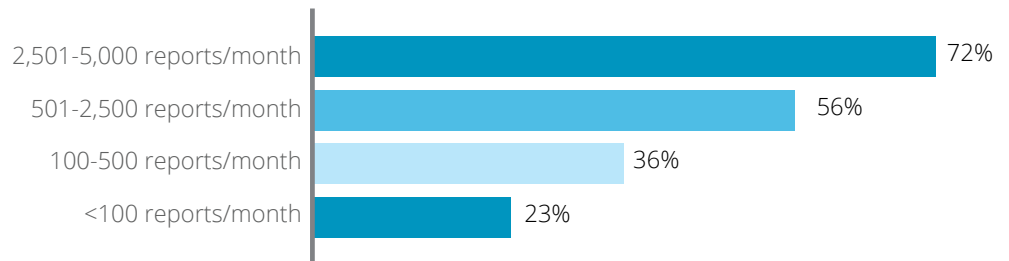
*"Please select the standard industry description that benefits your organization."*

**Expense Management Tool Usage by Industry**



PayStream has found that the greatest indicator of a company's likelihood to adopt an expense management solution is how many expense reports are processed per month, see Figure 5. Companies that submit fewer expense reports are less likely to use a cloud-based expense tool, while those that process a higher volume are more likely to use one.

**Expense Management Solution Adoption by Number of Expense Reports**



**Figure 5**

**Expense Management Software Adoption Rates Are Higher for Companies That Process More Expense Reports Each Month**

*"How many expense reports does your organization process per month?"*

&

*"Does your organization utilize a cloud-based expense management solution?"*

**Figure 6**

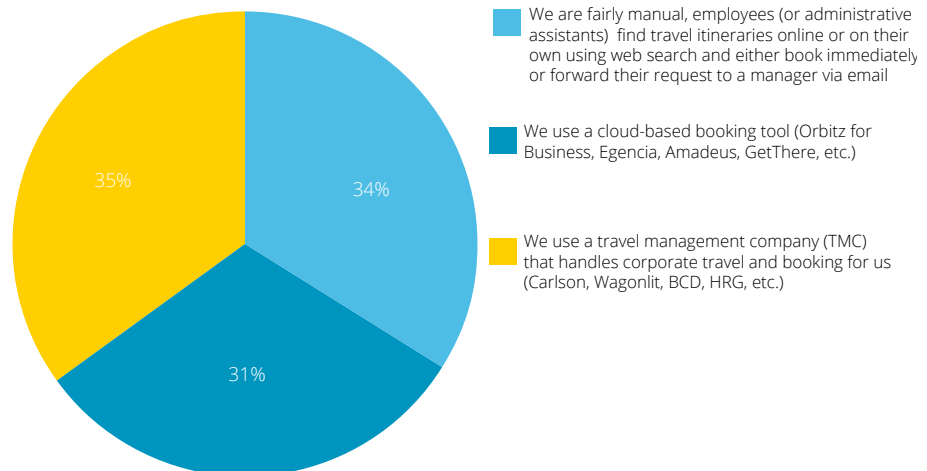
**Travel Booking Methods Are Almost Evenly Split Among Organizations**

*"In general, how do employees book corporate travel?"*

*Travel Booking*

Travel booking is more likely than expense reporting to be handled manually, see Figure 6. Most companies have employees or designated assistants book travel itineraries using their own research from consumer travel websites. These parties then either book the travel after ensuring that they have adhered to all travel policies, or forward their booking request to a manager for approval. Another common booking management method is to outsource this process to an external travel management company (TMC).

**Travel Booking Methods**





Industry does not generally affect whether an organization has adopted an online booking tool, as most companies report around 25-35 percent adoption of an automated tool, regardless of industry. Revenue, however, has a more significant impact on companies' likelihood to use an automated booking solution, see Figure 7. Enterprise level companies are nearly six times more likely to use

**Travel Expense Booking Tool Usage by Revenue**



**Figure 7**

**Larger Organizations Are More Likely to Adopt a Travel Booking Tool**

*"In general, how do employees book corporate travel?"*

&

*"What is your organization's annual revenue in the most recent 12-month reporting period?"*

cloud-based booking tools than SMEs, and over twice as likely than middle market companies. The reason for these differences may be like those for expense reporting: larger companies must accommodate more traveling employees and book more itineraries. Just as with expense management solutions, travel booking tools save money and time, yielding a greater ROI for companies handling more travel.

It is important to note that some organizations may be gaining access to a booking tool through their expense management provider. Traditionally, TEM automation providers—and their customers—have viewed travel booking and expense management modules as separate entities, and many providers have designed their products accordingly, focusing primarily on one end of the T&E lifecycle or the other. This is in large part because some companies have limited travel needs and are not necessarily interested in an expense management product packaged with travel booking tools; the traditional strategy of using TMCs or internal management teams to control travel booking costs has prevailed until relatively recently.

However, as more companies have allowed their employees to book their own travel using an online booking service such as Egencia, and as these booking tools increasingly offer enterprise-focused services and controls, expense management providers have started to see the value in connecting booking to expense reporting in the same platform. Many cloud-based expense management providers now integrate their solutions with leading online booking tools, or have built their own booking tool within their platform. This is particularly true of some of the leading TEM technology providers in the North American market whose customer base consists primarily of large enterprises. The increase in consolidated booking and expense management tools could be a factor in higher adoption rates among enterprise organizations, as companies in this segment are also the highest adopters of expense management tools in general.

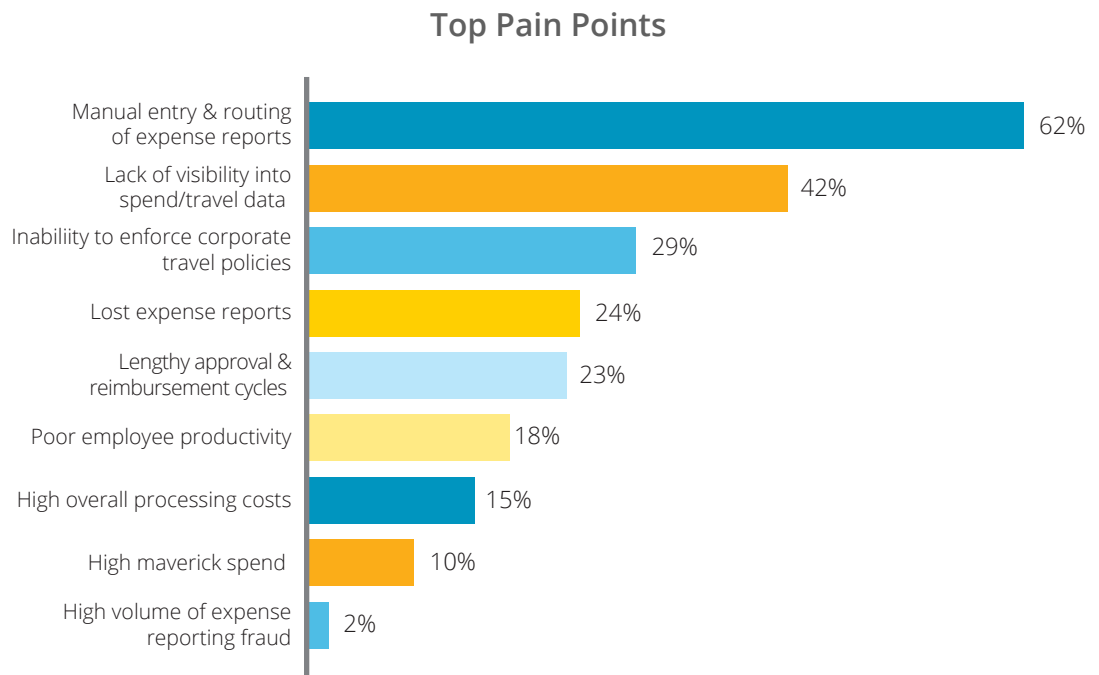
### Pre-Automation Pain Points and Barriers to Adoption

An organization's T&E automation level directly affects the efficiency of the expense reporting process and the ability to control employee spend. When organizations without TEM automation were asked about their top challenges, most cited manual data entry and routing, lack of visibility into spend, and an inability to enforce corporate travel policies, see Figure 8.

Figure 8

#### Manual Entry and Routing is the Top Pain Points in the TEM Process

*"What are the top pain points in your TEM process?"*



Manual processing and routing of expense reports is extremely time consuming, and can result in higher error rates within reporting and reimbursements. Lack of visibility into data and limited avenues of enforcing company travel policies prove to be a serious hindrance for companies. When administrators, managers, and executives do not have access to employee travel and spend activity and do not have the proper controls in place to ensure compliance, there is increased risk of maverick spend and business conflicts.

Despite these prevalent pain points, many companies are still reluctant to implement automated expense management or travel booking tools. There are several barriers to adopting such solutions, see Figure 9.

**Figure 9**

**Barriers to Adoption Vary Across Expense Management and Travel Booking Tools**

*“What is the primary reason your organization has not automated its expense management process?”*

&

*“What is the primary reason your organization does not use an online booking tool?”*

**Barriers to Adoption**



Unlike common trends in other PayStream surveys wherein “current processes work” is often ranked third or fourth in the reasons for not adopting other B2B solutions (e.g., AP automation software), it is the top barrier for expense management software. Expense management is a fairly straightforward, predictable process, and one that many organizations do not typically associate with much risk when completed manually. This is in contrast to other back-office processes like manual

AP, sourcing, or procurement, which are typically subject to greater risks across cost and data control for a company and its external operations.

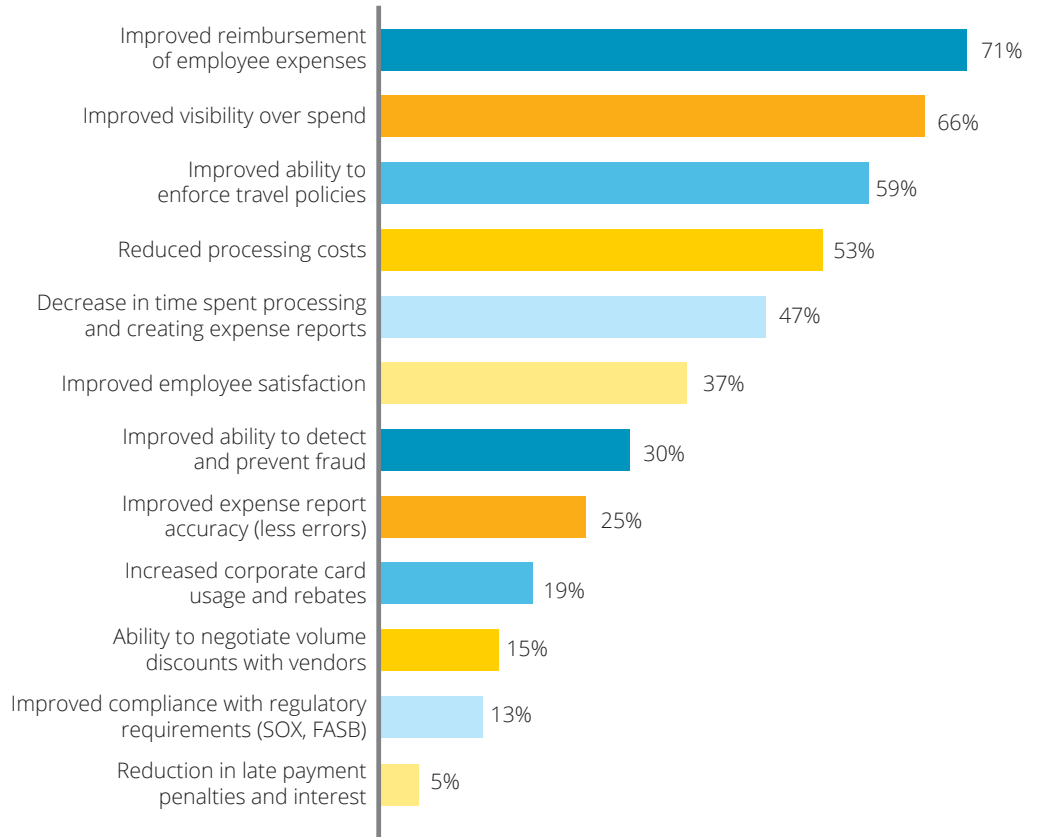
The existing technology environment can also play a role in why an organization hesitates to adopt cloud-based software. Among those companies using an expense management tool, those with ERP-compatible solutions may not feel the need to update to an independent cloud-based tool. This is in part because the barrier to implementation is much lower when opting in to an existing system's tool than when implementing a completely new TEM solution. However, while ERP-based expense reporting automation is certainly better than sending paper receipts to AP, these tools are typically unintuitive, hard to customize or maintain, and prohibit organizations from being able to scale or innovate with technology. For example, most ERP-based TEM tools do not offer some of the industry's leading features, such as app-based mobile receipt capture technology with automatic expense line creation.

The most common reason organizations do not adopt travel booking technology is a belief that there will not be an ROI, followed by a lack of understanding of current solutions. PayStream attributes these two barriers to the way in which many companies often use booking tools today. Many companies allow their employees to use an online booking tool of their choice to book their own travel, and not all of these booking tools are properly integrated with an organization's method of expense reporting—be it existing software or a manual reporting process. Therefore, many organizations do not have the tools in place to monitor and control employee booking, and are not aware of the true costs of this process. This lack of visibility into travel spend, and a lack of awareness of technology tools that could enhance that visibility, also leads to a lack awareness of the ROI possible with automation.

## Benefits of Travel and Expense Management Automation

According to survey results, the top expense management benefits achieved by TEM software adopters are quicker employee reimbursement, improved visibility into spend, increased ability to enforce travel policies, and reduced processing costs, see Figure 10.

**Benefits to Automated Expense Management**



**Figure 10**

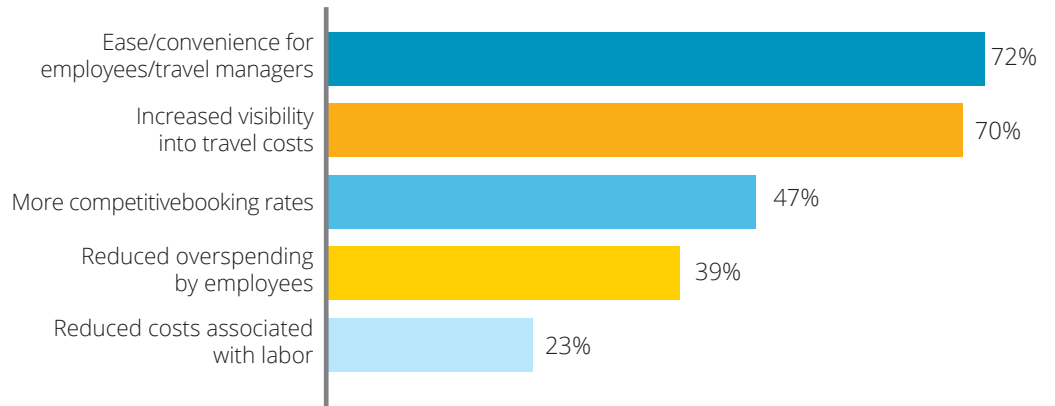
**Expense Management Automation Brings Improvements to Reimbursement, Spend Visibility, and Policy Control**

*“What are the biggest benefits your organization has achieved by automating your expense management?”*

These benefits also have long-term effects for organizations. Quicker reimbursement and the resulting improved employee satisfaction both lead to boosted employee morale and productivity, which can have a direct effect on a company's product delivery, competitive advantage, and business success. Better spend visibility allows companies to identify areas of improvement within their expense management, inefficient purchasing strategies and contracts, and fraudulent employee activity. Lower processing costs improve a company's financial state and free up resources for investments.

The leading benefits of automated travel booking within TEM solutions are similar to those of expense management, see Figure 11. Making the travel booking process easier and more convenient for managers saves time on approval processes and thus enhances productivity and morale. Increased visibility allows companies to easily identify any maverick spend, and taking advantage of more competitive booking rates results in increased savings.

**Benefits to Automating Travel Booking**



**Figure 11**

**Travel Booking Automation Brings Improvements to Employee Activity, Travel Spend Visibility, and Booking Rates**

*“Which of the following benefits do you feel your organization achieves from using your booking tool?”*

The following section offers a high-level guide to today's leading TEM software, including features, functionality, and services.

# Leading TEM Features and Functionality

TEM solutions consolidate expense reporting tasks, reduce reliance on paper-based processes, and improve visibility into expense data—all while providing advanced business intelligence and analytics tools to proactively control costs. This section outlines the features found in today's leading TEM solutions, from pre-trip authorization through post-trip analysis.

## Pre-Trip Authorization

With today's TEM solutions, users can plan and book a trip in advance, as well as submit travel plans for approval. This helps to limit unauthorized expense reimbursement requests after a trip, and it reduces one of the primary problems associated with T&E—spend outside of company travel policies. Integrated booking and expense management systems incorporate the client's corporate travel policies, preferred vendors, and spending limits during the pre-trip authorization process. The TEM system sends notifications to employees that are attempting to book outside spending limits, saving valuable time for both employees and approvers. Managers also receive pre-trip notifications, are notified when out-of-policy requests are submitted, and can approve or deny requests based on budget restraints or spend limits.

## Online Travel Booking

Essential to the pre-trip planning process, travel booking functions provide companies with an additional level of control, as well as finding competitive prices that increase savings. Travel booking technology provides employees with a tool to book airfare, hotel reservations, and transportation through approved or preferred vendors only, thereby cutting costs and increasing volume-based discounts and frequent traveler rebates.

Some tools automatically create a tentative travel itinerary based on a user's parameters. For example, a traveling employee can enter the time, dates, and preferred methods of travel for an upcoming trip, and the booking tool will build a plan of ready-to-book items that cover the transportation and accommodation needs for the entire trip. Other

tools can save recurring trips for one-click booking, such as for a business professional that makes regular trips to a client or subsidiary company in another state or country.

Most TEM providers offer booking through a partnership with one or more leading travel booking companies, such as GetThere, NuTravel, and Egencia. Some TEM solutions have designed their own native, fully integrated booking tools, while others have integration capabilities that allow them pull all travel booking information from a vendor of the client's choice. However the integration is offered, leading solutions automatically transfer itineraries into a company's TEM system and connect the itineraries to expense reports after a trip has been completed.

### **Mobility**

TEM is increasingly dependent upon mobile functionality—especially via native mobile applications—and solution designers are making mobile features one of their top priorities in development. One of the most valuable assets of mobility is the real-time capability—traveling employees can submit their expense reports from anywhere at any time, and approvers can see the information clearly, accurately, and immediately. In many cases, this technology enables expense approval in just minutes. Leading solutions take an extra step to make sure that expense reporting can be completed even in cases where employees don't have internet access or cell service. These solutions often feature offline modes from which expense reports can be created and then automatically submitted once the employee has an internet connection.

A fundamental capability of mobile TEM is its receipt capture functionality. Most providers attach pictures of receipts to expense reports for later verification, but many leading developers also provide OCR scanning, which extracts the data from the receipt and automatically matches it to the expense report. This reduces reliance on manual data entry—instead of entering each individual expense, users need only verify the extracted information and submit for approval. Some TEM providers have developed partnerships with commonly used vendors (e.g., food and beverage providers or airlines). These partnerships ensure that employees earn loyalty rewards and negotiated business rates by syncing purchases with the company's TEM solution.



Mobile apps may also allow for IRS-compliant electronic receipts, receipt forwarding, and mileage calculators. Providers are designing their software to be compatible across many devices so that users can begin their expense report submission on a tablet or smartphone and finish on a desktop computer without any loss of accuracy or content.

Mobile apps have also begun to take full advantage of the GPS functionality of smartphones. This does not merely consist of GPS-based mileage tracking, but also intelligent, geo-location-based expense creation features (i.e., the solution will automatically create an expense line item after an employee makes a purchase at a coffee shop).

### **Global Features**

In today's increasingly globalized world, many organizations are expanding their customer bases overseas and thus diversifying travel expenses. Leading providers should be compatible with most, if not all, major global currencies. Language support is another mandatory compatibility feature as networks become more global. For leading solutions, the support of foreign languages also includes an OCR program with the ability to not only convert captured print characters into machine-encoded text, but also translate it, if necessary.

Furthermore, it is helpful for providers to feature foreign partners as part of their services—i.e., additional resources outside of a provider's physical reach that are included with a solution. Foreign partners also give providers more credibility.

### **Duty of Care/Travel Risk Management**

As business-related travel has become more common, companies have realized that they have an obligation to ensure their employees are in a safe and secure work environment. This has led to a demand for risk management and duty of care features from TEM Solutions.

Leading solutions often have alert systems to notify traveling employees of potential global geopolitical, weather-related, or even health-related incidents that could put them in harm's way. This information is also relayed to the employees' managers and risk management staff. Advanced solutions also have dashboards that display global breaking news, as well as a list of traveling employees that could potentially be affected by any potentially dangerous events. Duty of care capabilities should include preventative measures that

help organizations anticipate and react accordingly to potential safety issues, such as restricting travel to locales deemed too dangerous at a given time.

### **Expense Reporting**

Accurate expense reporting is vital for controlling travel and expense spend. Modern TEM solutions automate the process by pre-populating expense reports from corporate credit card transactions, receipt image capture, and electronic receipts, thus eliminating an otherwise time-consuming and error-prone manual entry process.

The simplest step in this process is submitting each expense, whether pre-calculated or unexpected, and attaching receipts or records of purchase. Expense reporting tools have many advanced features for submitting expense items, including direct import of commercial and personal card transactions, global capabilities (for languages, currencies, tax regulations, etc.), automatic expense categorization based on company policies and type of spend, and more. Integrating with corporate card programs is an important element of streamlining expense reporting. Some providers also offer their own travel card program for companies that do not yet have a corporate card program, such as smaller organizations.

With increasing global business travel, some TEM solutions provide in-solution translators and custom translations for specific phrases and words for all employees who work within any given language. Some solutions also offer integration with tax and advisory services. These provide increased visibility into potential areas of tax compliance failure, immigration law liability, and necessary compliance procedures (e.g., payroll withholding tax) each time an employee books a trip through the company's TEM solution. This type of integration is important, as breaches of tax or immigration laws can mean that companies are not upholding their duty of care towards their employees. It also ensures that tax or immigration issues do not prevent employees from carrying out business while they are traveling.

### **Approval, Reconciliation, and Expense Reimbursement**

PayStream's survey results show that expense reporting approval workflow is considered the most valuable TEM feature by most organizations. This aspect of TEM automation saves time by speeding up approvals from managers and reimbursements to employees. Configurable routing and customizable policy triggers ensure that reports are properly routed with little manual intervention, and

automatic escalation settings facilitate the approval of requests in a timely manner. Mobile approvals provide on-the-go managers with a way to manage expense approvals via smartphones, tablets, or any device with email connectivity. Administrative features speed up and control the process with support for bulk actions, comment fields, and central administration and reconciliation of company card transactions.

Improved approval workflow processes result in shorter processing times for reimbursements, thus increasing employee satisfaction and productivity. While organizations use different methods to reimburse employee expenses, most prefer direct deposit. Many TEM solutions support direct deposit reimbursement or integrate with clients' payroll systems. They also allow employees to track the progress of their payment through every step of the submission, approval, and reimbursement cycle.

### **Post-Trip Analysis**

Gaining access to T&E data has proven to be a significant hurdle in achieving cost control and compliance for many companies. It is difficult to control T&E spending without the ability to identify patterns in travel activity. Companies that employ TEM solutions have real-time access to key metrics and reporting data to analyze spending at various levels, including employee, department, and supplier. This data can be analyzed to eliminate wasteful expenditure through control measures and regular audits. Companies can also identify frugal and problem users to ensure that approvers and auditors are focusing their attention on the right individuals or departments.

Post-trip analysis tools provide purchasing managers with invaluable information regarding a company's overall T&E spending habits. There are also standalone T&E auditing solutions available that further relieve the pressure on AP staff by evaluating spend reports to determine weak spots in policies and employee policy adherence.

Many TEM solutions also bring some of the back-end reporting functionality to front-end processes. When submitting expense reports, employees can provide business ratings and reviews to improve spending techniques, enhance vendor relationships, and help select preferred vendors.

# Accomplishing TEM Goals

Organizations often have different goals when it comes to travel and expense management, and these can vary by size, industry, and the amount of annual travel—but they all typically revolve around controlling costs, reducing low-value manual activity, and maintaining high employee morale and productivity. However, companies employ a variety of strategies to achieve these goals, see Figure 12.

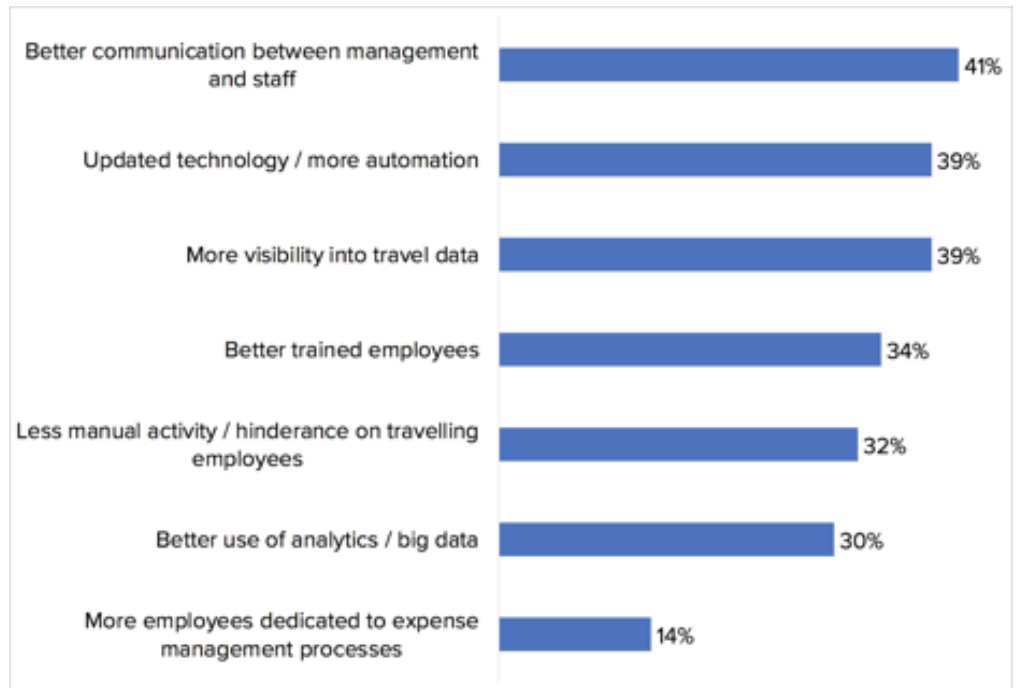


Figure 12

Organizations' Top Strategies for Managing Expenses Are Improving Communication, Updating Technology, and Improving Visibility

*"What strategy would best help you achieve your top goals in managing expenses? (Select top 3)"*

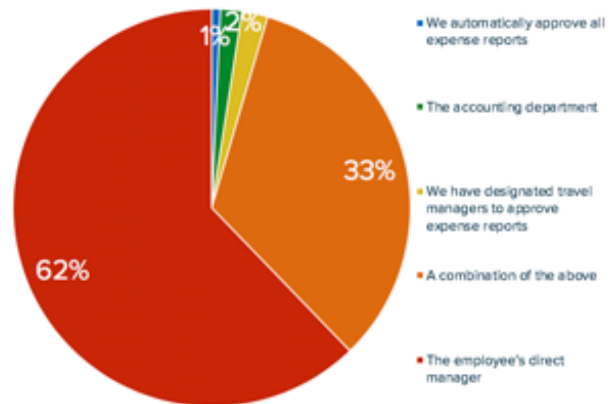
The top approach among organizations is to improve communication between management and staff. Research shows that a single approval per expense report is standard among organizations, and the approver is usually the employee's direct manager, see Figures 13 & 14. The value of communication between management and staff grows with the number of approvals and complexity of the approval hierarchy. However these approval workflows are structured, communication is key in ensuring control and accuracy in expense reporting, maintaining employee morale, and ensuring timely reimbursement of expenses.

**Figure 13**

**Most Organizations Rely on Employees' Direct Managers to Approve Expenses**

*"Who is typically responsible for approving an employee's expense report?"*

*"How many approvals are typically required on expense reports?"*

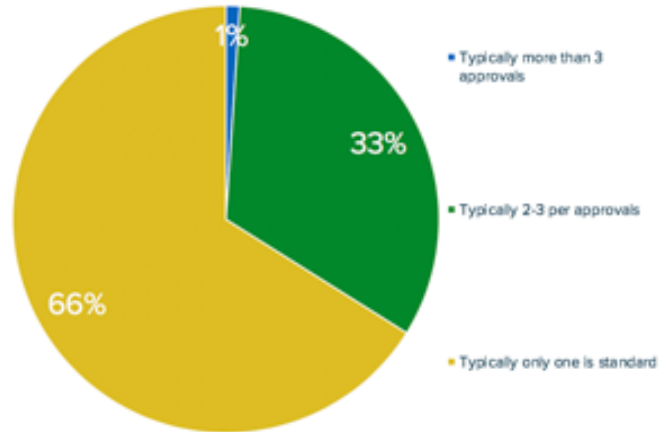


**Figure 14**

**Most Organizations Require Only One Approval Per Expense Report**

*"How many approvals are typically required on expense reports? (Select the most applicable statement)"*

*"How many approvals are typically required on expense reports?"*



Another strategy organizations use to enhance current T&E processes is to facilitate better training for their employees. If processes are not streamlined or controlled, many employees may not know the proper protocol to report expenses, especially when these expenses might have to be assigned to specific projects, labeled in special ways, or separated by certain criteria. Because of this, accounting teams may be spending more time and resources handling report exceptions or expenses that fall outside of company policy. Educating employees, or making the expense report submission process simpler, helps companies avoid these time-consuming issues.

Another common means of improving current processes is through the use of analytics and big data. Organizations can make more focused and precise improvements based on deep analysis of company travel and spend activity. However, without an electronic system in place to help manage travel and spend data, it can be difficult to properly leverage analytics to improve expense management processes.

The use of technology is crucial to almost every strategy in Figure 12. Without automation solutions, it can be difficult for any organization to achieve goals and improve expense management in a holistic, lasting way. PayStream believes that the most effective and successful long-term solution is to implement a comprehensive automated TEM solution. Cutting-edge technology incorporated in today's solution offerings addresses all major T&E pain points, and helps organizations accomplish their goals around improving communication, employee compliance, data-based analysis, and visibility into data.

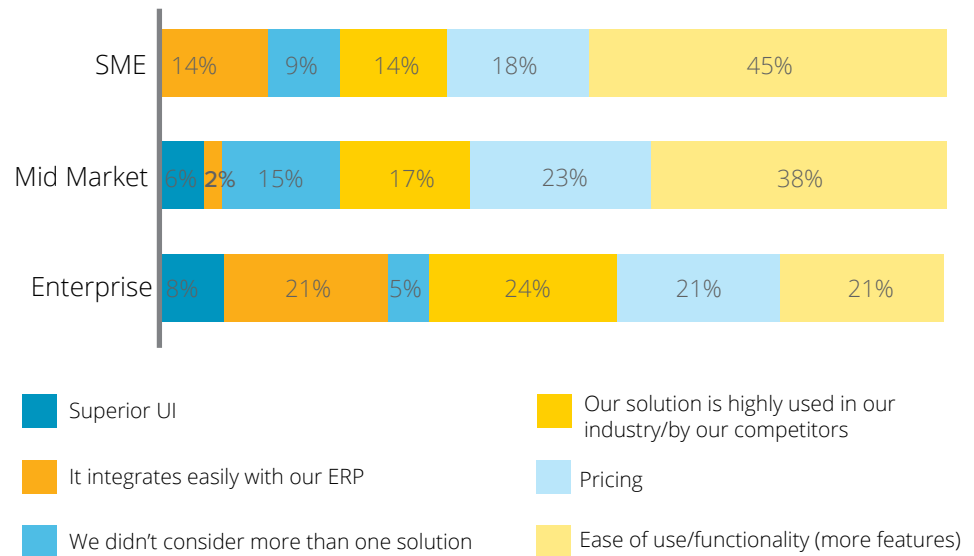
Although almost any expense management solution can help organizations accomplish their improvement goals, choosing the right TEM solution can be a daunting task due to the variety of products available. Many of the options on the market today include robust, leading tools and services, but the breadth of a solution's capabilities alone does not determine whether it is the best fit for an organization. Some TEM solutions are better suited for certain industries and market segments than others, and the reasons why companies adopt TEM solutions in the first place vary greatly across market segments, see Figure 15.

**Figure 15**

**Organizations' TEM Solution Differentiators Vary by Revenue Size**

*"What separated your eventual TEM solution from the other ones you considered?"*

**TEM Solution Differentiators by Revenue Size**



Overall, functionality and ease of use are the dominant factors in choosing an automation solution, followed by pricing. However, large companies are significantly less worried about solution functionality than their middle market and SME counterparts.

In contrast, large companies were much more concerned with a TEM solution's ability to integrate with the existing ERP system than smaller organizations. This may be because larger enterprises have more complicated ERP environments in place, often running on several different ERP systems housing a great amount of sensitive data. Streamlined integration with existing systems is essential to these larger companies.

For larger enterprises, keeping up with competitors and their technologies is also an important factor, and it is the top differentiator in the segment. This may be attributed to the nature of business maturity and strategy for larger corporations, for which keeping up with competition is a more significant driving factor than for smaller organizations that are more focused on growth or optimizing current processes.

In summary, organizations should carefully evaluate their own business needs in order to make an educated and strategic solution choice. They should also thoroughly research and compare solution offerings, which will enable them to confidently begin the process of selecting and implementing TEM software. The following profile summarizes the features of one of the travel and expense management industry's leading providers.



# Fyle

Fyle offers cloud-based expense management solutions for mid-market to enterprise companies. Fyle leverages modern technologies to help companies manage the T&E process, including AI-based data extraction algorithms and a powerful compliance and policy engine that captures receipt details in real time, eliminating the need for manual entry while automatically enforcing expense policies. Fyle’s mobile app also leverages machine learning technology to learn from user inputs and corrections, helping to ensure more accurate data.

Founded	2016
Headquarters	Bangalore, India
Other Locations	Delaware, US
Number of Employees	30
Target Verticals	BFSI, FMCG, Technology, Non-Profits, Services
Awards/Recognitions	CB Insights Top 100 Startups Using AI in Fintech; Best Ease of Use 2018 awarded by Capterra; Youngest company to be listed as a High Performer on the G2Crowd Expense Management Grid; Top 15 Expense Management Software on GetApp

## Solution Overview

Fyle is a cloud-based expense management solution, offering integration with third-party applications and ERPs such as NetSuite, Microsoft Dynamics, and Oracle EBS. Fyle also integrates with travel booking systems via APIs and with corporate credit card feeds via secure links to banks or aggregators. Fyle offers native mobile applications for iOS and Android devices. Fyle offers a consumer-like experience for employees while offering a highly secure platform for policy compliance for enterprises.

## Travel and Expense Management

Fyle features comprehensive pre-trip authorization functionality that can be categorized by trip type (e.g., one-way, round trip, multi-city trip), requests for hotel or transportation, and trip advances. Fyle’s approval system sends trip requests through an automated policy check to

determine the appropriate approver, then notifies the approver via email and mobile notification. Approvers can set up auto-approvals for requests without policy violations, and can view real-time audit trail data. Upon approval, a trip ID is created for the user and all the expenses created within the travel dates are automatically batched together, along with per diems and non-reimbursable expenses. A draft report is then prepared for the employee to submit post-travel.

Employees have multiple ways of submitting an expense. One option is to submit electronic receipts through email add-ons that are integrated into the solution. Users can submit an expense, check its status, and have real-time validation on policies without leaving an email client. The AI engine can identify and extract relevant information from the receipt without human intervention.

Fyle's mobile app allows users to extract expense data from paper receipts, create automated reports with customizable parameters, and submit reports on-the-go. For scanning receipts, Fyle uses machine learning and AI, which enables it to increase its ability to recognize and import data correctly over time. Data capture has been successfully tested with English receipts and other receipts with Roman characters, and Fyle is currently building compatibility for Chinese and Japanese characters.

For customers that want to connect the solution to corporate or personal credit cards, Fyle integrates with account aggregators such as Yodlee, Plaid, and SaltEdge, or directly with US banks via VCF or open card format integration direct feeds. Fyle also provides capabilities to approve cash advances, calculate mileage, set up multi-country accounts, and create automatic per diem amounts.

Fyle offers automated, configurable approval workflows. Policy criteria can be configured according to user credentials, expense amounts or limits, or other parameters. Approval modes include single-stage (only one approver required), multi-stage (multiple approvers and/or finance teams involved), policy-based approval (configured approval hierarchy based on policy violation), cross-entity/organization approval (for larger enterprises with employees in different legal entities), project-based (tied to funding grants), and automatic (opt for automatic approvals for reports without any policy violations).

Fyle's underlying policy engine, Fyle Bot, can identify the appropriate approver in real-time, and will explain the violation to the approver. Fyle Bot is configurable for auto-flags, blocks, and exception approvals. Every approval stage is equipped with reminders and

escalation notifications for approvers and administrators, which help improve reimbursement turnaround times. Fyle supports ACH-based reimbursements accompanied with customizable payout files. Fyle also maintains an audit trail that records the state of approval, approval time, reason, changes, and flow.

Fyle provides analytics capabilities for trips, spend analytics, and identifying savings opportunities. Administrators can analyze expenses and spend across various categories, departments, and locations, gaining full visibility into top spender and maverick spend activity. The solution provides detailed insight into expense behavior, identifying top violators and policies that are violated most often across the organization, department or location. These insights help companies reduce costs and the amount of manual work involved in compliance.

### **Implementation and Pricing**

A typical Fyle implementation takes about 4-8 weeks from initial configuration of policies and approval hierarchies to full-scale operation. A Fyle team works with administrative and finance teams to integrate existing systems and set up application dashboards. Fyle's focus on user experience has resulted in an intuitive interface that requires minimal product training, which has resulted in rapid large-scale adoption and saves on-site training costs for the client. When needed, product training is built into the solution and accounts for large-scale rapid adoption and cost savings for the company. Dedicated training is offered to administrators, and finance and audit teams, which is scheduled through the implementation time and up to 3 months post-implementation. Fyle also oversees the product launch and offers 24x7 user support with a dedicated customer success representative, as well as a support ticket portal.

Fyle provides SaaS pricing based on the number of active users per month.

# About PayStream Advisors

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