From Mini Bars to Golf: New AppZen Report Reveals Insight into Business Spend

Data Shows How Enterprises are Auditing Employee Expenses and Making Reimbursement Decisions

San Jose, CA, January 14, 2019 -- [AppZen](#), the world's leading solution for automated expense and invoice audits using artificial intelligence (AI), has released its January 2019 "The State of AI in Business Spend" report, which uncovers trends and insights on enterprise business spend. The report details are based on expense reports from nearly one thousand enterprises across a variety of industries.

Among the findings:

Expense Approval Averages: Policies such as airfare and hotel are straightforward for most companies, but what about the less-obvious items? AppZen's report reveals insight into expense approval averages. 46 percent of companies reimburse for gifts and 39 percent do so for golf. Yet, only 16 percent of businesses reimburse employees for room service and 15 percent for the mini bar. 41 percent of companies provide reimbursement for cell phone expenses, 24 percent do so for car washes, and 19 percent for clothing.

Spend Visibility: Last quarter, the average large enterprise processed 4,374 expense reports. Each report contained an average of 11 expenses. Companies that use AI to make spend audit approval decisions and automate process achieve 100 percent visibility, versus just 2-10 percent for companies that don't.

Non-Compliant or Wasteful Spend Statistics: The most (ahem!) "creative" expenses employees submitted for reimbursement last quarter include strip clubs, dog kennels, jewelry, cigarettes, and gambling losses. AI unveils "brown paper wrapper" vendor names on receipts based on intelligence gained from online sources to learn which organization names fall into categories that may be deemed inappropriate or out-of-policy.

"A well-defined spend policy clearly conveys a company's expectations for what business activities can be reimbursed," notes AppZen Co-founder and CEO, Anant Kale. "Auditing spend using AI helps ensure compliance to such a policy, while reducing spend and achieving more predictable financial results."

Streamlining Audit Process: According to common benchmarks, companies that aren't using AI to audit spend take about two weeks to reimburse employee expenses. Enterprises that use AI recorded a significant improvement in employee reimbursement time. Half completed the expense report approval process within four hours, while 90 percent did so within three days.

Finding Risky Spend is Critical: While only 10 percent of enterprises' total expenses were flagged as high risk in the fourth quarter of 2018, they represented one-third of the total dollar value across all expenses, making them critical to find and review. Companies that don't use AI to audit 100 percent of spend, and instead rely on manual sampling, virtually guarantee that they will not audit all the high-risk items.

AppZen's "The State of AI in Business Spend" report compiled trends, best practices, and recommendations based on aggregated, anonymized data from the AppZen Expense Audit Platform. Conclusions are based on expense report data from nearly one thousand AppZen enterprise customers across a variety of industries from October 1 through December 31, 2018.

About AppZen
[AppZen](#) uses AI to automate the auditing process of a company's overall spend. Leveraging patented AI technology, AppZen uses computer vision, deep learning, and natural language processing to automatically read and audit expense reports, receipts, invoices and contracts while cross-checking that information against hundreds of online data sources. This enables Accounts Payable and T&E teams to detect fraud, compliance issues, and pricing violations within minutes of an expense report or invoice submission.

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