

5 Ways AI Can Streamline Your T&E Processes

A large, stylized number "5" in a light blue color, set against a dark blue circular background. The number is composed of thick, blocky strokes.

Introduction

Raise your hand if you like dealing with travel and expense (T&E) reports. Anyone? We didn't think so.

In 2021, a group of 500 finance professionals [reported](#) spending a total of 3 to 4 business days (23-30 hours) each month solely on the task of processing expense reports. Many of the largest organizations spend many times that amount. Hampered by outdated manual processes, constantly-evolving expense policies that employees don't fully understand and many executives ignore, auditing using outdated expense management processes, and more, these finance teams were struggling to manage expense procedures efficiently and at scale. Roughly three-quarters of respondents said they found expense report processing to be one of the most frustrating parts of their jobs.

Even when managers hire more staff or outsource the work to handle upticks, it's not enough. The truth is, human-centric workflows simply cannot scale.

Finance teams are increasingly looking for productivity-driving software and technology solutions, especially as more tech-savvy Millennials become part of the decision-making structure. They're searching for software that could efficiently automate spend management while objectively and even-handedly enforcing company purchasing policies, offer real-time spend data visibility and reporting, and drastically reduce the need for manual operations.

There is a solution: Automate expense policy enforcement with artificial intelligence (AI).

THE AVERAGE ENTERPRISE PROCESSES

9,000

expense reports per month, on average

200k+

spend transactions per quarter¹

Automate expense policy enforcement with artificial intelligence

Here are five ways that AI can streamline inefficient T&E processes, save managers' and finance teams' time, and give you insights into spending trends so you can develop more effective policies.

1

AI ALLOWS YOU TO AUDIT 100% OF EXPENSE REPORTS AUTOMATICALLY

The average enterprise processes around 9,000 expense reports per month and as many as 200,000 spend transactions per quarter, according to AppZen customer data. Finance teams face a classic tradeoff of quality, time, and cost when it comes to expense management:

Option 1: Manually audit all expenses thoroughly, but delay repayment, making employees unhappy

Option 2: Manually audit all expenses quickly, requiring a large, very expensive auditing staff

Option 3: Audit a small fraction of expenses with a small team, but miss many high-risk expenses

None of these options are particularly appealing. An AI-based solution, however, offers a way to avoid these tradeoffs. AI can automatically review every line on every expense report, receipt, or travel document. It can auto-approve low-risk spend for immediate payment, while flagging high-risk transactions for manual review and approval or rejection. This allows auditors to focus their attention on catching errors, waste, or fraud, without a huge team.

2

AI REDUCES INDISCRIMINATE MANAGER APPROVALS AND BOTTLENECKS

Your expense process can also be hard on managers, who don't always have the time, knowledge, or context to review expenses with the diligence that's required to root out problems. They either take a cursory look through reports and hit "approve" or they wait until they have enough time to review them thoroughly. As a result, you either receive a superficial review or it sits in their queue and slows down the operation.

By auditing with AI first, you reduce the need for pre-audit manager approval and avoid any "rubber stamping." You can remove managers from the day-to-day expense management process and bring them in only when there's a problem with an employee's report, ongoing overspending, or widespread employee misconduct. Or you can involve them post-approval, when they can review spending trends and behaviors across the team at a time that's convenient to them.

3

AI CAN FLAG HIGH-RISK SPEND

Most minor expense policy violations, such as exceeding the meal per-diem by a few dollars, don't indicate a trend of misuse. (If they happen often, they may actually indicate that you need to adjust your expense policy.) It's not worth wasting your auditors' time to make them the policy patrol.

Our research has shown that AI flags about 8.7% of expenses as high risk, usually for reasons such as unauthorized expenses, amount mismatches or duplicates. AI can identify the relative impact of such out-of-policy spending and highlight it for manual review. Auditors can then focus only on high-risk items, saving valuable time and taking the onus off managers to constantly govern employees.

Meanwhile, we've found that 85% of enterprises that use AI to audit spend automatically approved low- and medium-risk spend. This takes managers out of the workflow and lets auditors focus their time where it will do the most good.

8.7%

of expenses are high risk

80%

reduction in
reimbursement time

¹ The State of AI in Business Spend, August 2019, AppZen.

4

AI CAN HELP YOU REIMBURSE EMPLOYEES FASTER

You may think that your expense reimbursement process is straightforward, but your employees may disagree. Even those who are diligent about their expenses need to set aside time to regularly enter their receipts into your expense management platform, then wait weeks to get reimbursed. That wait can feel very, very long, and can breed resentment—never a good thing. With AI-powered expense auditing, companies can reimburse employees within one business day.

Still, companies need time to make sure they're paying expenses appropriately and accurately. Finance teams still need to get manager approval, review receipts, and check the boxes on expense policies. Here's where AI-powered expense auditing can be a gamechanger.

With AI, you can pay employees back as quickly for compliant expense reports, while freeing up time for auditors and managers to spend on more meaningful tasks. One large high-tech company reduced its global reimbursement time to less than a day after adopting finance AI using AppZen Expense Audit.

5

AI GIVES YOU INSIGHT INTO SPENDING BEHAVIOR SO YOU CAN IMPROVE YOUR POLICIES

Over time, AI solutions provide analytics that can help you better understand employee behavior when it comes to travel and entertainment expenses. You don't have to operate on "gut feel," because you'll have useful, data-driven guidance.

AI can show you which company policies need to be updated, reinforced, or changed completely. For example, AI might reveal that employees traveling to San Francisco or New York are constantly exceeding your per-diem meal limit. A simple adjustment to tailor business travel policies by city will ensure that employees are treated fairly and reduce the burden on your audit team.

The data from an AI-powered solution can also help you identify overspending by particular teams. You can then investigate the issue more effectively without involving the entire company or spending countless hours targeting individual offenders. Instead, you can work directly with the team manager to curb the behavior.

Finally, the data from AI can help you identify employees who consistently ignore travel policy and cost the company money. You can then focus your training and change management efforts on the 5-10% of employees who are causing 80% of the expense violations.



About AppZen

AppZen is the leader in Finance AI software, empowering autonomous finance operations for modern finance teams. Our patented artificial intelligence software accurately and efficiently processes information from thousands of data sources so that organizations can better understand internal spend and make smarter business decisions. It seamlessly integrates with existing expense and accounts payable workflows to read, understand, and make real-time decisions based on your unique spend policies, leading to faster processing times and fewer instances of fraud or duplicate spend. Global enterprises, including one-third of the Fortune 500, use AppZen's Expense Audit and Autonomous AP products to replace manual finance processes and accelerate the speed and agility of their businesses. To learn more, visit us at www.appzen.com.

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