



How to **Win CFO Approval** for Expense Management Automation

For manufacturers



INTRODUCTION

A vision for financial excellence

In the ever-evolving landscape of manufacturing, the quest for efficiency, compliance, and strategic insight has led many to innovate through automation. Automation is about more than just enhancing operational efficiency, it's about enabling manufacturing CFOs and finance teams to become profitability and strategic growth architects.

The imperative for **automation**

Despite the clear advantages, many companies remain tethered to manual expense management processes. Research shows that many businesses still rely on manual expense reporting processes.

This adherence to outdated methods drains resources and hampers visibility and compliance, creating a fertile ground for errors and fraud¹. Recent data from Emburse showed that a quarter of employees admit to committing expense fraud. The question, then, is about more than the efficacy of automation; it is about aligning the benefits of automation with the strategic goals of CFOs.

The **changing role** of the CFO

Evidence from McKinsey confirms it has become widely apparent that CFOs are no longer just guardians of the purse strings but pivotal figures driving strategic growth². Their role has expanded to encompass finding innovative ways to control and optimize costs, enhance operational efficiencies, and make agile, informed decisions. In this context, automation is an operational upgrade and a strategic imperative.

However, the prospect of faster business growth creates new challenges for CFOs, particularly those at mid-sized businesses with annual revenues between \$50 million and \$500 million. CFOs must develop strategies to support growth while managing financial complexity and keeping costs in check.

As a result, growth-minded CFOs need tools to:

-  Uncover opportunities to reduce costs
-  Standardize spend management across the business
-  Improve visibility into cash and spending
-  Eliminate manual workflows and improve processing time
-  Mitigate risk and compliance concerns

This is where automation comes in.

¹ "Nearly One in Four Employees Have Used Expense Fraud to Ease the Financial Burden of Company Policies". Emburse. <https://www.emburse.com/company/news/nearly-one-in-four-employees-have-used-expense-fraud-to-ease-the-financial-burden-of-company-policies>

² "How Can CFOs Rebrand Themselves as Innovation Allies?". McKinsey. <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-can-cfos-rebrand-themselves-as-innovation-allies>

Strategic advantages of **expense management automation**

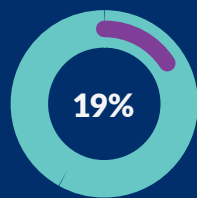
Manufacturing finance leaders who hope to win approval for an expense management solution must demonstrate how automation will help the CFO grow the business.

Here are five ways that automation helps CFOs achieve their objectives for business growth:

1 Cost reduction

Most CFOs want to boost profit margins—and reducing the cost of expense processing is one way of accomplishing this. The Global Business Travel Association found that it costs organizations \$58 to process one expense report and an average of 20 minutes for employees to submit expense reports³. The same report also found that an astounding 19% of expense reports are submitted with errors costing businesses \$52 and an average of 18 minutes to correct an expense report.

Expense management automation drastically lowers the cost of processing expense reports, turning what was once a financial burden into a source of savings. Through streamlined processes, approvals, and reimbursements and eliminating costs to print, deliver, and physically store expense documents, finance teams can focus on projects that support the CFOs' more strategic visions for their teams.



19% of expense reports are submitted with errors costing businesses \$52 and an average of 18 minutes to correct.

³ "How Much Do Expense Reports Really Cost a Company?". Global Business Travel Association. <https://www.gbta.org/how-much-do-expense-reports-really-cost-a-company/>

2 Enhanced productivity and improved employee experiences

Expense automation liberates finance teams from the time-consuming tasks of manual processing, allowing them to focus on activities that add more value to the organization, such as ensuring vendor contract terms have been upheld. Forrester reports that 74% of travel and expense decision-makers view improving T&E process and tools as critical to reducing cost and improving business efficiency⁴.

Expense management solutions streamline the creation, submission, approval, and reimbursement of expense reports, all with just a few clicks. The electronic submission of expense reports triggers workflow and approval processes, with automated emails updating managers and employees on the report's status. Employees no longer need to spend time each month filing paper receipts, printing monthly expense reports, or sending expense information to another office. Managers no longer need to reconcile expense information manually. Automation also drastically reduces the potential for manual errors.

3 Improved visibility and spend control

One of expense automation's paramount benefits is its enhanced visibility into financial operations. CFOs can gain real-time insights into spending patterns, enabling more informed decision-making and strategic planning. This transparency is crucial for maintaining budget discipline and identifying opportunities for cost savings.

According to Aberdeen Group, the average U.S. company budgets between 6% and 12% of total revenues for expense spending. With travel and entertainment spending representing so much of the typical company's annual budget, finding ways to control spending is crucial to keeping expenses in check. Unfortunately, 28% of medium-sized organizations say they lack timely visibility into spend data, according to data from the IFP.

Expense automation puts data-backed insights at the fingertips of CFOs and other cash managers. According to PwC, top-performing finance organizations spend 20% more time than their peers on analysis than data gathering.

⁴ "It's Time to Press 'Reset' on Travel and Expense Processes". Global Banking & Finance Review. <https://www.globalbankingandfinance.com/its-time-to-press-reset-on-travel-and-expense-processes/>

4 Strategic decision support

In an agile business landscape, making swift, informed decisions is a competitive advantage. Automated expense management systems provide CFOs immediate access to critical financial data, supporting strategic decision-making and facilitating more effective budget management.

The CFO's role has evolved from a financial scorekeeper to a growth strategist. Making fast, informed decisions on cash flow and spending requires CFOs to have instant access to information. However, with a manual expense management process, CFOs and other organizational leaders cannot readily access the information they need for financial forecasts, cost and compliance management, and spending visibility across the business.

Automating expense management provides comprehensive reporting and visibility into spend data as it's happening and provides CFOs instant access to actionable insights. These insights enable CFOs to quickly measure spending against budgets, manage budgeting, planning, and forecasting, identify budget overflows, and align spending with changing business objectives.

Automated expense management solutions can also identify opportunities for consolidating suppliers and equip sourcing teams with the data they need to negotiate supplier contracts. Finally, expense reporting helps eliminate delinquencies and late fees.



Automating expense management provides comprehensive reporting and visibility into spend data as it's happening and provides CFOs instant access to actionable insights.

5 Risk and compliance management

IOFM reports that CFOs are racing up the agenda to mitigate compliance risks. The fines, penalties, and reputational damage that result from compliance violations can stifle growth. Expense management automation strengthens regulatory compliance by providing transparency into expense spending. The onus for ensuring these controls and tracking procedures are in place typically falls on CFOs and controllers.

Automated expense reporting solutions provide instant access to expense data and built-in compliance features. For example, accountants and managers can set hard and soft travel policies into an automated solution. Employees are prompted when one of their expenses exceeds a policy limit, allowing them to alter or rescind their request for reimbursement. The expense solution then reviews the expenses and flags or rejects those not complying with the policy. Similarly, automation allows companies to easily audit travel expenses for each employee rather than rely on random, largely manual audits.

The above five areas empower the spend control and efficiency CFOs desire.

REALISING THE VISION:

A call to action for CFOs

The journey towards automation is not without its challenges, but the path is well-trodden by those who have recognized the strategic value of this transformation. As finance leaders, you need to steer your business toward growth and operational excellence. Embracing expense management automation is a pivotal step in this journey, offering a lever to enhance profitability, efficiency, and strategic agility.

[Check out this interactive experience](#) to see how expense management automation can help your manufacturing company drive strategic growth and efficiency.





Learn more about Emburse

Emburse's [expense](#), [travel management](#), [accounts payable](#), and [payments](#) solutions are trusted by more than 12 million professionals, including CFOs and finance teams, travel managers, and business travelers. More than 20,000 organizations in 120 countries count on us to manage expenses with ease, providing user-friendly tools and personalized support.

We deliver efficiency and time savings, increase financial visibility, enhance spend control and compliance, and improve the business travel experience. This empowers our customers and their teams to focus on what matters most in their personal and professional lives.

For more information visit emburse.com.