



# Why Every Law Firm Needs **Expense Management Automation**



## INTRODUCTION

# Take back control of law firm expenses

Effective expense management is crucial in today's challenging economic climate. With expense data scattered across various systems, controlling costs and ensuring compliance are becoming increasingly time-consuming and complex.

Expense management software can significantly simplify and optimise spend and cash flow management. It enables cost savings, policy enforcement, and real-time visibility—all of which are essential for driving business growth.

As law firms face increasing complexity, demand for financial oversight, and pressure to maintain profitability, expense management automation is proving to be a reliable path to greater financial efficiency and control.

Let's take a closer look at what it can do for you.





# Gain control over expense reporting

Maintaining policy compliance and reducing the risk of expense fraud is a top priority and challenge for employees responsible for reviewing and approving expenses. Research by the Global Business Travel Association (GBTA) has found that nearly 20% of expense reports contain errors, with expenses often submitted with missing or incorrect information or outside of policy<sup>1</sup>.

By leveraging automated expense management, you can ensure expense data accuracy and policy compliance by automatically flagging an expense request that violates the expense policy enforced in the system. Expense automation decreases the manual expense management workload by identifying duplicates, errors, and violations before approval, leading to a more efficient approval process.

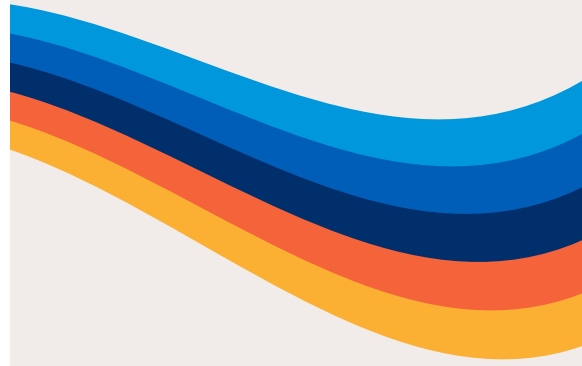
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Companies saw a 64% reduction in errors and 40% improvement in policy compliance when using an expense management solution.

**The Aberdeen Group**

<sup>1</sup> “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/>





# Improve cash flow management and **unlock spend insight**

The best automated expense management solutions enable finance teams to become data-driven leaders, creating more opportunities for analysis and informed decision-making.

Instead of countless hours spent pulling outdated expense reports and sifting through spreadsheets full of data, expense automation can empower your finance team with actionable insights at their fingertips and free them to drive the business forward.

In fact, a recent Emburse study found that 44%<sup>2</sup> of CFOs plan to adopt automation to increase spending visibility and analysis, with the aim of improving their organisation's financial wellness. Our experience partnering with law firms confirms this. Firms that use comprehensive expense data and analytics typically gain a more holistic, accurate, and real-time view of their spending, empowering them to enhance financial wellness.

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Having continuous visibility into spending represents one of the big breakthroughs with this software category. In the past, many finance processes had to be completed in batch mode... Now you can keep tabs on your spending continuously, so there are no surprises at the end of the month.

**Robert Kugel**

*Senior Vice President and Research Director,  
Ventana Research*

<sup>2</sup> "2023 Spend Management Trends Report". Emburse.  
<https://www.emburse.com/learn/resources/2023-spend-management-trends-report>



# Boost efficiency for your employees while increasing cost savings

According to the GBTA, the average cost of processing a single expense report is \$83<sup>1</sup>, factoring in the time it takes for finance to review, approve, file, and issue an expense reimbursement.

An automated expense management system can significantly improve your firm's efficiency by proactively reducing manual process errors and expense policy violations, even before expense reports are submitted. This can save the finance team a lot of review time.

What's more, automating and simplifying the expense submission process provides significant benefits to employees, including time savings, increased accuracy, improved transparency, faster reimbursements, and enhanced overall job satisfaction.

These advantages contribute to a more efficient and supportive work environment, ultimately boosting employee morale and productivity.

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Emburse supports our 'smarter law' culture by providing innovative, constantly evolving technology that helps our firm, our people, and our clients thrive.

**Melissa Grant**

*Financial Controller, Hall & Wilcox*

<sup>1</sup> "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/>



## HOW TO CALCULATE YOUR ROI

# Will expense automation make a difference for your firm?

Follow these four steps to calculate the ROI for adopting an expense management automation solution.

### Step 1 Find the average cost of processing an expense report

To determine how much you could save each month by moving away from manual expense management, you need to know the average cost of processing expense reports. If you don't have this information, you can use GBTA's template.

Simply multiply the industry average cost for processing a single expense report by the number of expense reports you process each month. If you are unsure about the number of expense reports, you can use the industry average cost per employee and multiply it by the number of employees in your firm.

$$\frac{\text{Monthly savings} - \text{Business cost to process expense reports}}{\text{Business cost to process expense reports}}$$

### Step 2 Multiply the average cost with your monthly volume of processed reports

Next, figure out what it would cost with expense management software in place to process your monthly expenses. You can estimate this cost based on how much time you believe the software will save you compared to your current process. Alternatively, you can use data from GBTA to make your estimation.

$$\text{Current cost to process a single expense report} \times \text{Expense reports processed per month}$$



**Step 3**

## Find the difference in cost

Subtract the new costs from the old costs to see your monthly savings.

$$\begin{array}{c} \text{New cost to process a single expense report} \\ \times \\ \text{Number of expense reports processed per month} \end{array}$$

**Step 4**

## Calculate your ROI for automated expense management

Subtract the new monthly processing costs from your savings and divide the total by your new monthly cost and you have your ROI.

Let's look at an example of a law firm with 150 employees. Assuming the cost to process a single expense report without automation is \$83, with automation \$41, and that the average employee submits 1.5 expense reports a month, the law firm's ROI would be 25%.

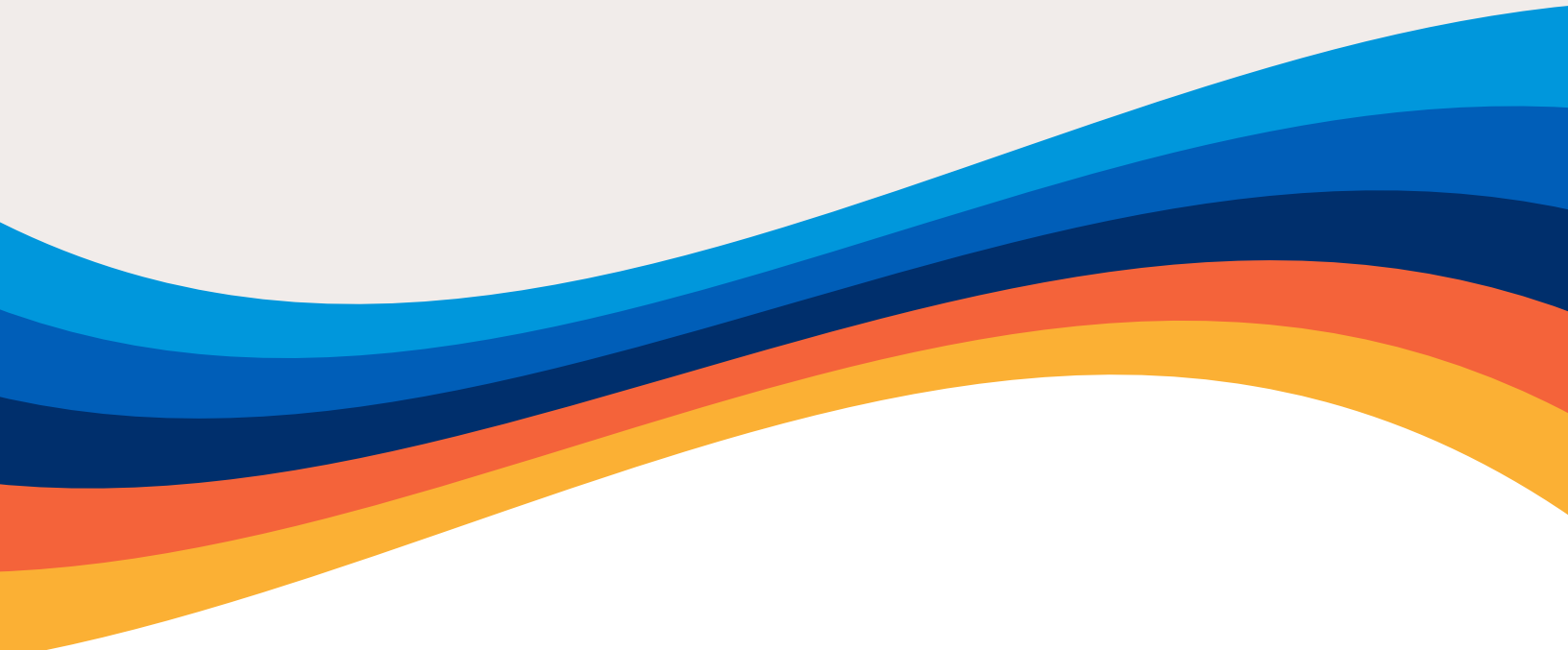
$$\begin{array}{c} \text{Current monthly processing costs} \\ (\$83 \times (150 \times 1.5)) = \$18,675 \end{array}$$

$$\begin{array}{c} \text{New monthly processing costs} \\ (\$41 \times (150 \times 1.5)) = \$9,225 \end{array}$$

$$\begin{array}{c} \text{Monthly savings} \\ \$18,675 - \$9,225 = \$9,450 \end{array}$$

$$\begin{array}{c} \text{ROI} \\ (\$9,450 - \$9,225) / \$9,225 = \mathbf{25\%} \end{array}$$





## Emburse can help

Emburse makes expense management simple. Our 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 travellers. More than 20,000 organisations in 120 countries count on us to manage expenses with ease, providing user-friendly tools and personalised 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](https://emburse.com).

