CHROME RIVER

Agility in Expense Management: How to Future-Proof Your Technology Investment

INTRODUCTION

Automating manual expense processes can have benefits for any organization that implements these solutions. From the efficiency gains brought about by the elimination of manual tasks, to the cost-saving and value-creation capabilities that effective data analysis and insight can deliver, organizations can completely transform what was once viewed as a costly and cumbersome process.

While these benefits are indisputable, a critical issue which shouldn't be overlooked is how the vendor and solution fit with your organization's overall business and its processes. Is the solution flexible enough to fit your very specific requirements, or do you need to reengineer internal processes? Will it work within your current technology and operational structure? Will it evolve with you as your organization grows? In short – is it agile enough to support your current and future needs?

This white paper outlines eight key topics that every organization should consider to determine which vendor and solution will meet their specific needs.

ABC – Architecture, Business Rules and Configurability

The level of agility that a software solution can deliver starts with the way it was built. Is it designed to be flexible, so that it can adapt to each organization's very specific requirements, or is it based on more rigid architecture that only allows for limited configuration changes? This is a fundamental question, and can have a huge impact on the way that an expense solution can support end-users, approvers, finance departments, and the organization as a whole.

For an expense system to effectively support the evolving needs of modern businesses, it must enable unlimited configurability, so that every single customer can set it up to their individual needs, even down to the level of individual user- or expense types. There also needs to be the capability for the system to be reconfigured as a business evolves, without requiring a huge, expensive, change management initiative. In fact, the ideal scenario is that many configuration changes can be done by the customer's in-house administrators, without even needing to bring in the vendor.

Key issues relating to configurability that organizations should consider when choosing an expense management system include:

Automated compliance and policy enforcement

Automating expense policy enforcement is a major time-saver, as it can save back-and-forth cycles with submitters who need to explain or adjust expenses to bring them into policy. It can also save conflict between submitters and approvers, by regulating that only expenses within policy can be submitted, for example the threshold for a travel meal.

These policies are rarely identical for all employees across the board. For example, a professional services company may have one client that allows dinner expenses up to $40, but another up to $50. These rules need to be configured within the expense system, so that when an employee submits an expense under a certain client code, the relevant policy applies.

Similarly, an organization may have a compliance rule that prohibits future-dated transactions. It may decide to modify this rule to allow for certain expenses that have future dates, but not other types of expenses. Then it may further change the rule to say that this expense exception is only permitted in your North American offices or for individuals with certain titles.

These rule changes can make a single expense item be subject to a highly complex process, which less sophisticated solutions may be unable to perform.

Routing rules

Expense reports with transactions processed for several different departments, clients or GL codes may need approval from several different people. Transactions over a certain dollar threshold may require approval higher up the management structure than regular expenses. Other factors to consider include how routing is handled if the main approver is on vacation, or if an expense needs to be approved by multiple departments. Sometimes organizations may want to include ad hoc approvers on the fly. Managing the approval workflow of both entire expense reports and individual items can be a highly complex process, requiring sophisticated routing rules to be configured in the expense solution.

An expense solution whose inflexible architecture limits the capabilities of these routing rules could require a company to change its approval processes. This can in turn either cause potential delays in the time to approve expenses, or can introduce unnecessary compliance risks by requiring key steps to be bypassed.

Dynamic user interface

Large organizations, particularly those with complex, global structures, typically have a wide variety of potential "scenarios" for expenses, dependent on the employee's situation. For example, an expat employee will need to submit expenses in their home and host countries on a single report; a traveler or employee in Mexico will need to add the merchant's ID to all expenses; and an employee who has relocation costs reimbursed will have specific expenses which are unique to this activity.

For every employee to have all of these fields and options on their screen when submitting expenses would make it incredibly confusing, and the user interface would be extremely cluttered and difficult to navigate. This would both slow down the expense submission process, and also lead to mistakes in expense reports, ultimately slowing down the reimbursement process and lowering user satisfaction. As such, organizations should have the ability to request custom-configured user interfaces for each country, employee type or expense scenario. These interfaces should then be able to change dynamically, enabling employees to toggle between them as appropriate.

Integration with Other Solutions

Different departments of modern organizations don't work in a vacuum, so the software solutions that support them can't be siloed. Data needs to flow smoothly between different solutions to reduce manual processing, and provide a streamlined workflow for employees and the organization as a whole.

Expense management software is part of a complicated ecosystem, and needs to communicate with several other solutions in order to provide the greatest benefit. Key examples of this include:

- An HR/talent management solution, so employees can be automatically added to (and removed) from the expense system as soon as they join/leave the organization.
- A travel agency or online travel booking solution, to flow booking data directly into an expense item.
- A corporate or personal credit card provider, to automatically match transaction data with receipt images.
- An ERP/accounting solution, to incorporate expenses into the general ledger, and subsequently to client billing and payroll systems for reimbursement.

Organizations need to decide what type of ecosystem works best for their needs. Is the flexibility of choosing best-of-breed travel booking and expense solutions best, or the convenience of a single solution? Would an ERP vendor's expense module fit their needs sufficiently, or do they require a more sophisticated standalone solution?

Regardless of which direction an organization decides to go, there will always be a need to integrate with other third-party platforms, so corporate IT teams should ensure that each system can communicate in a timely, smooth and secure manner. This requires knowledge of the range of integrations that are offered, and whether these are "official" integrations, or a work-around.

Not all integration strategies are considered equal. When selecting a new tool, consider how integration to your existing systems is accomplished and on what frequency. Many different types and formats exist, all with a different level of burden for your IT team to implement and manage. Flexibility in integration options, from real-time rest APIs to tried-and-true, flat file integration options, scheduled on a daily or weekly basis, may be necessary when connecting disparate systems. As your organization grows and matures, having choice and flexibility is critical for long term partnership with a vendor. You want a vendor that meets your IT team where it is and has the option to grow with you as you add and change the solutions within your ecosystem.

Mobile Usability

The very nature of incurring expenses means that those who most frequently use an expense solution are often away from the office. As a result, it's critical that expense report creation and submission can easily be done from a mobile device, in order to ensure timely reimbursement.

Business mobile solutions are delivered in two ways. The first is via a dedicated standalone app, downloaded from The Apple App Store or Google Play, which is separate from the full desktop version of the solution. The second is via a web app built using responsive web design. While this may look like a native app (for example it's accessed via an icon on the device), it's ultimately the same solution as the full desktop version delivered via a browser. The interface is configured to dynamically fit the device's screen size, and the overall look and feel is the same as what a user sees on any device they use whether it be desktop, laptop, tablet or mobile device.

Enterprise software mobile solutions are also increasingly arriving as a "hybrid" apps. These give the same flexible user experience and dynamic user interface as web apps, but also offer enhanced security features such as biometric authentication and single sign-on.

A native app may seem like the most logical solution, but it comes with several drawbacks. For organizations with employees that use their own devices, there can often be discrepancies in the app's capabilities by device. This is exacerbated in large global organizations, who may have local employees in developing nations that use more basic smartphones which aren't compatible with the latest version of the app. An additional challenge for global organizations is that native apps are frequently offered in a subset of the languages that the main, SaaS-delivered solution uses.

Vendors who provide a standalone native app in addition to the desktop version of the solution have two types of architecture and platforms to maintain. As a result, functionality is often out of sync as the native app lags behind the desktop version, leaving end users and system administrators frustrated with the inconsistency and lack of functionality on the mobile version.

In addition, native apps have a single interface and configuration. Therefore, regardless of the way that an organization has configured the system for their needs (as described above), every end-user in every company will get the same experience, which may not always support their specific needs.

All of these challenges are eliminated with a web app, because the version accessed on a mobile phone or a tablet is exactly the same.

Multiple Receipt Entry Capabilities

With the increased use of expense solutions' mobile capabilities, the most common way of capturing and entering receipts has been by taking a photo on a phone and uploading it. However, this approach may also not be optimal for certain users or companies. It is therefore essential that your expense system has multiple ways of capturing transaction data to accommodate each user's preferences and working style. Examples to look for include:

- Mobile upload and OCR data extraction – capturing receipt images on a phone's camera, and then emailing/uploading them, with transaction data being automatically extracted via optical character recognition (OCR) and mapped into expense items.
- Email forwarding HTML or PDF purchase receipts with transaction data being automatically extracted and mapped into expense items.
- Direct integration with travel agency/booking tool feeds automatically creating expense items with corresponding booking information (confirmation codes, flight data, etc).
- Integration with common travel apps such as Uber and Lyft with ride data automatically creating expense items once a trip is complete.

- Extraction of hotel bill data from emailed PDF folios with data being automatically extracted and mapped into expense items.
- Credit card integrations – integrating feeds from personal and corporate credit card providers, and then automatically matching each transaction with receipt data submitted by the user (with the addition of real time mobile alerts, this also adds an extra layer of fraud prevention).
- Fax and scan receipts – printing a unique barcode generated by the system which is used as a header sheet to automatically route receipts for OCR data extraction and mapping.

Of course, not all approaches will apply to every organization. The last approach, for example, may seem incredibly archaic to a tech-savvy millennial, but in the world of professional services, it's not uncommon for partners to give hard copy receipts to administrative staff, who are then delegated to create and submit expense reports.

International Capabilities

All expense management solutions have a certain level of international capabilities. They can accept and reimburse transactions in different currencies, have automatic exchange rate integration, and most offer the solution in a number of common languages. This may well be sufficient for smaller organizations, or those whose employees never or rarely travel overseas. Larger, more international organizations need far deeper capabilities than the basics. Expense solutions must be able to support a wide range of scenarios, from domestic employees who travel, to expat employees overseas, and also local staff in global offices. This requires far more sophisticated capabilities that many solutions can offer.

Languages

Having the end-user interface in multiple languages may be a given, but organizations with expense administrators worldwide also need the back-end to be fully translated to ensure that individuals can work effectively. These languages also need to be available for every user on every device, so while it may be useful for the main interface to be available in, say, Ukrainian, it's often the case that the iOS/Android app is only available in a handful of common languages. This issue is eliminated when the mobile experience is delivered via a web app instead of a native app.

And what if your organization expands to a new region which doesn't use any of the existing languages (and most users aren't conversant in them)? Will the vendor work with customers to translate the entire solution into the new language? If so, is this relatively inexpensive, or is it a costly and lengthy process?

VAT handling

Billions of dollars are left on the table each year by organizations that don't reclaim VAT and other sales taxes on expenses incurred overseas. One of the key reasons for this is that it's difficult to extract VAT spend from receipts and then effectively track and manage amounts in order to submit them to the relevant national bodies for reimbursement. An expense automation solution, with sophisticated VAT management capabilities can significantly help with this process by automatically extracting VAT/sales tax information from receipts, and enabling aggregate amounts to be collated by country, along with the relevant receipt images. This information can then be submitted directly by the organization's finance team for improvement, or sent to a VAT reclaim specialist, who will secure the reimbursement for a percentage fee.

Regulatory compliance

Regulations surrounding expenses vary dramatically between different countries. Even a process as seemingly simple as personal car allowance is impacted in different countries by the size of the car's engine, the fuel type it uses, and the total number of miles/kilometers driven over the course of a year. Per diems can similarly vary significantly between countries.

Understanding these differences and tracking them as they change in different countries can be a near impossible task. Thankfully some vendors, through partnerships with international accounting firms, enable expense and other relevant regulatory updates to be automatically communicated to customers. Each organization's accounting/tax department can then choose how to address these changes, and then choose how to implement them into their instance of the expense solution.

Real-time Decision-making

A hallmark of an agile organization is the ability to make rapid decisions based on changing market conditions or business process, or other internal data points. To do so requires the capability to analyze large amounts of accurate and up-to-date information and provide insights in real time. In the case of employee expenses this could be anything from renegotiating vendor agreements based on spend patterns, through to identifying cases of fraud before they get out of control.

Organizations therefore need to ensure that their expense partner's solution has the capability to quickly analyze real-time expense data, in order to make speedy decisions based on the most up-to-date data. The inability to do so could lead to important trends or patterns being missed, or decisions being made based on outdated information.

Innovation

Irrespective of how well the expense solutions matches your current needs, it needs to continually evolve to ensure it adapts to changing business trends and technologies, to deliver the best user experience. A key question to ask here is how often a new version is delivered (even if just for minor changes). Vendors that themselves operate with an agile methodology typically have new releases every month or even more frequently. Those who use the other approach—waterfall—will often only deliver a new release once or twice per year, albeit with more changes. The result of this is that customers may need to wait for several months for bug fixes and new functionality.

Innovation is also a factor in the mobile experience. When vendors who deliver software via a web or hybrid app roll out new features, they are immediately available to all users on all devices. However, there are several factors that could delay this for solutions using native apps. The requirement for different codes for the full version and native apps, and the lag between new versions being submitted to Apple/Google and being made available to users, can often cause further delays before updates appear on mobile devices.

CONCLUSION

Change is a constant for any successful, growing business. From new market entry to acquisitions, business processes need to adapt to the new environment, and the technology solutions that support them need to be similarly agile. Forward-thinking organizations need to ensure that the vendors they select and the systems they use are flexible enough to work around the way they do business. Enterprise-wide solutions—such as expense management—must also support every employee just as effectively, be they a senior executive based in the head office, or a junior employee in a remote location.

Most importantly, organizations need to carefully assess how the vendors will support them years in the future. A system that works well today may not have the scalability or flexibility to do so five or 10 years in the future, leading to a costly and time-consuming replacement initiative.

Chrome River was designed to deliver the flexibility that organizations can rely on to future proof their investments. From our solutions' unlimited configurability to our constant focus on innovation, our customers can rely on us to be their partner for many years to come. This explains why we retain more than 98% of our customers each year. Chrome River lets business flow—today, and tomorrow.

Chrome River

Chrome River provides expense and invoice automation solutions that let business flow for more than 1,000 organizations worldwide. The company's easy-to-use, enterprise-scale solutions enable future-readiness for its customers. As a result of this focus on innovation, Chrome River is rated as a Leader in expense management by analyst firm IDC. Chrome River's commitment to delivering a superior customer journey by creating long-term value for its customers, makes it a preferred choice of CFOs, CIOs, AP teams, travel managers and business travelers. Details on Chrome River's customers can be found on the company's web site.

To find out why more than 2 million business travelers around the world trust Chrome River, contact the company at 888-781-0088, or visit chromeriver.com and its social pages on LinkedIn, Facebook, Twitter, and Instagram.

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