Is your business 'expense fit'?

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A CFO's responsibilities are becoming ever more demanding and complex in the changing world of compliance and board oversight. Managing cash flows, securing up-to-date audits and ensuring effective governance are key in order to provide both visibility for board decisions and regulatory due dilligence.

Good business growth can be a double-edged sword. Positive top line performance is great at hiding inefficient business expense practices, uncontrolled or unmanaged spend and, at worst, fraud. Is profitability eroding the integrity of your expense management, or is your organization "expense fit"?

The process of managing and processing receipts, inputting data into financial systems, overseeing policy control, and managing various tax regulations is cumbersome at best.

Opaque spending and a lack of visibility and control can leave CFOs fumbling for the right levers to pull to rein in costs. And no matter how good things are or have been, one of the few certainties in life is that every company at some point has to hit the brakes on spending.

No matter the size of a company, the many hours lost to manually processing expense reports can serve as a drag on forward momentum and business growth.

But there's another hidden risk that could be signficantly impacting your organization's profitable growth: fraud.

Most global company and auditor reports say the share of expense claims that turn out to be fraudulent fall around 7%. Of course, your people may be more or less trustworthy than the global average, so what do you think your rate is – 3%? 5%?

The reality is most companies are unable to identify systemic or unintentional fraud in business expenses. So whatever you think your organization's fraud level might be, you can be certain it's not 0%. That is, unless your business is truly "expense fit."

Use the following checklist to evaluate your expense fitness and explore the necessary next steps to get your company into shape.

Here's How to Identify Expense Fraud

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'Expense fit' checklist

Checklist

Use the following checklist to evaluate your expense fitness and explore the necessary next steps to get your company into shape.

I have visibility across my entire business spend

If you've already managed to secure a full picture of your organization's business spend, well done. Doing so ensures you have next-level insight and a strategic advantage for future growth. If you haven't got visibility across your entire spend, taking this first step is a critical one to improve your business.

I have formal business expense policies and processes

Having a formal business expense policy in place that's integrated into all parts of the purchasing system allows you to gather together spend data and conduct trend analyses across all types of business expenses. If you haven't achieved this in your business, consider doing this a foundational step to understand how spending is impacting your organization.

I have access to real-time data

Being able to connect the dots between spending and pre-approved budgets in real-time is critical to expense management. If you haven't made this possible already through real-time data, you should know that having this capability allows you greater control. You can alter expense and travel policies and make decisions on targeted spend areas should the company face unexpected cost escalations. This prevents the need to freeze travel altogether.

I have reliable technology solutions in place

To make the right decisions, you need to have real-time visbility and easy access to analyze your company's spend data. If you're lacking this kind of technological support, check out expense management systems that use automation and integrate easily with your ERP and travel systems so you can see what's happening end-to-end.

I can easily analyze trends

Good business expense systems should highlight potential savings and enable forecasting. For example, the system should include a dashboard that provides a visual representation of expense trends to empower decisionmaking for operations.

Good questions to start with include:

1. Who are my top ten spenders?

2. Who are top ten overall with entertainment expenses?

3. Who has booked the most business class flights this year?
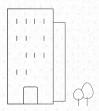
I use my expense data to strategically source

Having a clear understanding of business expenses gives you added leverage to source strategically. If you haven't yet taken this step, doing so will allow you to target recurring expenses, negotiate them with suppliers and save money over the long-term.

Now you've seen what it takes to be truly expense fit. If you were able to confidently agree with the statements in this checklist, you can feel good in the knowledge that you're taking the necessary measures to control spend and prevent fraud at your organization. If there were items where you were unable to answer yes, you now have a straightforward guide for the logical next steps to make your business expense fit.

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Key points of differentiation

Zeno Expense is an enterprise grade, expense management solution optimized to support corporate card programs. The cloud-based application is relevant to organizations with as few as 50 employees right up to large enterprises with more than 10,000 employees. It is proven to help companies drive significant cost savings through better expense management—which in the end is what this is all about.

We are a global business that works to ensure your system will always comply with local regulatory and compliance standards. Unlike other enterprise-grade systems, Zeno Expense is fast and easy to implement. New customers can expect to be up and running in two to three weeks (subject to organization complexity).

Learn more. Visit the Zeno Expense Website.

zeno.business