



Enfuce Report

Set your expenses free.

Modernise your expense management payment cards.



·enfuce

The new standard in expense management.

Finance teams free from the shackles of manual processes. Real-time, granular visibility and control over the entire spending ecosystem. A workforce that's happy, empowered and accountable.

That's the promise of modern expense management, anchored by the transformative power of technology-first solutions and integrated payment cards.

Part 1

Structured in two parts, this report first delves into the industry trends that are reshaping the expense management landscape. We'll explore the rise of the subscription economy, the impact of remote work, and the diverse needs of both management and employees.

Part 2

In the second part, we shift gears to offer practical, actionable solutions. Here, we'll dissect the anatomy of a winning expense management solution, focusing on the key roles of flexibility, control, and user experience. Traditional systems are a liability – the time has come to reframe expense management as a catalyst for organisational growth.

Part 1

The evolution of expense management in a digital first world

In the first part of this report, we'll dissect familiar industry trends such as the subscription economy and remote work, examining their nuanced impact on expense management.

We'll also segment our exploration into two key perspectives: that of finance and management, who are grappling with issues like manual processes, spend visibility and control, and that of employees, who are increasingly influencing how expense systems are designed and implemented.

The subscription economy and the corporate card conundrum

The subscription economy has fundamentally altered the way businesses operate and spend money. Gone are the days of boxed software and one-time purchases. Today, companies use an average of 130 SaaS apps to get work done,¹ from Slack and Salesforce to Zoom and QuickBooks. This proliferation of SaaS has led to two disruptive shifts: an explosion of vendors and a change in purchasing behaviour.

The vendor explosion

Teams are no longer just using a CRM; they're relying on a suite of specialised tools for sales orchestration, lead generation, meeting software and more. Combined with economic volatility, tighter budgets, and a growing emphasis on due diligence, this has led to an explosion of vendors, each requiring its own subscription and payment method.

The result? An administrative nightmare for finance teams who have to keep track of who's spending what and where.

And it isn't just a matter of tracking multiple payments; it's about understanding the financial and operational intricacies that come with it. Subscriptions often come with tiered pricing, usage-based costs, and sometimes even variable billing cycles. This demands a more dynamic approach to expense tracking, one that can adapt to the fluid nature of subscription-based spending.

¹2023 – The State of SaaSops – BetterCloud

130

The average number of SaaS apps used per organisation.

2023 – The State of SaaSops – BetterCloud

85%

of software that organisations use will be SaaS by 2025.

2023 – The State of SaaSops – BetterCloud



The democratisation of spending

In the subscription economy, businesses no longer sell to companies; they sell to individuals and teams. The small ticket prices are better suited to card payments rather than a cumbersome PO and invoice process. This model means that almost everyone in the company needs access to a corporate card.

Corporate cards were initially designed for traditional travel and entertainment spend like flights and client

dinners. They work well when you know that a single cardholder is the only person using the card. But in today's environment, these cards are often shared among several employees or even entire departments.

This “fragmentation of spend” turns each billing cycle into a complex maze that finance teams have to navigate.

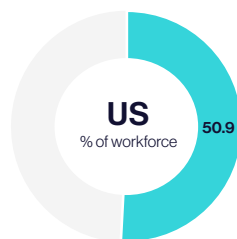
Remote, freelance & gig work

The gig economy is no longer a buzzword

According to the Office for National Statistics, number of regular gig workers in the UK is estimated at 7.25 million - a 22.1% slice of the total UK workforce.²



In the US, it is estimated that the number of freelancers will reach 86.5 million by 2027, and will make up 50.9% of the total US workforce.³



So, what does this mean for expense management?

Firstly, the rise in non-traditional work arrangements complicates the already intricate web of expense tracking and reimbursement. Gig workers often use multiple platforms for their income streams, each with its own payment and expense tracking system. This fragmentation poses a challenge for both the workers and the finance teams that need to reconcile these expenses.

Secondly, research by Visa found that 52% of gig workers value real-time payments, and that it is a powerful way for businesses to foster satisfaction, preference and loyalty in their gig workforce.⁴ This is a clear signal to expense management companies: speed is of the essence. For this new breed of employee, traditional reimbursement cycles don't cut it anymore.

²Office for National Statistics - Employment in the UK: February 2023

³Statista - Number of freelancers in the United States 2017-2028

⁴Visa Direct Gig Research

Digital transformation: Clearing the expense management bottlenecks

From manual processes to integrated solutions

One of the most glaring issues in expense management is the continued reliance on manual processes. According to a Pleo Insights report, 55% of finance admins still process and pay invoices manually, and for 32%, “manual data entry” accurately describes their invoice process. This manual intervention not only consumes time but also introduces errors and inefficiencies into the system.⁵

“Nearly 75% of organisations call digital transformation a priority in 2022, up from 54% the year before. Businesses’ desire to find ways to transform into leaner operations digitally will continue to boost the adoption of tools designed to create savings and increase time-saving automation.”

2022 Trends in SaaS Buying - Vendr

The traditional invoice payment process is fraught with manual steps that can be cumbersome and error prone. From receiving the invoice to the actual payment, the journey is often a tiresome one, riddled with inefficiencies.

And it’s not just invoices. Manual purchase orders, lost receipts, and even basic payroll calculations often still rely on outdated methods that are both time-consuming and susceptible to error.

55% of finance admins still process and pay invoices manually.

Invoice Report – Pleo Insights

When it comes to reimbursement, manual processes are both time-consuming and, again, riddled with inefficiencies and vulnerabilities. They require a meticulous collection of paper receipts, manual data entry, and a lengthy approval chain. This not only diverts finance teams from more productive tasks but also exposes organisations to the risks of human error and potential fraud.

Automated solutions, which we will discuss in more detail in part two, are redefining the role of finance teams, enabling them to focus on strategic imperatives rather than mundane tasks. These solutions offer OCR technology for receipt capture, automated approval workflows and reporting, and real-time data analytics. The result? A significant reduction in both processing time and human error.

⁵Invoice Report – Pleo Insights



Smartphones in every pocket

The ubiquity of smartphones has made real-time expense management not just a possibility but an expectation. In 2022 it was estimated that the global penetration of smartphones stands at 68%.⁶ Mobile apps enable on-the-spot receipt capture and expense filing, thereby streamlining the entire process. Taking full advantage of this technology not only enhances employee experience but also provides finance teams with the data they need, when they need it.

“In the last few years, a new breed of fintechs has emerged that offer spend management, payments, and expense administration SaaS in a single solution. Fintechs like Brex, Divvy, Ramp, Pleo, Spendesk, and others offer a unified platform that allows companies to configure spend management, define and create spend control, provide the payment form factors for employees to spend, deliver greater visibility of employee spend, and simplify the expense administration process for employees.”

Flagship Advisory Partners

Scalability

As a business grows, the complexity and volume of expenses will inevitably increase. The last thing any finance team or executive wants is to transition to a new system every few years. There is a pressing need for scalable solutions that ensure that as a business evolves, the expense management system evolves with it, providing a seamless experience regardless of the size or complexity of operations.

⁶Global smartphone penetration rate as share of population from 2016 to 2022 – Statista

Finance and management perspective: Navigating the expense management maze



Spend visibility

With traditional spend management processes, finance teams often find themselves playing catch-up, gaining visibility of a purchase weeks or months after it took place. This lack of up-to-the-minute visibility hampers strategic planning and cost optimisation.

Spend visibility also serves as a critical risk management tool, far beyond mere cost-tracking. A startling statistic reveals that a company with 250 employees could face an annual loss of 15,360€ due to expense fraud and non-compliance alone.⁷ The challenges range from ensuring accurate expense claims and reducing fraudulent claims, to avoiding human errors that lead to non-compliance.



Consistency

From failures to file expenses to lost receipts, the challenges at the very start of the expense process cause problems and bottlenecks all the way down. When the expense report process is time-consuming or complex, employees are less likely to file and more likely to make mistakes. For cost-optimisation, a seamless and user-friendly mechanism that makes for easy and accurate reporting is a crucial first step in the process.



Speed

Time is a non-renewable resource, and in the corporate world, delays are costly. The average cost to process a single expense report is \$58, and it takes 20 minutes to complete. Errors or missing information can inflate this cost by an additional \$52 and 18 minutes per report.⁸ Traditional expense report processes are a hindrance to operational efficiency. And when it comes to reimbursements, employees often find themselves postponing or even cancelling business-critical activities due to delays.



Flexibility

Today's businesses are as diverse as the problems they solve. A rigid, one-size-fits-all approach to expense management is no longer viable. Whether it's issuing and cancelling cards instantly, creating disposable cards for one-off spends, or setting and editing card spend limits in real-time, adaptability is key. Just-in-time funding and customisable card controls offer deeper insights and greater flexibility.

\$33,000

– the median loss from expense report fraud for companies of any size in 2020.

The Hidden Cost of Fraud and Non-Compliance – SAP Concur

86%

of organisations say new employees lack the tools needed to do their job on day one.

2023 – The State of SaaS Ops - BetterCloud

⁷The Hidden Cost of fraud and Non-Compliance – SAP Concur

⁸How Much Do Expense Reports Really Cost a Company? – Global Business Travel Association.



Talent retention and engagement

In a competitive job market, a user-friendly expense management system can be a game-changer. According to Aeon's Benefits and Trends Survey 2022, attracting and retaining talent has become increasingly challenging for 44% and 41% of companies, respectively.

The modern workforce, particularly Millennials and Gen Z, seek more than monetary compensation. They value work-life balance, personal growth, and well-being.

Given the frustrations traditional expense management causes employees, which we explore in the following section, a streamlined expense management system can go a long way to contributing to job satisfaction and talent retention.

The employee perspective: The need for a frustration-free solution

The democratisation of spending in expense management is a transformative shift that empowers employees to make informed financial decisions within the scope of their roles. Gone are the days when financial control was tightly centralised, creating bottlenecks and delays. This does add a layer of complexity to operations, and the deep-rooted dissatisfaction with traditional expense management processes remains.

Convenience

According to Barclaycard's DisCARDed Expenses report, employees frequently avoid filing expenses for reasons such as the perceived low value of the expense or the loss of receipts. This isn't a trivial matter. It's a systemic issue that costs UK workers a staggering £962 million annually in unclaimed expenses. "Visiting in-laws, ironing and cleaning the house are all activities workers would rather do than submitting their expenses."⁹

47%

of employees say expense reporting is too time consuming.

Soldo Spending Playbook

Cash flow

Over a third of employees have faced personal cash flow issues while waiting for their expense claims to be reconciled. Some have even missed payments on personal credit cards. This is where personal finance issues bleed into workplace productivity, not to mention talent retention. According to a survey by Soldo, 70% of employees would start looking for a new job due to constant expense reimbursement delays.

38%

of employees complain it takes too long to receive reimbursements.

Soldo Spending Playbook

User experience

In the realm of expense management, user experience goes beyond mere aesthetics. It's about seamless functionality that aligns with daily workflows. Employees expect an intuitive platform that allows for friction-free interactions like real-time receipt capture, instant approvals, and customisable features. The ideal UX isn't just user-friendly; it's designed with an understanding of the employee's journey, from the moment they incur an expense to the final step of reimbursement.

36%

say expense management processes are outdated.

Soldo Spending Playbook

⁹DisCARDed Expenses report – Barclaycard

Part 2

The anatomy of a winning expense management solution

Here we shift our focus from the 'why' to the 'how.' Having established the industry trends and their implications for both management and employees, it's time to explore actionable solutions.

This section is a toolkit, offering a deep dive into the anatomy of a winning expense management solution. We'll examine the critical role of modern payment solutions and integrated payment cards, breaking down their features into the key areas of flexibility, control, and user experience.

Flexibility: One size does not fit all



Different types payment cards

The days of a one-size-fits-all card solution are long gone. Today's businesses demand the flexibility to adapt to various user needs and scenarios. Whether it's debit cards for everyday operational expenses, credit cards for larger capital expenditures, or prepaid cards for project-specific needs, the options are manifold. This extends to virtual cards for recurring subscriptions and disposable cards for one-off uses like business trips or client entertainment.



Real-time spend limits

Static spend limits are a bottleneck in today's fast-paced business environment. The real advantage comes when you can set and edit card spend limits in real-time. This feature can be directly integrated with accounting systems, allowing finance teams to adapt to changing business conditions instantly. Whether it's scaling up for a high-expenditure project or implementing cost controls during lean periods, real-time spend limits offer unparalleled agility.



Scalability

As an organisation grows, so does the complexity of its expenses. Businesses need an expense management system that can effortlessly scale with them, adapting to new spending categories, increasing transaction volumes, and even global expansion. With cloud-based processing, these cards can handle a surge in transactions without missing a beat. Features like real-time spending limits and card type variety can be adjusted on the fly, allowing for quick adaptation to new business models or sudden changes in operational strategy.

Challenge	Solution	Benefit
Inflexible card options	Offer a diverse array of card types: debit for everyday expenses, credit for larger purchases, prepaid for controlled spending, virtual for online subscriptions, and disposable for one-off uses.	Enables businesses to cater to a wide range of spending scenarios, thereby enhancing user experience and driving adoption. This variety also allows for enhanced risk mitigation, cash flow management, and operational flexibility.
Limited scalability	Leverage cloud-based processing to easily add or remove features, allowing for agile adjustments to meet evolving business needs.	Provides a robust and flexible platform that can scale with the business, accommodating both immediate operational needs and long-term growth strategies.
Lack of real-time spend	Implement real-time spending limits that can be adjusted on-the-fly, allowing for immediate response to unexpected budget changes or project needs.	Empowers finance teams with dynamic control over budgets, enhancing financial governance and enabling quick adaptations to real-world scenarios.

By zeroing in on these key flexibility features, modern expense management solutions are setting new industry standards. They offer businesses the agility and adaptability they need to navigate an ever-changing financial landscape, without sacrificing control or security.





Control: The unseen engine of robust expense management

Advanced spend controls

While basic spend controls might limit an employee's daily or monthly expenditure, advanced controls go several steps further. They allow finance teams to allocate budgets to specific departments, projects, or even individual employees. You can define which merchants are acceptable and set spending patterns that trigger alerts or blocks. This granular level of control is crucial for enforcing company policies and budgets without micromanaging.

Real-time data integrations

The real magic happens when these advanced controls are integrated with your accounting systems in real-time. Every transaction is automatically categorised and logged into the organisation's accounting software, be it QuickBooks, Xero, or SAP. This not only eliminates manual entry but also enables real-time analytics and forecasting. The finance team can pull up-to-date reports at will, making agile, data-driven decisions.

Account hierarchies

An efficiency and control boon for any complex organisation. By setting up a hierarchical structure, you can delegate authority and budgetary control at various levels—be it department heads, project managers, or team leads. This ensures that the right people have the right level of control, aligning spending with strategic objectives.

Automated payment data flows

Drive efficiency and eliminate mistakes. As transactions are made, the data is automatically routed to the appropriate account, department, or project in your accounting system. This level of automation is a game-changer, eliminating the need for manual reconciliation and significantly reducing the margin for error.

Challenge	Solution	Benefit
Lack of granular spend controls	Utilise advanced spend controls and account hierarchies that allow for customisable budget allocations, even down to specific merchant types.	Enhances financial governance by enabling precise budget management, thereby reducing financial risks and improving compliance.
No real-time financial data	Employ real-time API access to transaction data, coupled with rich payment data reports for up-to-the-minute visibility and control of expenses.	Enables immediate, data-driven decision-making and provides a comprehensive view of company expenses, facilitating better financial planning and a mitigation of fraud.
Cumbersome management	Implement automated payment data flows and real-time notifications to remind cardholders to file digital receipts.	Streamlines the auditing process, ensures compliance, and eliminates the risk of lost or misplaced receipts.
Complex organisation doesn't suit one-size-fits-all	Configurable account hierarchies with role-based rules and controls.	Enables a multi-tiered approach to expense management by allowing finance teams to assign specific roles and permissions to different departments, teams, or even individual employees.

“Nowadays, the experience can be such that the payment, the expense report and the reimbursement become a single, seamless process. I think that that’s what modern expense management can offer – all those processes combined in a controlled way. It’s easy, it’s secure, and it has all the real-time visibility and data the business needs.”

Annina Lehtimäki – Product Manager @ Enfuze

Seamless user experience: A frustration-free cardholder journey

Instant issuing

In a world that values speed and efficiency, waiting for a payment card to be issued can feel like an eternity for employees. Integrated payment cards can be issued instantly and added to a digital wallet, allowing new hires immediate expense capability and ensuring card requirements don't hamper on-the-fly business decisions. The moment an employee is onboarded, or a new project is initiated, financial enablement can be immediate.

In-app card management

The modern employee is mobile, often juggling tasks across multiple locations. Integrated payment cards offer the same level of mobility. With in-app card management features, employees can adjust spending limits, categorise expenses, and even freeze cards if needed — all from the convenience of their smartphones. This level of control empowers employees to manage their financial responsibilities without being tied to a desk.

Autofill expense details

The time-saving efficiency of completing an expense report without having to manually input every detail: that's the power of modern payment platforms with advanced APIs. As soon as a transaction is made, the system can autofill details, categorising the expense and even flagging it for specific projects or departments. For employees, this means less time spent on mundane tasks and more time on what truly matters.

Real-time notifications and receipt management

One of the most common complaints from employees is the hassle of keeping track of receipts for expense reports. Real-time notifications can serve as a timely reminder to snap a photo of the receipt, thereby closing the loop between making a payment and filing an expense. This simple yet effective feature can alleviate one of the most tedious aspects of expense management for employees.



Challenge	Solution	Benefit
Waiting periods for card issuance	Implement instant issuing of various types of integrated payment cards to digital wallets, allowing employees to start spending from day one.	Eliminates administrative delays, empowering employees to focus on their core tasks and ensures no disruption to business operations.
Manual entry of transaction details	Utilise autofill features and real-time API access to transaction data for automatic categorisation and allocation of expenses.	Reduces manual data entry, lowers the risk of human error, and enables more accurate and timely expense reporting.
Lack of on-the-go control over card features	Offer a mobile app with robust in-app card management features, including real-time spend tracking and the ability to adjust card settings.	Enhances user experience and spend policy compliance by providing real-time control over card features, thereby improving both accountability and convenience.
Lost or forgotten receipts	Implement a digital receipt management system that includes OCR (Optical Character Recognition) for scanning paper receipts. The system can automatically match these digital receipts with corresponding transactions within the app.	Eliminates the need for physical receipt storage, reducing the risk of lost or forgotten receipts. Streamlined reconciliation process for both employees and finance teams, saving time and reducing errors.

Integrated payment cards don't just solve problems – they can redefine the cardholder experience. The result is a seamless user experience that meets the demands of the modern employee, making expense management less of a chore and more of a streamlined process.

Conclusion

In the modern expense management ecosystem, operational agility is not just an advantage but a necessity. Modern payment systems utilising integrated payment cards offer a transformative solution, empowering finance teams with real-time control and automated efficiency, and employees with a seamless, frustration-free user experience. The new industry standard is here, and expectations are high.



About Enfuze

Enfuze is an award-winning, trusted, and strategic partner for transformative, secure, compliant and globally scalable issuer processor card solutions. Powering payment partnerships that reimagine customer connection and engagement, Enfuze brings together the brightest minds and the best technology to create modular, flexible and cloud-based payment processing capabilities.

Founded in 2016, Enfuze is a global company with teams in Finland, Germany, Sweden and the UK. Enfuze has an Electronic Money Institution (EMI) license from the Finnish FSA. Being the first financial service provider in the world to be PCI-DSS certified while running its service in the public cloud, Enfuze's enterprise-grade modular platform and core payments processing engine provide 99.999% uptime, global scalability and card scheme connectivity. Enfuze supports debit, credit, prepaid, gift, fleet and fuel card programmes in any form – plastic, virtual and/or tokenised – for consumer, commercial and B2B applications, including integration with digital wallets.

Finland

Espoo
Metsänneidonkuja 12
02130 Espoo

Mariehamn
Elverksgatan 1022100
Mariehamn
Finland

United Kingdom

Labs, 4th Floor c/o Enfuze
90 High Holborn
London
WC1V 6LJ



*enfu*ce

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