Beyond The Balance Sheet:
The Top Challenges Facing Finance Teams 2022

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Table of contents

1. Executive summary
2. Challenges in the finance department
3. Employee relationships suffer
4. Knowledge workers' disconnect
5. Opportunity for improvement
6. Teampay customer insights
7. Methodology

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Executive summary

Finance professionals face a variety of unnecessary challenges stemming from inefficient systems and processes that make common tasks more time consuming and add responsibilities that live outside of their job description. Pain points span most functions, from record keeping to fraud monitoring to expense report management and include the constant need for reconciliation. Unfortunately, finance teams haven't made any headway either. These issues are consistent or more prominent than they were last year, and to make things even more difficult, there's an elevated number feeling the staffing shortage effects of "The Great Resignation."

According to financial professionals, many of their struggles are driven by a combination of outdated technology and worker error due to a lack of policy and system comprehension. While everyone agrees that current technology and processes are in dire need of updating, there's a clear disconnect with knowledge workers who consider themselves knowledgeable, confident, and in certain cases proud of how well they deliver on the very tasks that are causing strife for their finance teams – highlighting a clear need for education, streamlining of systems, and better communication.

One area where both groups agree is that their financial systems are broken, and that they affect their ability to focus on core responsibilities. Both groups are so frustrated that they'd make significant personal sacrifices like giving up vacation time or even taking a pay cut to avoid daunting tasks like expense reporting. There are clear ways to optimize, starting with simplifying financial tasks, streamlining expense reporting, and turning to holistic tech solutions that house everything in one place. If done right, there's opportunity to increase productivity, free up time to focus on areas that excite employees, and even improve happiness with better work/life balance.

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Finance professionals are bogged down with tasks outside their role and control. Whether it's administrative tasks, lack of efficient tools, or lengthy company policies and processes, many do not feel equipped to be productive.

Finance professionals are mired with tasks outside their job description and don't have the tools/systems to better their situation.

About 2 in 5 (44%) finance professionals claim they are spending more time on operational and administrative tasks that are outside their job description/don't utilize their skillset or on attending unproductive meetings (38%). In fact, many believe there is a misalignment of goals and objectives across different functions and departments (30%).

Inefficient systems and technology is a key source of frustration. Many professionals cite the lack of access to digital tools and infrastructure (32%) and/or the lack of automated solutions (30%) as key challenges, along with the inability to access financial data in real time (27%). In addition, 4 in 5 (80%) admit their current process for submitting expense reports is not as time efficient as it could be.
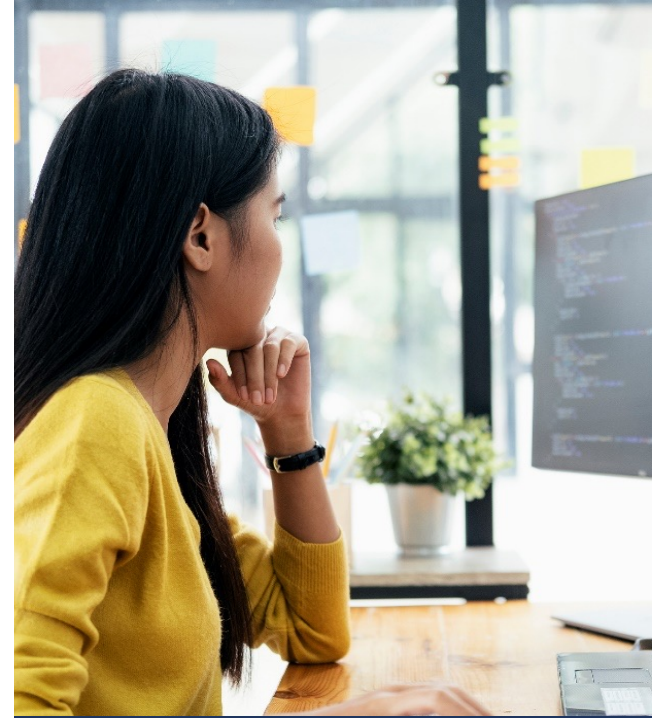

The majority or

4 in 5

finance professionals admit their current process for submitting expense reports is not as time efficient as it could be

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Many feel that their department is behind the times.

More than 7 in 10 stress that their company's finance platforms and tools aren't as strong as those of other departments/spaces (71%).

This appears to affect expense reports in particular — processing expense reports (72%) and submitting expense reports (71%) are found to be two of the most frustrating responsibilities.

72%
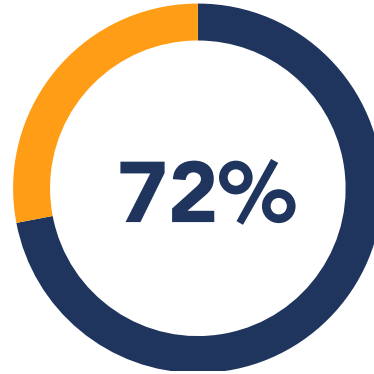
Of financial professionals claim processing expense reports is one of the most frustrating parts of their job

71%
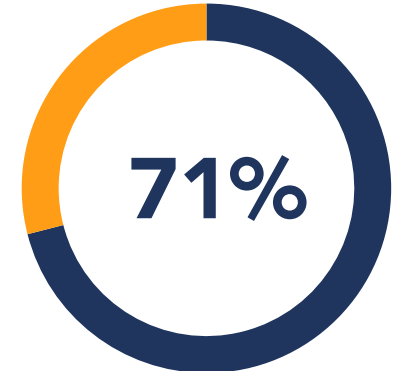
Of financial professionals claim submitting expense reports is probably the most frustrating part of their employees' jobs

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Top Job Challenges 2021 vs. 2022

Challenge	2021	2022
Spending more time doing tasks that are outside my job description	42%	44%
Attending unproductive meetings	40%	38%
Lack of access to digital tools and infrastructure that could make my job more efficient	37%	32%
Lack of automated solutions	35%	30%
Insufficient staffing across my team	34%	40%
Inability to access financial data in real time	34%	27%
Misalignment of objectives across different functions and departments	33%	30%
Not having my team members working at the same location	26%	21%

■ 2021
■ 2022

On top of the effects of "The Great Resignation," financial professionals have not received any relief - instead more difficult, manual processes.

Most of the challenges they're facing are consistent year-over-year, though now 2 in 5 finance professionals claim to also be navigating insufficient staffing (40%) – significantly up from 2021 (40% 2022 vs. 34% 2021).

Finance professionals also have trouble with staff outside of their team. More than a third note friction due to lack of communication and compliance across departments (38%) as well as the inability to get employees to comply with what the finance team requires (35%).

Despite these issues, companies are tasking their finance departments with even more. More than 1 in 3 (34%) cite their company making drastic changes to spend policies, adding an additional layer to the process of legitimizing expenses.

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Weekly Task Time Spend	Hours spent/week	Ideal hours spent/week	% Difference
Record keeping	4.74	3.42	-28%
Business expense fraud monitoring	3.17	2.38	-25%
Purchasing approval processes	3.07	2.32	-24%
Communicating with vendors	3.76	2.88	-23%
Reconciliation	3.86	3.14	-19%
Cashflow management	4.27	3.47	-19%
Expense report management	3.43	2.82	-18%
Transactional accounting	4.86	4.1	-16%
Processing invoices	3.43	2.97	-13%
Budgets and forecasting	4.36	3.93	-10%
Tax management	2.9	2.66	-8%
Financial reporting and analysis	6.87	6.59	-4%
Advising/sourcing longer-term financing	2.91	2.81	-3%
Capital investment management	3.4	3.48	2%

This ultimately results in ~7 full workdays monitoring and resolving issues caused by inefficient systems.

While frequently noted as one of the more flagrant disruptors, the issues reach far beyond expense reports – most finance professionals are spending more time than they'd like on virtually all common tasks. Finance professionals spend nearly 61 hours each month dealing with reconciliation, record keeping, expense report management, and business expense fraud monitoring alone – translating to about 7 business days of their time. This is more than the time spent on such tasks last year (average 55 hours each month in 2021).

AVERAGE TIME SPENT ON FINANCIAL TASKS
(hours/month)

2021
55 hours

VS.

2022
61 hours

Ideally, they would spend an average of 15% less time on these tasks. The savings would create opportunities to improve their business continuity processes and ensure their teams can continue to do their jobs in a dynamic work environment, something almost all want.

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The month-end close continues to be one of the most daunting tasks for finance professionals.

On average, this process takes finance teams 43.33 hours, more average time than it took finance professionals last year (on average 40.2 hours in 2021). More than 3 in 4 (74%) finance professionals indicate their teams take 40 hours or a full work week to do so.

This time spent has finance teams pining for solutions. Nine in 10 want to create more efficiencies within the finance department (93%) and improve finance operations by adding new systems or processes for a faster time-to-close (90%).

Average Time Spent on Month-End Close (hours) by company size

Small Companies
50-499 Employees
38.23 hours

Medium Companies
500-999 Employees
43.76 hours

Large Companies
1,000-5,000 Employees
50.14 hours

On average, finance teams spend

43.33 hours

completing month-end close.

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Ultimately, the daily distractions and process inefficiencies ladder up to concerns around the accuracy of their work.

This is likely why 3 in 4 (75%) claim they often receive surprise or mystery invoices and have to track down who they belong to in order to get more information and documentation.

More obstacles, fewer resources, and ever-evolving policies lead to less certainty in month-end reporting.
Nearly 2 in 5 (38%) finance professionals are not very confident the numbers they report at month-end close are 100% accurate (up from 36% in 2021).

More than
1 in 3
claim they are **NOT** extremely confident their month-end numbers are 100% accurate

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Employee spending is on the rise while financial processes continue to lag. The result is a lack of compliance and significant hinderance to all parties involved.

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The gap in employee understanding of financial process and policies continues to cause friction between departments.

More than 3 in 4 finance professionals (79%) assert that many company employees are unaware of the entire spend policy, and 2 in 3 (68%) believe that employees are more likely <u>not</u> to follow protocols than to follow them when it comes to expense reports.

Employee errors are the main issue. According to finance professionals, the biggest challenges they face processing expense reports include mis-categorizing expenses (28%), employees' difficulty uploading receipts or documentation (27%), receiving surprise invoices that impact cash flow (26%), and their overall lack of awareness of company spend policies (25%).

Errors and lack of process compliance also leads to uncomfortable interactions with colleagues. 1 in 4 financial professionals also struggle with ensuring employee spend is compliant with company policy (25%) and claim the awkward conversations with employees outside of their department regarding expense reports and invoices is another hurdle they face (25%).

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At a time where expense reports and subsequent issues are at an all-time high, financial professionals are feeling the burden on their workload.

Many report that more employees are filing expense reports (42%) or using their personal cards (38%) more than before. In turn, 1 in 3 (33%) claim there are more unapproved expenses or expenses being rejected than before. In fact, some would go as far in saying that it takes longer to get through expense reports and closing the books on month end than before (36%).

33%
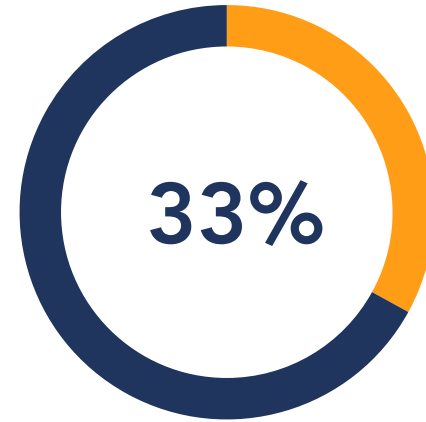
Of financial professionals claim there are more unapproved expenses or expenses being rejected than before

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Mistakes happen as most employees are making business purchases.

According to financial professionals, employees are charging the company for their business expenses. In fact, finance professionals indicate that almost, half (45%) of employees at their companies make business purchases each year. For those working at mid-sized companies (500-999 employees), this rises to more than 1 in 2 employees or 51%.

Employees Making Business Purchases Each Year
by company size (average percent)

Small Companies	Medium Companies	Large Companies
50-499 Employees	500-999 Employees	1,000-5,000 Employees
41%	**51%**	**44%**

The confidence in reimbursement may be why employees do not hesitate to make a business-related purchase. Four in 5 (80%) knowledge workers claim to incur business related expenses. Even more (79%) can confidently say they will be immediately reimbursed by their company for any business expenses they personally paid for.

Almost

half

of employees at their companies make business purchases each year, according to financial professionals

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Employees are using personal credit cards for these purchases more often than they have in the past.

Almost 2 out of 5 (38%) financial professionals claim more employees are using their personal cards than before. These teams end up paying out an average of $67,060/month in expenses made on employees' personal credit cards. This is double the amount reported in 2021 ($32,210/month in 2021). And it can take weeks – 17 days- to reimburse employees for business expenses incurred on personal cards once an expense report is submitted.

OOP (out-of-policy) costs are more common than purchases made in compliance with company policies. In fact, the majority report (72%) their company experiences purchases that are made outside of policy. On average, finance professionals report their companies spent $116,560/year outside of policy this year, significantly up from the $84,980/year reported in 2021.

Almost
3 in 4

financial professionals report their companies experience purchases that are outside of policy

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With so many employees making business purchases and using personal credit cards, errors force almost half of all expense reports to be returned.

Financial professionals report an average of 32 expense reports being submitted to their department each month. Of them, an average of 14 (44%) are sent back due to errors.
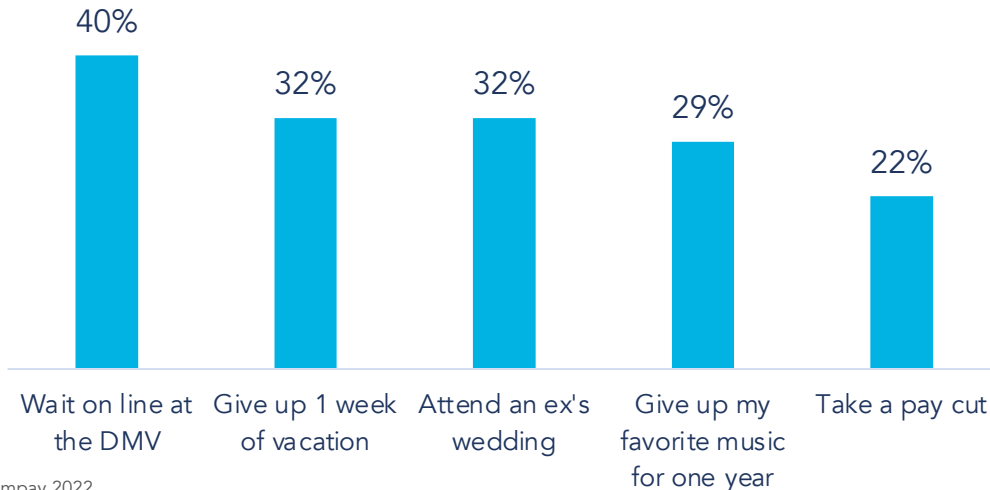
Inaccuracies lead to further delays.
Given the added time financial professionals spend resolving faults, it's no wonder 1 in 4 (24%) say delays in reimbursing employees who carry expenses on their personal cards is one of their biggest challenges.

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Expense reports are so challenging that finance professionals would be willing to make major sacrifices to never have to deal with them again.

Forty percent would wait in line at the DMV to renew their license every 4 years for the rest of their life to never deal with such frustrations. About 1 in 3 would give up 1 week of vacation time annually for the rest of their career (32%), attend an ex's wedding (32%), or give up their favorite music for one year (29%). About a fifth would even take a pay cut (22%) or give up sex for one year (18%) to avoid the frustrations that come with processing expenses reports.

What finance professionals* would rather do to never have to deal with the frustrations of expense reports ever again

Category	Percentage
Wait on line at the DMV	40%
Give up 1 week of vacation	32%
Attend an ex's wedding	32%
Give up my favorite music for one year	29%
Take a pay cut	22%

~One third
would give up a week of PTO to avoid processing expenses reports

More than a fifth
would take a pay cut to avoid processing expenses reports

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There is a clear disconnect between financial teams and knowledge workers when it comes to policy compliance and accuracy.

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Despite claims from finance departments, knowledge workers feel comfortable with their company's purchasing policies.

While more than 4 in 5 (83%) are at least somewhat familiar with their company's purchasing policy (i.e., approval processes, project budgets, expense reports, company budgets), 44% go as far as saying they are extremely familiar with the ins and outs of business purchases at work.

Perhaps this is why a majority feel comfortable swiping their card for business related purchases. Four in 5 (80%) office workers claim they currently incur business-related expenses. Among them, half (50%) have a corporate card to use solely for these charges. While nearly the same number of office employees (46%) claim to use their personal credit card for purchases.

Almost half
claim to use their personal credit card for business-related expenses

Though many knowledge workers still feel improvements to their company's financial processes are needed.

The majority confess working with the finance department can be frustrating at times (68%). About 1 in 4 agree that their company needs a better system for submitting expenses (26%), waiting for reimbursement payments (24%), waiting for expense approvals (24%), complying with the purchasing process (23%), and submitting vendor/supplier invoices (21%).

More than **2 in 3**
knowledge workers experience frustration when working with their finance teams

While frustrated with current processes, office workers acknowledge that their finance colleagues are doing the best they can.

One in 4 (25%) office workers would NOT agree that their finance systems allow employees to do their jobs with less focus on finances. In fact, more than half would report they encountered issues with vendors/suppliers because invoices were not paid on time (56%) or company's outdated finance processes have impacted their relationship with a vendor/supplier or client (54%). More than half would even admit their finance departments sometimes unintentionally put employees at a financial loss (55%).

But they do credit their financial colleagues with the efforts they make. Nearly 3 in 4 (72%) say their finance department tries to improve the expense report process but has limited resources. Most would agree that finance departments get a bad rap given the frustrations many employees feel in navigating processes like expense report submissions (65%). And they understand that finance professionals never intentionally put employees at a financial loss from delays in expense reimbursement (83%).

More than
1 in 2
office employees encountered issues with vendors/suppliers because invoices were not paid on time

With the acknowledgment of subpar processes and errors, they've become accustomed to extended reimbursement waiting periods.

Those responsible for expense reporting claim to spend, on average, 79 minutes per report – more than four times the amount financial professionals estimated (19 minutes).

Even with the extensive time investment, most still have expense reports or invoices returned for remediation. More than half (53%) admit they had an expense or invoice sent back. On average, knowledge workers report about 150 expense reports that need to be corrected each year.

Perhaps it's the shared responsibility that provides room for mistakes in expense reporting. More than 1 in 3 (36%) say senior-level executives personally submit expense reports for them and their team. Many claim administrative assistants on behalf of senior-level executives handle expense reporting (30%). Others report members of their finance department (21%) or junior-level staff (9%) are responsible for submissions.

This leads to long reimbursement waits. Office workers report they will not see the money back in their wallet for weeks on end, as it takes their company on average 18 days to reimburse them from point of purchase or 16 days from expense report submission.

More than
1 in 2
office workers admit they had an expense or invoice sent back

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Monthly Task Time Spend

Monthly Task Time Spend	Hours spent/month	Ideal hours spent/month	% Difference
Filling out their expense report	9.71	7.61	-22%
Figuring out who bought what on their corporate card, and why	8.76	6.94	-21%
Managing departmental budgets at work	10.12	8.23	-19%
Managing others' spending (team members, vendors, etc.)	9.71	8.04	-17%
Working with the finance team to understand how their spend compares to their budget	9.19	7.61	-17%
Organizing receipts from expenses	9.33	7.8	-16%
Contacting finance to track down payment status for their vendors and suppliers	8.73	7.68	-12%
Working with the finance team to resolve expense report issues	8.85	7.99	-10%
Contacting vendors and suppliers to track down receipts that are missing	8.66	7.89	-9%
Other	4.94	4.37	-12%

# Ultimately, there's a strong desire to streamline all financial tasks.

Knowledge workers spend nearly 28 hours each month working directly with their financial colleagues to track down payment status for their vendors and suppliers (average 9 hours), to resolve expense report issues (average 9 hours), and to understand how their spend compares to their budget (average 9 hours).

They are spending nearly double the amount of time working through finances individually as well. Knowledge workers report they are spending on average 46 hours per month on individual responsibilities like organizing receipts (9hrs), filling expense reports (10hrs), figuring out corporate card purchases (9hrs), managing others' spending (10hrs), and contacting vendors on missing receipts (9hrs). On average, knowledge workers wish they could reduce the time spent on these tasks by 15%.

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Better processes can improve focus and performance on core job responsibilities, improve work/life balance, or both.

If finance departments were able to make purchasing, expense, and invoice processes more efficient, 40% of office workers claim they would finally be able to focus on the work they were actually hired to do. Some would take the time to improve other processes that live within their department (29%) or focus their resources on business development and growth (28%). Almost 1 in 4 (23%) would be able to focus on strategic long-term planning.

Others would argue better processes for financial tasks would improve work/life balance. A fourth argue they could then spend more time with family (26%), do something healthy for their mind or body (24%), or simply get physical exercise (23%) if purchasing, expense, and invoice processes were more efficient. 17% would even be up to taking an online class with the time they got back.

40%
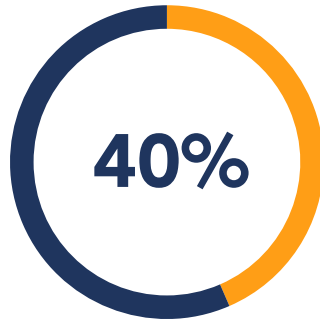
Of office workers claim they would be able to focus on the work they were actually hired to do if financial processes were more efficient.

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Much like their colleagues in the finance department, knowledge workers are willing to make huge sacrifices to avoid expense reports in the future.

About 1 in 3 would go as far to wait in line at the DMV to renew their license every 4 years for the rest of their life (39%) or give up social media for a year (33%). Others would give up 1 week of vacation time annually for the rest of their career (29%), give up their favorite streaming app for one year (28%), or attend an ex's wedding (27%). About 1 in 5 would even give up sex for a year (21%) or take a pay cut (17%) to avoid the frustrations that come with processing expenses reports.

What knowledge workers* would rather do to never have to deal with the frustrations expense reports ever again

39%	33%	29%	28%	27%	21%	17%
Wait on line at the DMV	Give up social media for a year	Give up 1 week of vacation	Give up their favorite streaming app for a year	Attend an ex's wedding	Give up sex for a year	Take a pay cut
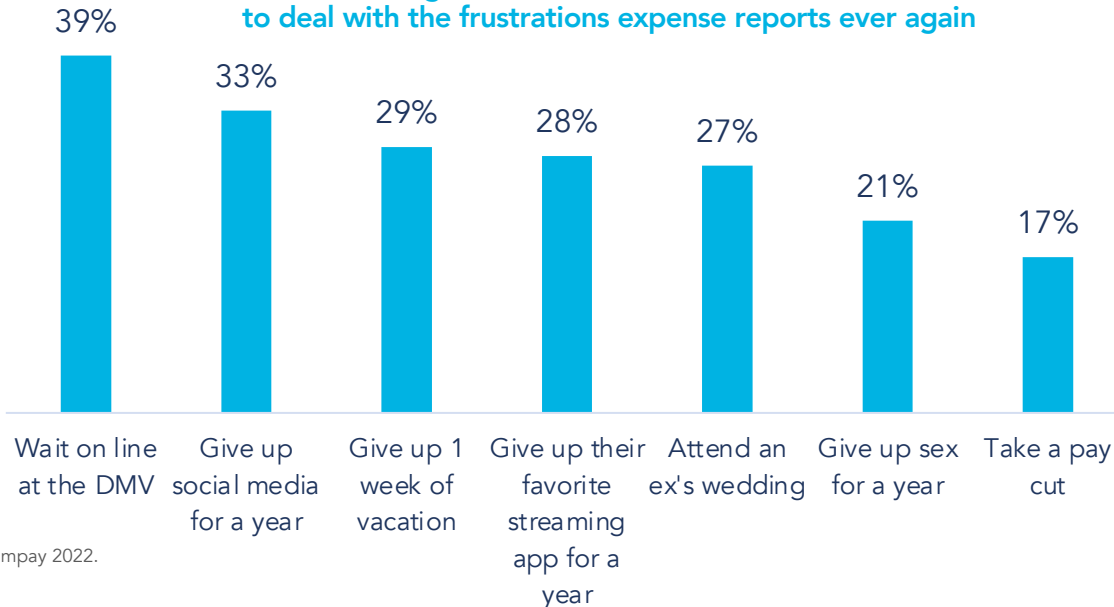
About a fifth would take a pay cut to avoid the frustrations that come with processing expenses reports

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Though financial professional and knowledge workers are not always on the same page, both teams are eager to improve financial processes and relationships.

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Efficient and innovative finance tools can help knowledge workers and financial professionals become better partners.

Though the majority of knowledge workers agree that their finance team is a true partner (79%), more than 3 in 4 (76%) would assert their relationship with their finance department would improve if their company were to implement a new way to manage purchasing, expense, and procurement processes in an all-in-one system. The same is said for relationships within team (72%), vendor/suppliers (72%), clients (71%), and managers (71%).

In fact, few claim their current financial tools are actually efficient. Only 1 in 5 knowledge workers would say their expense report platform (20%) and purchasing/procurement platform (20%) are efficient today.

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Easier solutions for submitting expense reports — 29%

24-hour technical support — 27%

A less complicated process for getting invoice approval and payment — 24%

Easier solutions for retaining and organizing receipts — 24%

Being able to get purchase approvals through their preferred collaboration tool — 24%

Not having to front their own money for business purchases — 20%

Not having to navigate outdated, complex purchasing processes — 19%

Not having to manually enter expenses — 19%

Not having to remember or reference the company purchasing policy for everything they need to buy — 16%

Better financial tools would make workdays more enjoyable overall for employees.

To help them focus on the more enjoyable aspects of their job, about 1 in 4 knowledge workers would like easier solutions for submitting expense reports (29%), less complicated processes for getting invoice approval and payment (24%), easier solutions for retaining and organizing receipts (24%) and being able to get purchase approvals through their preferred collaboration tool (24%).

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Improving the employee experience with financial processes is a priority for financial professionals in the next fiscal year.

Nine in 10 financial professionals would like to improve our business continuity processes and plans to ensure our teams can continue to do their jobs in a dynamic work environment (92%) and to give employees the tools they need to make purchasing decisions that help them get their job done (91%). Most would like to better support and empower their employees with a robust software-backed program that reduces the torment of manual processes (91%).

Efficiency in spending is also in the works for finance teams. Looking ahead, nearly all finance professionals would like create more efficiencies within the finance department (93%). More than 4 in 5 (83%) plan to automate their existing spend management processes for better visibility and control over all non-payroll spend.

83%
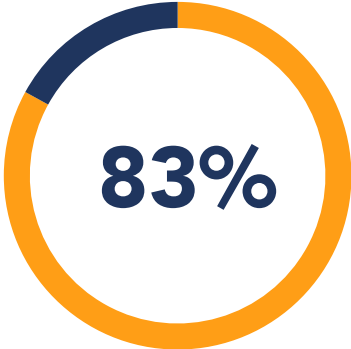
Of finance professionals plan to automate their existing spend management processes for better visibility and control over all non-payroll spend.

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Teampay customers report faster, more efficient finance processes compared to financial professionals across the nation. Teampay customers are also less likely to find financial tasks as a frustrating aspect of their job.

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Teampay customers are less likely to report that they are using outdated systems, have unapproved expenses, or that takes more time than before to close month end books; they're also more efficient with daily tasks.

- Teampay customers are less likely than financial professionals across the nation to be auditing expenses using traditional expense management processes, such as paper- and spreadsheet-based systems (Teampay 13% vs. Financial Professionals 23%).

- Teampay customers are less likely than financial professionals across the nation to report that it takes longer to get through expense reports and closing the books on month end than before (Teampay 23% vs. Financial Professionals 36%).

- Teampay customers are less likely than Finance professionals to cite having more unapproved expenses or more expenses being rejected than ever before (8% vs. 33%).

Average Minutes Spent on Financial Tasks	Teampay Customers	Financial Professionals
Process a single invoice	8	16
Average Hours/Week Spent on Financial Tasks		
Cashflow management	2.52	4.27
Monitoring for business expense fraud	1.01	3.17
Average Number of Rejections		
Expense reports sent back to employees to fix errors	9	14

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Teampay customers are significantly less likely to complain about employees not following protocol, lagging financial tools/platforms, inefficient processes, and that expense reporting can be the most frustrating.

Employees are more likely not to follow expense report protocols than they are to follow them
- Teampay Customers: 35%
- Finance Professionals: 68%

Submitting expense reports is probably the most frustrating part of our employees' jobs
- Teampay Customers: 30%
- Finance Professionals: 71%

Company platforms and tools for finance lag behind the platforms for other departments/spaces
- Teampay Customers: 42%
- Finance Professionals: 71%

Processing expense reports is one of the most frustrating parts of their job
- Teampay Customers: 44%
- Finance Professionals: 72%

Current process of submitting expense reports is not as time efficient as it could be
- Teampay Customers: 52%
- Finance Professionals: 80%

■ Teampay Customers   ■ Finance Professionals

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Thank you!

Finance professionals and knowledge workers methodology

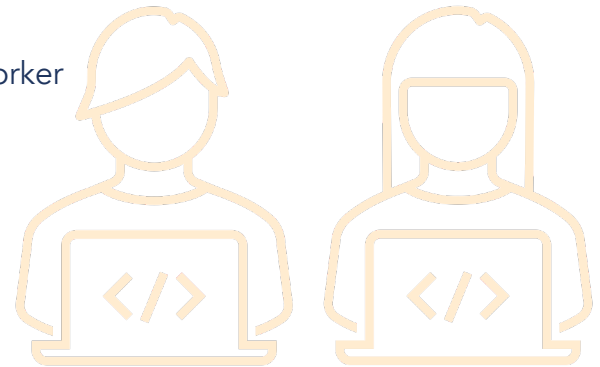We conducted two 15-minute, focused online surveys in April 2022.

We spoke to a total of n=501 finance professionals and n=1,019 knowledge workers in order to understand the challenges they face in their work lives, especially related to traditional, manual expense management processes.

To qualify as a Financial Professional, respondents had to be…

- Aged 25+
- Employed full-time in their company's finance department at the manager level or higher
- Employed at a company with between 50-5,000 employees

To qualify as a Knowledge Worker, respondents had to be…

- Aged 18+
- Employed full-time considered an office worker and/or knowledge worker
- Employed at a company with between 50-5,000 employees

Teampay customer methodology

We conducted a 15-minute, focused online survey in May 2022 via
Teampay Company email invitation.

We spoke to a total of n=96 finance professionals among the Teampay customer
data base in order to understand the challenges they face in their work lives,
especially related to traditional, manual expense management processes.

To qualify as a Financial Professional in our Teampay Customer survey, respondents
had to be…

- Teampay customer contact
- Aged 25+
- Employed full-time in their company's finance department at the manager
  level or higher
- Employed at a company with between 50-5,000 employees

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