

A man with short, dark, curly hair is shown from the chest up. He is wearing a light-colored blazer over a blue and red striped sweater and a white collared shirt. He is looking off to the right with a thoughtful expression. He is holding a tablet computer in his hands. The background is a bright, slightly blurred indoor setting with a window on the right.

How AI is Transforming T&E with Insights, Efficiency, and an End to the Tedious

From our Achieving Outcomes series

Introduction

Finance leaders have grown more comfortable with artificial intelligence (AI) and putting it to use at their organizations, with many planning to target investments in cutting-edge technologies as they pursue growth, scalability, and efficiency.

As comfort with AI and its capabilities grows, leaders are looking past the hype to specific areas where AI could have a strategic impact. Like forecasting, risk management, data analysis, tasks automation, and efficiency. Some are already deploying AI, with common uses being bookkeeping, financial planning, and fraud monitoring.

While studying the technology, a business leader might wonder: What can AI do for my organization right now? How can AI help meet the challenges we have with employee spending? How can it help us better manage our travel and expenses?



The answer is that AI-driven solutions can help:

Control costs and drive compliance by quickly estimating travel costs, reading receipts, sending receipt data to expense reports, pulling valuable details from invoices, and uncovering taxable benefits and purchases eligible for value-added tax (VAT) reclamation. Organizations gain more complete data and increase the speed at which they process it, meeting the growing demands of regulators and tax authorities. They can also take advantage of early-pay discounts, avoid late fees, and manage cash flow more effectively.

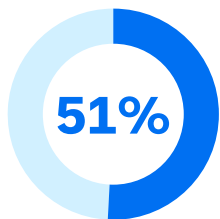
Improve visibility, analysis, and planning by collecting spending data earlier in business processes, achieving a broader picture of spending, increasing the ability to spot patterns, and using the combination of insights and human expertise to improve analysis and forecasting.

Adapt processes, policies, and priorities by leveraging the more accurate, timelier information on employee spending and compliance. Finance can not only make more-informed decisions but is also more readily able to change and adjust policies, as well as obtain a tool to communicate those policies to employees in faster and simpler ways.

Boost productivity, retention, and the employee experience by reducing manual and tedious work such as gathering receipts, filling out expense reports, poring over invoices for details, keying in numbers, and chasing approvals. From frequent travelers to those working from home, employees across the organization can focus on their primary duties instead of paperwork. Finance team members can move from reactive roles that historically involved tracking paper to more proactive, value-adding, and future-looking roles of strategy and analysis. As a result, organizations gain tools to make finance roles more attractive and to address a chronic shortage of talent.

Organizations seeking the advantages of AI should consider these key questions when looking at specific solutions and their providers:

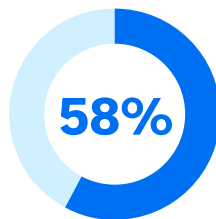
- Is the technology **relevant**? Will it make your organization run smarter, empower employees to do more valuable work, and build upon a foundation of data from industries like yours?
- Is it **responsible**? Can it provide information that's accurate, appropriate, secure, and compliant with your rules and government regulations?
- Is it **reliable**? Is it well-designed and provided by a business-focused company with experience in AI technology?



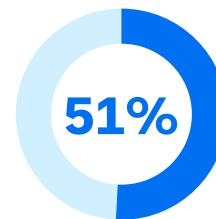
of finance leaders are investing in AI in 2024¹



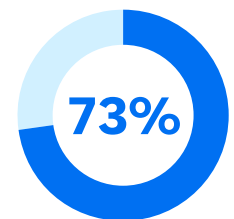
of finance leaders think AI threatens their own positions²



of finance leaders worldwide say they understand very little about AI in finance³



of CFOs cite cost control as a top 3 internal challenge⁴



of CFOs consider inaccurate forecasting their top cost control challenge⁵

The underlying theme of these questions is the recognition that AI is designed by and for humans and will remain under their control and guidance.

“It’s really about understanding what your AI tools are doing and then having control over it,” says Jeanne Dion, Vice President of the Value Experience team for SAP Concur. “It’s the idea of putting those rules in place to provide actionable decisions. It’s that idea of empowering your team to not only navigate but to trust AI. And in that process, you’re taking out all the magic and just making it another tool in the toolkit.”

“Artificial intelligence and human intervention are always going to be a partnership,” agrees Erin McDermott, Chief Strategy Officer for Lyndon Group. “AI is not going to come and replace your job. It’s not going to eliminate the need for humans to take and disseminate and make sense of what they’re seeing. AI can’t function without your brain, your usage, and your action.”

“AI capabilities can move your employees into a more problem-solving, exception-based role, which is really where you want to be from a finance perspective.”

Jeanne Dion, VP of Value Experience, SAP Concur



Getting a Handle on Costs, Compliance, and Cash

No matter how proficient employees are, speed and accuracy are hard to deliver when operating with paper-based, manual processes or even ones that are partially automated and disconnected. Where AP teams must check every expense report or invoice that comes across their screens or travelers must spend time gathering receipts, punching in numbers, finding the right expense category, and wishing all of it was a much smaller part of their job because they have more important work to do.

“AI can track and identify anomalies within the data much quicker than a person could. A person would need to look for specific cases while AI can look at vast volumes of data, analyze it, and find anomalies,” says Yoni Lavi, co-CEO of Blue dot, maker of AI-infused solutions for tax compliance.

“AI-powered systems can detect potentially noncompliant or suspicious activities and alert financial professionals to investigate further,” Dion says. “You’re not moving the human out of the process. You’re providing information to employees and then saying, ‘Hey, this looks a little off. Could you look and confirm this is something unusual?’”

The efficiency of AI can help organizations gain control and compliance in another way, too.

“The high volume of monotonous work has caused many organizations to outsource elements of their financial work to shared service centers. But they ended up with less control,” Lavi says. “AI actually enables these organizations to bring this work back to

their department since most of the tedious work would be done by AI. And they can be left only with doing the controls and the monitoring and providing AI with the guidance of what should be done. AI should be looked at as a way of gaining more control.”

“It’s not all that valuable for somebody to sit and key things in. But to problem solve and ensure the same mistake doesn’t happen repeatedly, that’s enormously valuable to a company. That really helps control costs.”

Jeanne Dion, VP of Value Experience, SAP Concur

Gaining speed and efficiency

Often, the true costs of a business trip aren’t apparent until the employee starts swiping their card and expenses start piling up. And before they received the okay to hit the road, the employee likely spent a good amount of time comparing flight and hotel costs and inputting the details. Their figures may or may not reflect compliant choices or be as accurate as possible.

Recently, AI has been inserted into preapproval tools to simplify the process. Instead of filling in field after field, the traveler simply types in a sentence saying they need to fly from, say, Chicago to Seattle

for meetings, stay three days, and be within 10 minutes of a corporate office. Generative AI, using its language abilities, estimates flight, lodging, meal, ground transport, and other expenses and automatically fills in the fields according to the policy.

“A request tool is the first line of defense for companies looking to control costs while ensuring they have visibility into what’s being spent and that it’s compliant,” Dion says.

Solutions with embedded AI provide benefits both at initial use and later in an organization’s operations.

Travelers can snap a photo of a receipt, which is analyzed by a combination of AI and other technologies. The expenses are itemized, approved or corrected by the traveler, and then sent to an expense report. Travelers save time by not saving receipts and typing every detail into expense reports; auditors save time by not hunting down missing details. The company obtains spending specifics quickly, leading to more efficient cash flow and budget management.

Hotel bills – with extensive line items including taxes, nights stayed, and meals – are another travel-related expense that challenges existing technology. These data entries involve many formats and types of information to sort through, and improper itemizations often result in expense reports being returned. Now, generative AI can scan, organize, and sort through the details – all derived from an image of the bill.

“It’s just become much more accurate,” says Angelo Farrow, Senior Solutions Consultant with SAP Concur,

“making the process simpler and reimbursements quicker.”

The invoice is an ideal target for AI because it has important information and comes in multiple formats – PDF, email, electronic – that vary widely by supplier. Amounts, addresses, and purchase order numbers are often omitted, not captured, or manually typed in by AP teams. It’s an inefficient process where errors occur, staff spend a lot of time tracking details, payments are delayed, and suppliers get testy. Penalties are incurred; discounts missed.

“The quicker you can accurately capture and transfer details, the quicker vendors can be paid, which enables better relationships with suppliers,” Farrow says. “The impact of an invoice solution with AI isn’t just on efficiency and vendor relationships but also on the bottom line. Taking advantage of discounts because of early payments is awesome but avoiding late fees because of inefficient processes is also great.”

AI technology enables AP teams to focus on problems instead of manually inspecting every invoice.

“Every AP person I have ever met is a problem solver. That is their go-to stance,” Dion says. “But often they’re spending their days finding problems, making corrections, and developing workarounds because they don’t have time to do otherwise. If they instead only had to contend with the problems presented to them and improve processes, that would be tremendous for the organization.”

Finding mistakes, fudging, and outright fraud

Sometimes mistakes slip by, like the \$13 item that gets paid at \$1,300, because it was wrong on the invoice or keyed incorrectly by an employee. Duplicate invoices are paid twice.

“Mistakes can be incredibly hard to find because it’s time-consuming and difficult for expense processors or auditors to go through every line item of every expense report,” Farrow says. “That’s where AI really shines. You can run a massive amount of data and make sure the information matches. But not only that, you can run it against company-specific rules to make sure nothing is out of policy.”

With AI handling the mundane, finance staff can focus on exceptions, problems, and patterns identified by the technology. Those patterns range from potential fraud to legal but problematic spending.

“Those are the kind of things where AI can really benefit your organization from a very tactical position to control costs by stopping noncompliant behavior and increasing ability for cash flow,” Dion says. “The less you’re paying out fraudulently or non-compliantly the more control you have over that bank account.”

Some of the biggest risks involve cases where bad actors played by the rules but still stole substantial sums for a long time. Like the employee who bought 15 iPads each month from the proper source and sold them on the internet.

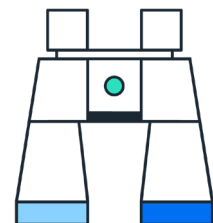
“In many recent fraud cases the spending complied with company policy,” Dion says. “There was no exception alert because they used the correct

vendors, had the correct signature authority, and went through the right workflows. They knew how to game the system. There was a pattern there, but if you were looking at those manually, you never would have seen it, or it would have taken a long time to find. But with AI, you can see those patterns.”

Finding patterns, finding problems

AI can reveal issues that would take humans longer to uncover, if at all...

- The often-traveling employee whose meals always end in round dollars or come in just under the \$35 receipt requirement. Neither is statistically likely, but the pattern is harder to find when reports or invoices get just a cursory glance.
- The sales rep who’s taking customers to Gene’s Deli. The purchases seem legitimate but if the AP team had time to dig, they’d learn Gene’s is a gentlemen’s club.
- The group of employees who decamped to Costa Rica during the pandemic and expensed pens, paper, and other supplies. It took the organization months to notice the spending, which violated its buy-in-the-U.S. vendor contract.



Uncovering taxable benefits

Work from home. Hybrid work. Work from anywhere. The shifts have ebbed and flowed as management determines the level of importance it places on employees being in the office. But whatever balance an organization arrives at, taxable employee benefits have increased.

Those gym memberships and other expenses classified as taxable benefits can be tricky to find when they arrive among many other charges on expense reports. Still, tax regulators require them to be declared. What once could be reported monthly, quarterly, or even annually now must in some locations, like Ireland, be reported soon after it's reimbursed.

Trained to uncover the taxable items and able to adjust to widely varying rules from many jurisdictions, solutions with AI can help organizations fulfill their obligations.

“Can a business have somebody sitting there combing through every entry in your ERP system to identify it and then fill out the forms? Probably not, but AI can tell you, ‘Oh, wait a minute, this is a problem somebody needs to take care of it,’” Dion says. “If you make a mistake from a taxation perspective, there's reputational damage that can come into play. There's also compliance and fines, so using AI to handle taxable benefits is a way of controlling costs.”

Helping with VAT reclaim

Reclaiming the value-added tax employees pay is no simple process, one that many companies find such a chore that 54% goes unclaimed yearly.⁶ Targeted

solutions can prevent money from being left on the table by knowing just what to look for and using AI's information-crunching abilities to find it.

“It's a complicated task, especially for larger businesses working in many different locations,” Farrow says. “They have thousands of expense reports submitted every month. It's extremely difficult to manually look through all those reports and review the tax evidence, which could be a receipt or a credit card transaction.”

AI can help reduce errors, risk, and time spent on the task, Farrow says: “One risk when reclaiming tax is filing something incorrectly, being audited, and having to pay fines. The second is reputational, as we've seen news reports about companies doing things incorrectly. With AI, a business can specifically run their tax evidence against a country's tax rules to make sure that everything is correct and accurate and that whatever is being reclaimed is maximized and compliant.”



See the Whole Spend Picture, Improve Analysis and Planning

Request tools equip organizations to see, earlier and accurately, what a business trip should cost. Other solutions record receipts and invoices, collecting all the necessary details. Audit services spot patterns of out-of-policy spending and flag potential fraud. There's even technology that finds taxable benefits and VAT to reclaim.

Incorporating AI, they all add up to greater spending visibility and provide a unified foundation of information for ERP and other systems that bolster analytics and forecasting.

"AI can enhance the accuracy of financial calculations, increase forecasting and make it more accurate, and even do risk assessments for you. This can lead to more reliable financial reporting, reduced compliance risks, and better decision-making," McDermott says. "AI will find those patterns and point out things that maybe you've been overlooking. It's going to make us more efficient and able to make more accurate decisions without having to spend hours digesting data."


"Having more information at the beginning before spending hits the budget strengthens that forecasting phase," Dion says. "Because they know where all the invoices are in their workflow, they can have more accurate reporting around accruals and more accurate forecasting of what will be spent. That makes their system smarter and is huge to the organization."

Generative AI, which is being applied by SAP across its solutions and business units, including SAP Concur

with the Joule digital assistant, is a user-friendly, human-centered technology. For example, while using travel and expense solutions employees can ask questions about policy, analytics, and more. In a sense, it expands the capabilities of team members, because they inquire in plain terms instead of having to master technology – a "democratization of data," Dion says.

"Before AI, to really get accurate and meaningful information from reporting platforms, you had to have technical knowledge," Farrow says. "But now business professionals who aren't technical people can get answers to questions like, 'Where have we spent money over the last quarter that contains these specific expenses?' Being able to ask natural language questions to get insight and data is a game changer."

"That's where a huge transformation is going to be happening," says Nathaneal L'Heureux, Chief Client Officer for Oversight Systems. To obtain information, "you're not Googling, you're not looking for that lost document somewhere, because you can ask a simple question and have access to it very quickly."



60%

of finance leaders cite the complexity of forecasting as a top challenge⁷



63%

of finance leaders are investing in cutting-edge technology to better react to change⁸

Shifting Processes, Policies, and Priorities with Agility

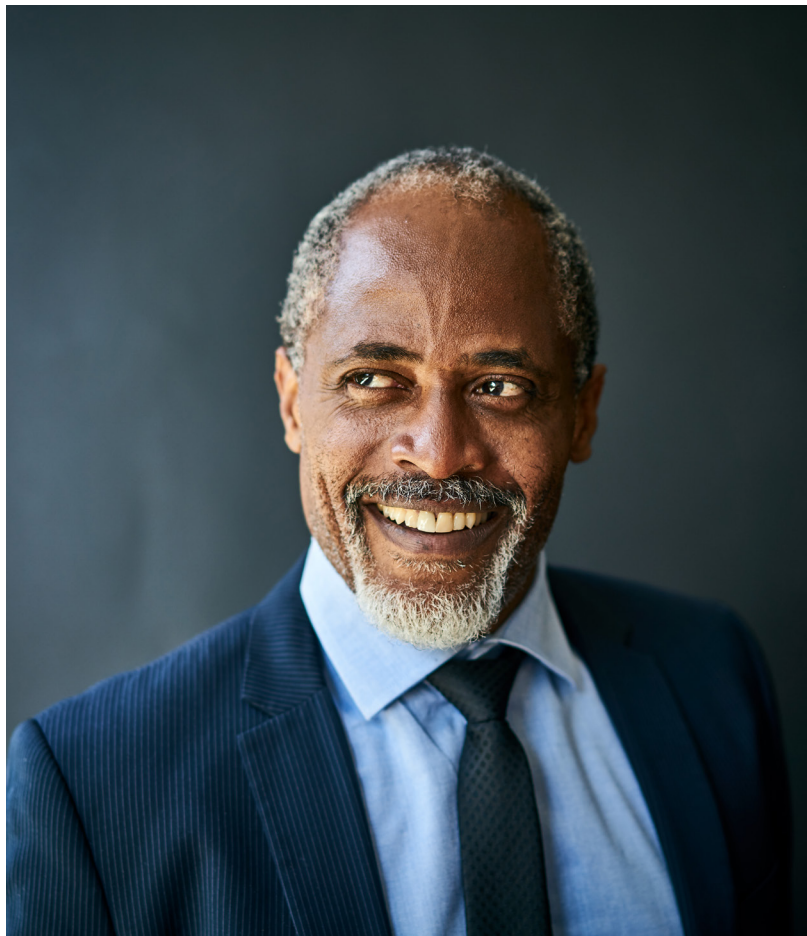
With the speed and breadth of data AI provides, organizations have a tool to adjust their processes, policies, and direction as market conditions warrant and ward off problems before they occur.

“Instead of ... poring through policy on the portal, employees can just ask, ‘Can I fly business class, and can I then invite a colleague for lunch?’” says Nadejda Richard, SAP Concur VP of Product Management. “Because AI is embedded in your application, it will know your location and what country you’re from. This will help users get information on company policies applicable to their very specific context. It saves time, and it leads to lower rejection rates of expense reports.”

On a broader level, organizations can use generative AI to assess their spending policies. A business operating in multiple regions could use AI to identify local requirements and make sure they match the company’s global policy and regulatory requirements. Similarly – to build compliance and lessen confusion – it could use the technology to determine whether its policies and system configuration are aligned. “Because if you’ve got a policy that doesn’t match your configuration,” Dion says, “your employees are not going to know what to do.”

AI can also help a company readily make changes and prevent recurrence after bringing a problem to light. Such as the same department holding onto invoices and incurring late fees. Or a vendor regularly sending invoices to the wrong employee, slowing processing.

“If 100 employees all make the same mistake, it’s costing a lot of money and time. AI allows your organization to make rules that truly matter” Dion says. “You can strategically look at your policies. Is there something problematic in the policy? Do we need to do some training for employees? You start to think on a higher level. Nobody likes to fix the same problem repeatedly. If you can get to the root of the issue and figure out how to stop it, that’s the missing strategic element.”



4 WAYS TO EASE INTO AI

With AI coming to business, employees can take steps to learn about it and become a champion at their organizations.

1

Start by playing around with accessible AI tools like ChatGPT and learn the terminology and differences among, for example, generative AI and machine learning.

2

Find a process with many manual steps that involves spending and risk. Focus on a particular area within your control, such as travel and expense or invoice.

3

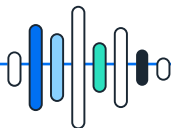
Identify your goal, such as eliminating waste, reducing risk, spotting abnormal expenses, or making predictions.

4

Determine the AI capabilities that could spur improvement, such as applying large language models to documents or using machine learning and image processing for receipts or invoices. Then seek technology providers whose solutions have the capabilities.

Want to learn more about different AI technologies and how you can leverage them to elevate your business? Listen to the SAP Concur Conversations podcast.

AI insights from Oversight



AI insights from Blue dot

Keeping the Human Touch While Boosting Productivity and Retention

Few people dream of being a data entry clerk. But that, in some ways, is what manual processes make of employees who handle receipts, expense reports, invoices, and other travel and finance tasks. It doesn't do much for recruiting and retention. AI could change that.

Think about the increase in job satisfaction and productivity if employees:

- Didn't have to collect and type in each receipt or if a credit card purchase – enabled by AI – prompted a traveler via their mobile app to route the expense to the right report and gave real-time policy tips that helped them stay on top of expenses.
- Had an AI-enabled digital assistant to guide them the first time they booked a trip or filled out an expense report and steered them to compliant choices.
- Saved time and hassle planning trips with the preapproval tool that also ensures they don't have to look through hundreds of pages of spending policies trying to comply.
- Spent less time patrolling inboxes for invoices, typing in details, taking calls from suppliers, and hounding co-workers for approvals and clarifications, because AI-embedded invoice and audit solutions gather the details, perform matching, and flag problems.

“When things are clearer up front, it makes the whole process more seamless, not just for the end user, but also for their manager, for accounting, and for the data

and analytics people as well,” Farrow says.

“When you have an automated platform, you should only be touching the exception,” Dion says.” That's a huge employee experience improvement for a back office.”

It's a change that taps into employees' talent, empowering them to make a difference.

“These professionals have a lot of skills, experience, and value that doesn't encompass looking at receipts on screens all day long and making sure they all match,” Farrow says. “Instead, they can spend time strategically attacking the problems that have been found and then influencing policy, end user training, and other areas. That's actually making change within the organization.”

As the current workforce ages, experience walks out the door, and finance teams confront a talent shortage, it's critical to retain veteran employees and adapt to the evolving expectations younger workers have about job roles and technology.

“ AI solutions don't work by themselves. What they do is eliminate tedious manual tasks and put meaningful information in front of employees so they can apply their experience and strategic thinking to drive improvements. ”

Angelo Farrow, Senior Solutions Consultant, SAP Concur

“It’s especially important with digital natives entering the business world,” Dion says. “Being able to press a button on an app and take a picture of a receipt and fill out the form can be a recruitment and retention tool. You must give them an experience they want to stay with.”

“Companies can have a workforce that is more adaptable to changes in the business environment because they are looking at a broader, strategic picture now that a machine is doing the tactical work,” Dion adds. “They’re able to provide more strategic insight into how money is being spent, how money could be saved, and how the organization could do better from a profit and loss perspective. That’s a paradigm shift for AP teams. It allows career growth, and it allows organizations to hire people who may not be accountants but are fantastic problem solvers. That’s a powerful way to recruit.”

It’s very likely AI will change jobs and the skills required. But judgment, critical reasoning, problem-solving, and institutional knowledge remain valuable business skills. And they are skills that humans will continue to exercise.

“AI will replace manual work, but organizations still need finance professionals to interpret and make sure the information from these tools is accurate,” Dion says. “What AI does is elevate us and turn our problem-solving efficiency into hyperdrive. It’s not AI making the decisions for you. It’s AI that’s applying the rules and then you are taking the action. It’s a natural evolution of business. It’s not going to unseat your expertise in your field. You’re still the expert.”

To learn how to bring out your best with AI , [visit us online](#).

“AI is about statistics. AI is about numbers. ... Once financial people understand the way that AI works, they will be the ones leading the adoption of these tools within the organization.”

Yoni Lavi, co-CEO of Blue dot



SOURCES:

1–5, 7, 8. SAP Concur, [CFO Insights: Repositioning for Growth](#), March 2024

6. [Insight-Driven Compliance: Tax Transformation Trends 2023](#), Deloitte, 2023

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