

Modernizing Expense and Payment Management



Jim McClurkin, senior director for state and local government at SAP Concur, shares how state and local governments can connect and automate different

pieces of the expense and payment ecosystem to better control spending, expedite employee payments and make data-driven decisions.

What challenges do governments face when managing expense and payment processes?

A lot of state and local governments haven't updated their technology stack. They have very manual processes that make it almost impossible to manage expense because they have no visibility into it. In terms of the payment process, there's usually a long delay—typically more than one month—between the time an employee incurs an expense and the time they get paid for it. With today's economy, people need to get reimbursed for out-of-pocket expenses as soon as possible. Without the appropriate technologies in place, organizations have a problem processing that.

What is the vision for modern spend management?

The modern vision is to utilize automation of AI, machine learning (ML) and technologies that are in place to streamline the process, capture data accurately and move that data along. That gives you transparency and enables you to look at your spend as it's happening and to use data you're collecting on all of your spend practices to improve processes. On the employee

side, that means things are captured automatically. For example, when it comes to processing expenses, there's a quick and accurate capture, a fast filing and an immediate audit workflow that's sent directly into the back-office financial system so that everything is immediately in the queue for payment and gets paid quickly.

How can automation help address challenges such as compliance, fraud prevention and decision-making related to budgeting?

When you have an automated system, if someone is about to do something that is noncompliant, the system flags them. Depending on how an organization sets policy, the system can stop the employee completely or allow the spend to proceed but with a warning that the behavior is out of compliance and will be flagged. That impacts how people make their buying decisions. As part of auditing overall, AI, ML and other technologies also work together to detect abnormal or potentially fraudulent behavior. Continual noncompliant behavior is tracked, marked and reported on. In terms of decision-making, intelligent automated solutions give organizations actionable data—sometimes for the first time ever. Organizations can see where they are in their cash flow, their debts, and so on and use that data to make decisions that drive the business outcomes they need.

How can organizations get the most benefit from automation?

The first step is to honestly assess what technology is in place and identify any gaps. Then, to fill those

gaps, use cloud technologies that provide automation, digitization, security and so on. In many cases, organizations have fallen behind and don't have the money to catch up all at once. They need to pick their priorities and build their automated packages so they can continue to build a tech stack that moves their processes forward.

What organizational issues do leaders need to address?

Change management sounds clichéd, but it's really important. If people don't feel like they're part of the project and take responsibility for moving the organization forward, they can slow down implementation and adoption. If you don't help yourself on the front end by bringing the team together and getting everyone on board, you'll struggle.

How can organizations better prepare their bench for automation?

In this day and age, you're looking for folks that are more technically adept, and you need to provide tools that will attract and retain them. For example, if employees can't work within their mobile device to get daily tasks done, it's going to be difficult to recruit and retain employees with the skills your organization needs. Automation itself is also important for maintaining a talented workforce. They don't want to manually scan documents when a machine can do it for them. Along with investing in cloud solutions for major technology purchases, these aspects of the automation story both improve the organization and help grow and stabilize it.

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