

Payhawk

Streamlining spend management: How to get complete control and visibility

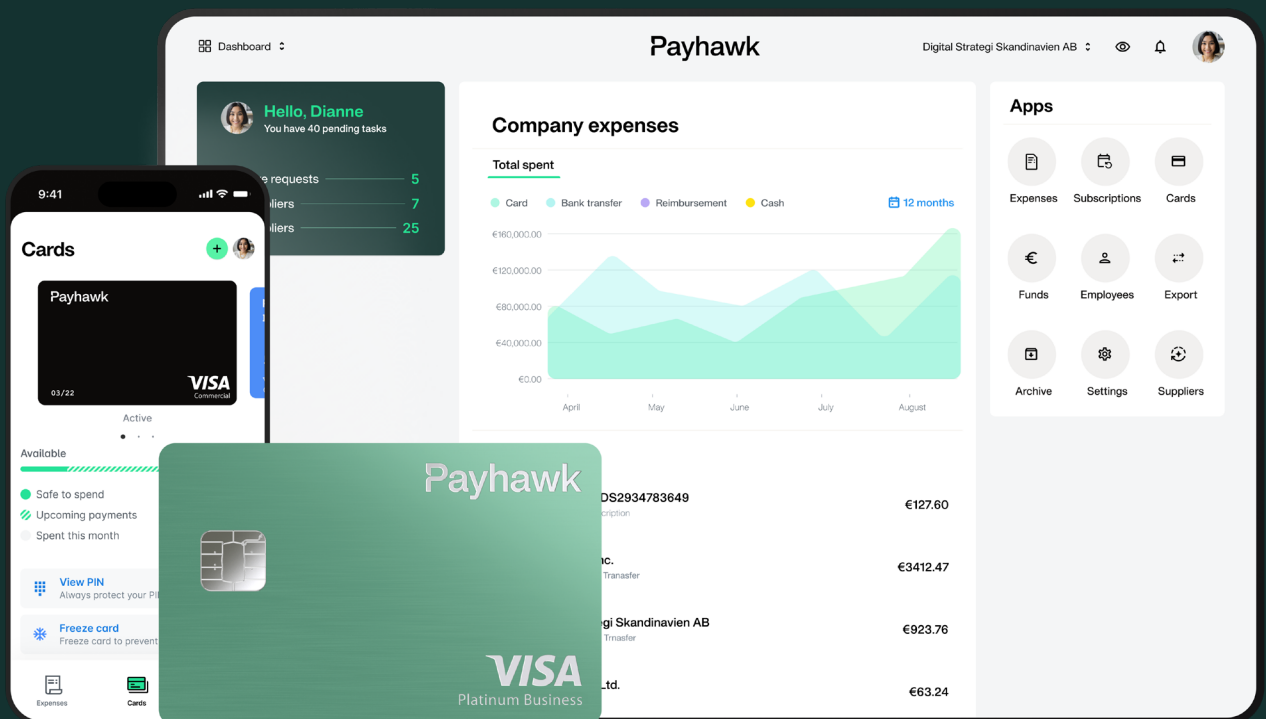


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What you'll learn today

Today's finance leaders and organizations often have significantly different attitudes toward spending — depending on their location. Their perspectives and decisions are shaped by a mix of economic conditions, cultural norms, government regulations, personal preferences, and their adoption of technology.

In this white paper, you'll learn about the specific spend control challenges, opportunities, and opinions of finance professionals across the U.S. and U.K. Plus, you'll discover how modern digital tools can **help them save time and maintain a competitive edge** in this fast-changing market.

Understanding international attitudes toward spending

Controlling spend is a top priority for businesses in the U.S. and U.K. In fact, a recent report shows that 50% of organizations in these regions prefer spending to be approved first, while only 28% allow employees to spend more or less freely.¹

However, it can be **difficult for organizations to manage spend** — especially when relying on multiple card providers, personal cards, and disparate expense management software systems. Often this fragmented approach leads to longer reconciliation times, inefficiencies, and a lack of centralized oversight.

How organizations manage employee spend¹

| **50%** require that all spend be approved first

| **28%** empower employees to spend more or less freely

| **11%** trust employees to spend within reason

| **10%** have immovable budgets to manage their spending within

According to the same report, most employees believe their organization's spend management practices are effective, yet there is still room for improvement. Survey results show that **36% of employees are very concerned** about the level of corporate spending in their organizations.¹

To help bridge this gap, companies may want to focus on faster, more accurate, and centralized reconciliation. This best practice approach saves time, money, and resources and allows finance leaders to dedicate more of their day to important growth and cost-saving initiatives.

Navigating these turbulent times

As economic conditions continue to fluctuate; finance leaders are modifying their strategies to focus on streamlining costs and improving cash flow forecasting. For chief financial officers (CFOs), who have to pull together information from multiple systems or entities, this task can be daunting. But an **all-in-one digital solution that unifies global data** and provides a holistic view of spend, can make the process much more effortless.



54% of finance leaders are **streamlining costs to respond to external pressures** such as inflation and interest rates²

For many businesses, surviving in the current economic climate isn't easy. As a result, 58% have made product or customer experience compromises. Despite these tradeoffs, businesses are still striving to maintain the quality and consistency of their products and services.² In the long term, this strategic approach can **help to sustain customer loyalty and satisfaction**.

Areas where organizations have made the **biggest compromises**:²

50% have increased customer costs

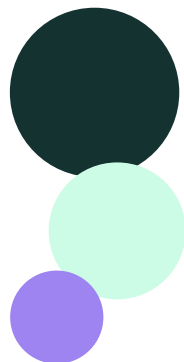
48% reduced the number of products or services

Especially vulnerable to all of these macroeconomic challenges are small businesses. Only 24% believe their finance function is agile enough to cope with these changes. In contrast, over 50% of medium and large organizations are confident that their finance function is highly agile and well-equipped to handle today's dynamic landscape.²

Uncovering the top challenges and priorities of CFOs

Along with staying on top of industry and market changes, CFOs are increasingly tasked with managing a myriad of competing priorities. They have to carefully balance financial risks with growth opportunities and ensure financial goals are aligned with operational priorities. Plus, they have to manage both short- and long-term objectives.

Top 3 CFO challenges²



58% balancing risks with growth

56% aligning financial goals with operational priorities

45% managing short-term and long-term objectives



To drive sustainable growth, CFOs need a holistic view of their organization's finances and a solid grasp of its future outlook. But this can be tricky to achieve when using several different solutions. Or worse, when the solutions they use don't talk to each other. This likely explains why our research found that **CFOs are focused on these three priorities over the next 18 months:**²

- ✓ **Improving** forecasting accuracy
- ✓ **Building** a more agile and strategic team
- ✓ **Investing** in digital transformation

CFOs who are still using solutions from the first wave of digital transformation are in a prime position to transition to more advanced technologies. The second wave of digital transformation has introduced all-in-one digital solutions equipped with AI and automation. By adopting one of these powerful, integrated tools, **CFOs can significantly enhance efficiency and innovation across their entire organization** – and gain a deeper understanding of cross-business operations.

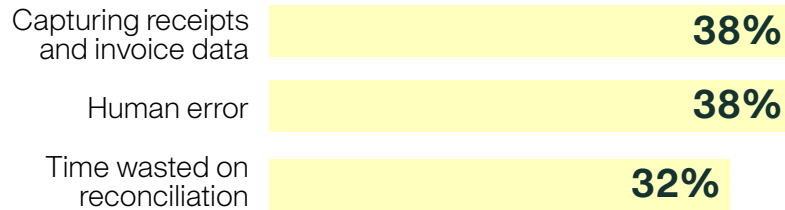
Defining the biggest challenges in spend management

For CFOs who are managing multiple spend management tools, the biggest challenges they face are a **lack of visibility and transparency (85%), followed by maintaining data quality and consistency (73%).**² Using disparate, disconnected solutions or old legacy systems poses a host of other problems too. For example, ineffective software often results in siloed data, which can hinder decision-making, create redundancies, and make it difficult to identify trends or even potential problems.

Similarly, companies that have to chase down paper receipts and manually enter data face issues with human error and lengthy reconciliation times. From the employee perspective, these types of operational tasks waste time and strain finance teams.

Biggest spend management challenges¹

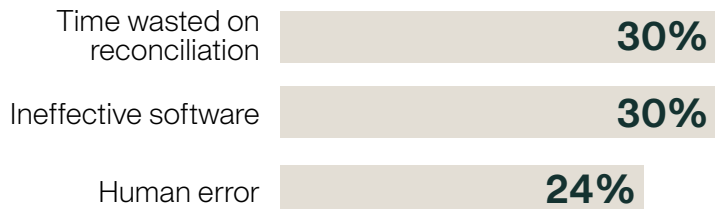
Small businesses



Medium companies



Large companies



To overcome these challenges, businesses have identified some of their **top spend management priorities**. This includes forecasting future business spend, improving data verification, analyzing spend data, and reducing manual processes and human error. Centralizing expense data is also particularly crucial as it helps streamline operations, enhance control, and provide a clearer, more accurate picture of organizational spending.

It's important to note that **priorities vary quite a bit based on the size of the company**. While small businesses are primarily focused on improving data verification (49%), medium-sized businesses are concerned with analyzing spend data (47%). And for large companies, forecasting future spend is at the top of their list (46%).¹



Centralizing global data to overcome spend management issues

According to **93% of finance professionals, harnessing centralized data analytics is challenging.**² Often, they have to gather data from various regional systems, which complicates financial decision-making and forecasting.

Fortunately, **all-in-one global finance solutions are now available**, making it easier to track, manage, and analyze data all on a single platform. Being able to see data from across the organization in real-time can help businesses improve cash-flow control, streamline workflows, and make closing the month much easier across all of their locations.

Another benefit of replacing traditional expense management systems with a single solution is **being able to establish global standardization**. This allows companies to operate more consistently and smoothly. At the same time, this type of technology provides companies with the flexibility they need to support teams and projects in different regions.

Even though today's finance professionals often use different types of solutions, they overwhelmingly agree that finance technology helps them make better, more informed decisions.



98% of finance professionals use finance technology to support decision-making²





Reviewing key fintech regulations and investments

Big traditional banks used to be the only institutions widely trusted for financial services. However, the fintech industry is increasingly seen as trustworthy due to a host of stringent rules and regulations around data protection, transaction security, and more. Some of the most common ones include:

- ✓ **Consumer protection laws** – The goal of these laws is to protect consumers from unfair or deceptive practices. They require fintech companies to be upfront about fees, terms and conditions, and fair lending practices.
- ✓ **Cybersecurity regulations** – To protect consumer data from breaches and cyberattacks, fintech companies must implement appropriate security measures such as secure authentication, Advanced Encryption Standard (AES)-256, and Service Organization Control (SOC) 2 Type 2.
- ✓ **Data privacy and protection laws** – The General Data Protection Regulation (GDPR) in Europe and the California Consumer Privacy Act (CCPA) in the U.S., require fintech companies to handle consumer data responsibly and securely. Fintech companies can further demonstrate their commitment to information security by becoming ISO 27001 certified.
- ✓ **Know Your Customer guidelines** – To help prevent fraud, fintech firms must also verify the identity and risks of their customers.
- ✓ **Payment Card Industry Data Security Standard** – These important guidelines help fintech companies protect credit card information.

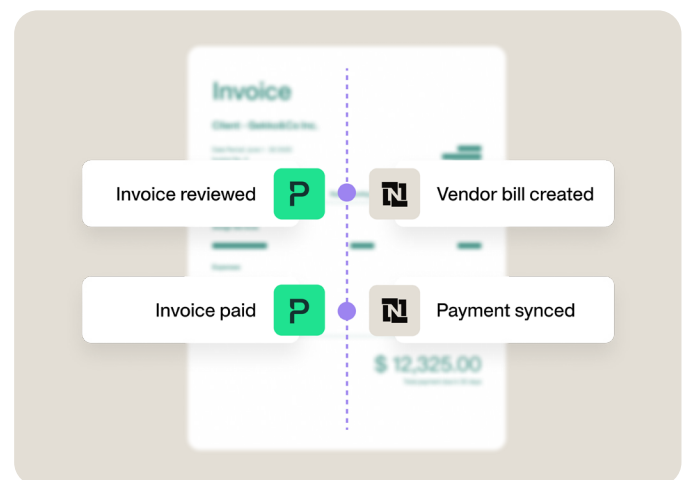
Complying with the latest regulations **enhances the credibility of fintech companies** –

and it instills greater confidence in their services among businesses and consumers. In fact, companies in both the U.S. and the U.K. are planning significant investments in their tech stacks. By adopting new fintech tools and initiatives, they are hoping to: ¹

43% achieve better internal spend control

43% improve efficiency

40% minimize risk



Identifying the benefits of all-in-one global spend management solutions

For companies that are looking to streamline their spend management processes, enhance financial control, and achieve greater visibility over company expenses, an all-in-one solution may be just what they need. Here are some **additional advantages of using a single integrated solution**:



Access centralized data in real-time – One of the most important benefits of using this type of solution is that it allows finance leaders to view data across all locations in real time. This level of transparency helps them make better financial decisions, navigate industry challenges, and seize opportunities to stay ahead of the competition.



Improve spend control and oversight – By combining corporate card and expense management in one place, companies can control spend across hundreds or thousands of employees and multiple sites. With a click of a button, they easily view reimbursements, expenses, and even top spenders by team.



Standardize expense management – Instead of having to update multiple systems, companies can make changes on one platform and see them rolled out automatically across their global business. Along with ensuring compliance, standardization can help companies improve quality and consistency. In turn, this can lead to greater customer satisfaction.



Boost efficiency – All-in-one solutions can also help companies streamline workflows and automate manual processes. This can save companies hours, if not days, each month. And it can reduce human error, making sure that spend is allocated to the right places.



Track carbon emissions – As new sustainability rules and regulations continue to roll out, it's never been more important for companies to collect data for ESG reporting. Some solutions, including Payhawk Green, enable finance teams to track their company's carbon footprint through corporate card spending.

Last, an all-in-one global spend management solution can **help finance teams close the month faster and more stress-free**.

Transforming your global business with Payhawk

Whether you're a start-up business operating with just one or two corporate cards or a mid-sized company juggling several unintegrated software solutions, **we can help you easily manage all aspects of your company's expenses.**

Our comprehensive financial management platform is designed to **streamline corporate spending and expense management.** It seamlessly integrates corporate cards, expense tracking, and real-time analytics, helping global businesses like yours achieve greater financial control and efficiency. Plus, our platform's features can enhance visibility across your organization, automate processes, and support sustainability initiatives through accurate carbon footprint tracking.



✓ By **switching to Payhawk**, your business could:

Save up to
4 days
a week

Get
100%
real-time visibility

Cut manual work
by up to
50%

Close the
month up to
2x
faster





Customer success story

Before Payhawk, State of Play Hospitality, a pioneer in technology-enabled experiential leisure concepts, relied on multiple disconnected tools to manage its finances. But what this growing business needed was a single global platform that could operate across the U.S. and the U.K.

Since moving to Payhawk, the State of Play Hospitality team has been able to save time and make better decisions thanks to complete visibility over its multi-entity spend. The company has also been able to:

- ✓ Create custom fields to help cardholders categorize spend
- ✓ Quickly identify variances and potential overspending issues
- ✓ Instantly issue cards for teammates — with the exact limit they need
- ✓ See receipts and invoices directly in its ERP because of Payhawk's seamless integration

Additionally, Payhawk has helped State of Play Hospitality **make its finances clear and easy to manage.**

Sources:

¹State of Business Spend Management 2024: Survey Highlights

²Raconteur x Payhawk, The CFO Agenda: Unlocking Growth Without Compromise, July 2024

“ **Businesses have all sorts of challenges with expenses. It's complicated.** You need a ton of documentation. You need to make sure you have proper record keeping. **And Payhawk really enables businesses to do that in a very digital, very transparent way.** I think Payhawk is now recognized as one of the best expense management platforms out there. We love working with innovative fintechs. They really challenge us to do things differently, to do things faster, to use our tools in different kinds of ways. And so we welcome these partnerships, and welcome working with Payhawk as they expand around the world. ”

Charlotte Hogg, CEO of Visa Europe



If you'd like to learn how Payhawk can help drive your business forward, visit payhawk.com today.

