



The Modern CFO

The changing tasks of finance professionals

Pain points and expense management solutions

The changing tasks of finance professionals: pain points and expense management solutions

Sharp price increases and rising inflation have pushed a number of countries towards potential recession over the past year. This poses a number of challenges for businesses and their finance departments, whose roles have changed significantly over recent years. They now play a crucial role in ensuring the financial health of organisations, and help upper management with a range of crucial business functions.

Today's finance professionals don't just deal with their traditional duties, like accounting and reporting. There are many new responsibilities that have emerged as a result of the current economic climate. Tasks like budgeting now take greater priority than before, and the finance team is more involved than ever in developing proactive strategies to protect businesses from the consequences of recession.

Data shows that many companies are tightening their belts. Spending is being scrutinised in much greater detail, which has made the advice offered by finance professionals more valuable than ever. However, to fulfil their new role and manage spending properly, finance professionals need real-time financial insights.

How do they do this? What pain points do they have when it comes to spend management, budgeting and expense claims? And how do colleagues from other departments view some of the trickier financial processes that finance teams use day to day?

To find out the answers, we asked more than 500 finance professionals and over 500 office workers about their experiences with finance. We focussed specifically on the Netherlands which, as one of the most financially integrated and digitally proficient economies in Europe, can be seen as a bellwether for the future of finance in business.

In this white paper we'll summarise the respondents' answers to give a clear overview of the main pain points that finance professionals face in these economically challenging times. We'll also outline a few potential solutions that can help ease the pressure.

01

The typical activities of a finance professional

While it may seem glacial to outsiders, the world of finance is ever-changing. Unsurprisingly, this change is felt most directly in the finance department, which has had a big impact on how finance professionals spend their time. Where they were previously busy, for the most part, with ensuring accurate reporting and balancing accounts, a much broader set of responsibilities is expected nowadays. Where the finance department was perhaps considered somewhat separate from the rest of the company before, it now often acts as a point of contact between other departments. It plays a much more strategic role within the organisation, and is increasingly included in top-level decision making processes.

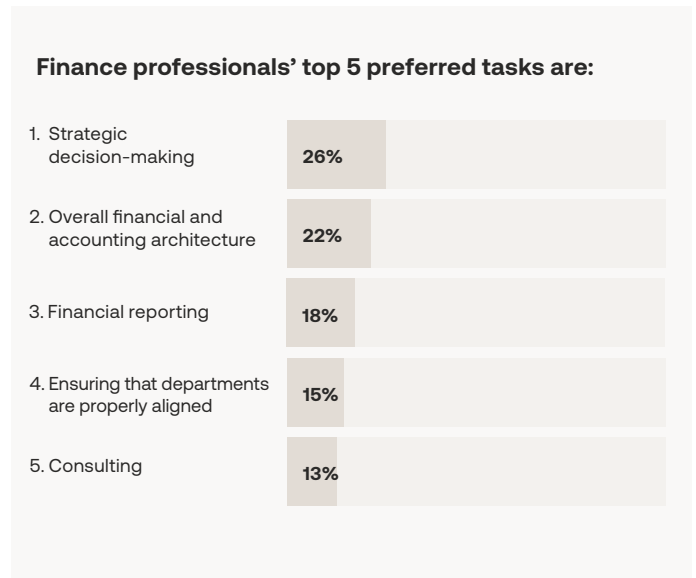
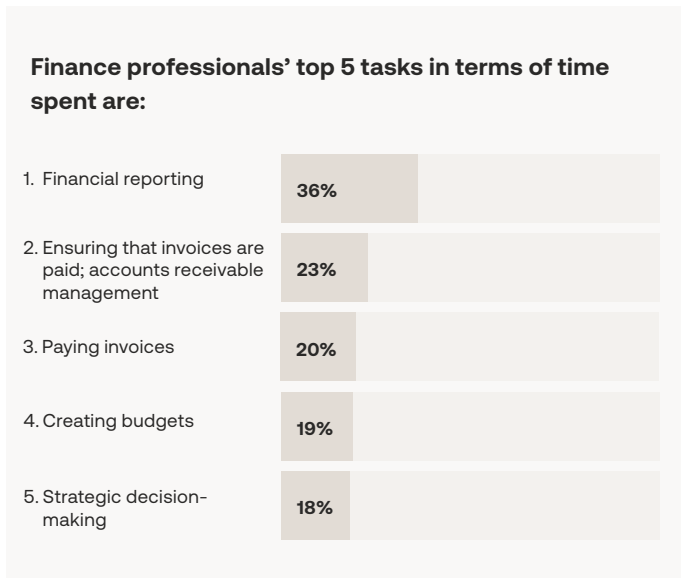
So, what activities does the average finance professional perform in 2023?

According to our research, they spend most of their time on financial reporting (**36%**) and accounts receivable management (**23%**). The current economic climate doesn't mean that customers are no longer able to pay their bills, but it does mean that it's more important than ever for companies to optimise their cash flow. What is striking is that, when asked what they want to spend their time on, just **6%** of finance professionals say they want to deal with accounts receivable. Additionally, while **20%** of finance professionals are busy paying invoices, just **4%** say they actually want to be doing so.

More time for strategic decision-making

It's also apparent that finance professionals would rather spend their time on work that can make a difference to the business in the long term. Our research reveals that **26%** would prefer to dedicate their time to strategic decision-making, while **22%** would rather spend their time working on overall financial and accounting architecture. In other words, the average finance professional would like to make the switch from a task-based role to a more strategic one.

At the same time, there are also a number of tasks that finance professionals spend a lot of time on that they would like to continue. One example is financial reporting (**36%**),



Finance professionals in smaller companies in particular spend a lot of time on accounts receivable — (11–25 employees: 25% vs 501–1,000 employees: 19%).



which **18%** say they would like to spend even more time doing. This is especially true of finance professionals working in larger companies — (11-25 employees: **18%** vs. 502-1,000 employees: **30%**)

Changes in finance professionals' activities

So, we've discussed how the role of finance professionals is changing. But what aspects of these role changes can be linked to economic uncertainty? Of our respondents, **45%** say that the potential recession means that they need to pay closer attention to budgets, and therefore budget overruns. It's now more important than ever for spending to fall in line with what is sustainable for the organisation.

Indeed, this is mimicked in the survey results, with **36%** of respondents saying they are expected to have greater control over company expenditure.

It's also important that finance professionals closely monitor spending in order to detect overruns. This has led to **26%** of finance professionals working on budgeting and reporting tasks more frequently than before. Unfortunately, the weaker economic situation also means that **9%** of finance professionals have to pay bills and reimburse expense claims more slowly. Those who have not noticed any change as a result of economic developments are in the minority — just **29%**.

The uncertain economic situation makes financial accountability more necessary for 26% of finance professionals.

02

Real-time insights and monitoring

Economic uncertainty has made real-time financial insights crucial — **58%** of organisations increasingly require real-time spending insights. With the right insights, finance professionals can know exactly what is happening, what actions to take, and whether or not to curb spending. Compare that with the situation a few years ago, where the finance department would busy themselves a couple of times a year to present figures to upper management. Three quarters (**77%**) of organisations have seen spending insights become even more crucial this year because of economic difficulties.

It's important for organisations to take a number of factors into account if they want to gain real-time insights. First and foremost, real-time insights are entirely dependent on data collection, i.e. how data is collected and how much. Nowadays it is often the case that separate departments in an organisation operate independently of one another, meaning that the data they collect is not connected. Data may also be stored across a variety of systems, and maybe even on paper. This means that organisations should start by creating and implementing a uniform approach towards data collection and data management, connecting the different data sources afterwards. This allows them to move away from siloed working and lets the finance department use standard, centralised workflows. As a result they can, for example, see at a glance which spending is coming from the marketing department, which projects have been won by the sales team, and which invoices will have to be sent out next month. 'Integration' is the magic word here because it allows for a seamless connection between an organisation's accounting software and budgeting tools.

Gaining insights into finance – a full-time job

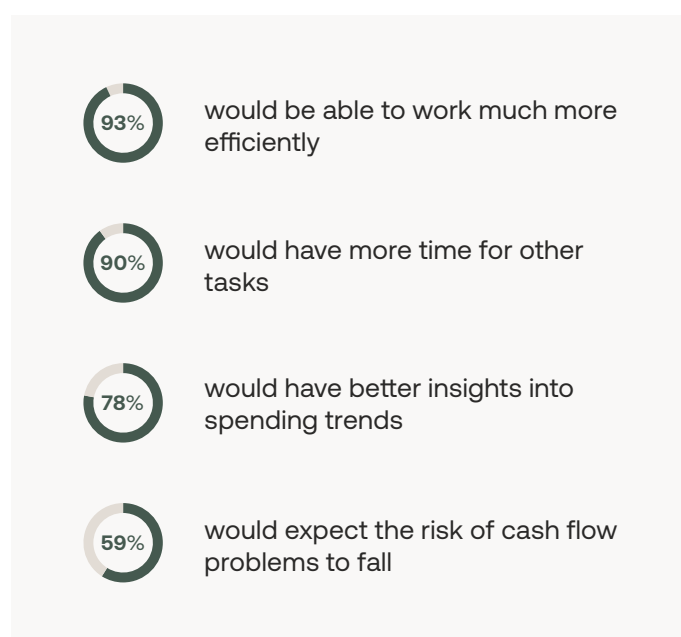
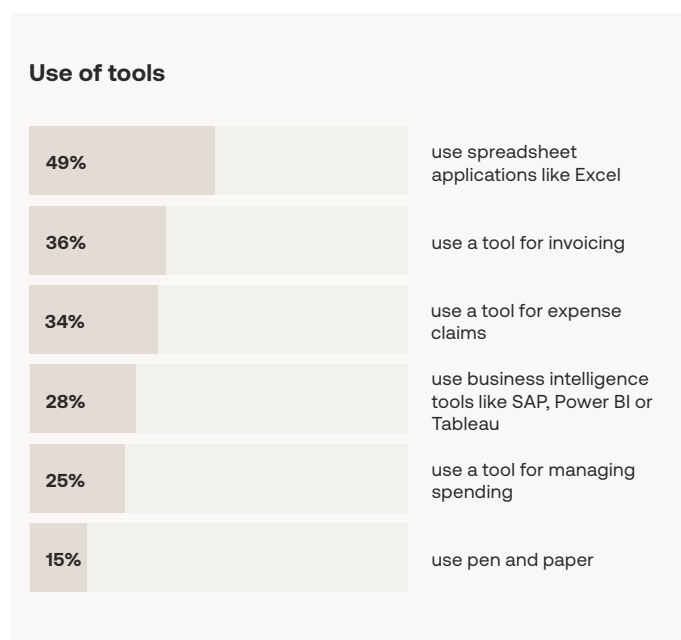
Once all data sources have been connected, the data needs to be processed and analysed by the right tools to give finance professionals real-time insights. The software can automate some of the tasks, present trends, or display certain items which the team needs to keep an eye on. But this takes a lot of time — **39%** of finance professionals now consider gaining insights into financial data a full time role in itself.

For many other finance professionals, this situation is still some way off. One in three (**36%**) still find it difficult to get an overall picture of spending within their organisation. This is reflected in their spending policies. As many as **29%** of finance professionals have little insight into the expenditure incurred by their colleagues, and **28%** say they have found out about budget overruns too late.

Gaining insights can also still be difficult because there are many manual steps involved in financial processes. This includes paper receipts that have to be processed and manually entering expense claims. Unsurprisingly this causes a lot of frustration among finance professionals. A notable **41%** are frustrated that they still have a lot of manual work to do when it comes to managing spend. Not only is this time consuming, the likelihood of mistakes is also many times higher. Even one minor human error can lead to major administrative costs.

Use of tools

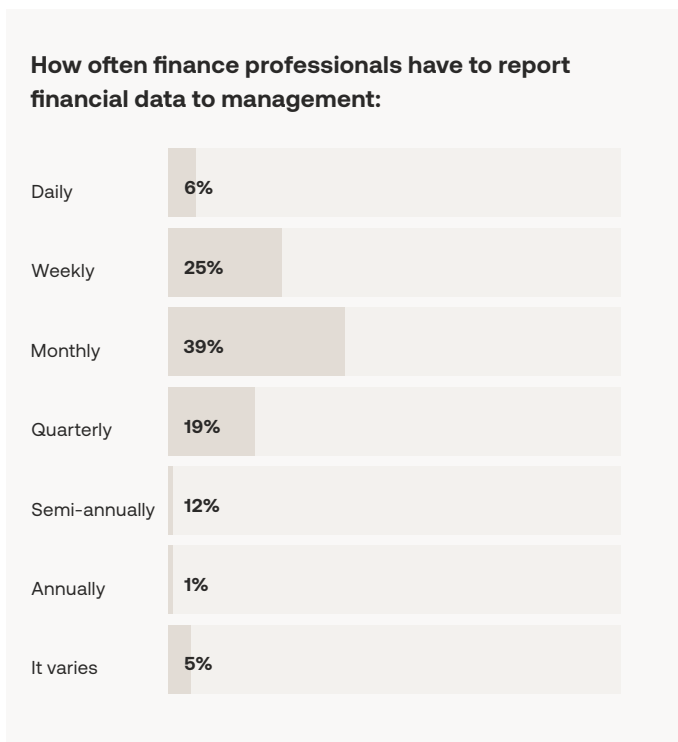
Many companies have already made the transition to digital tools for accounting operations. But, at the same time, **15%** of finance professionals still use pen and paper. This is particularly true among smaller companies — (11–25 employees: **16%** vs 501–1,000 employees: **7%**).



The rest of the companies surveyed have already invested in tools for digitising accounting processes wherever possible and, in some cases, even automating them.

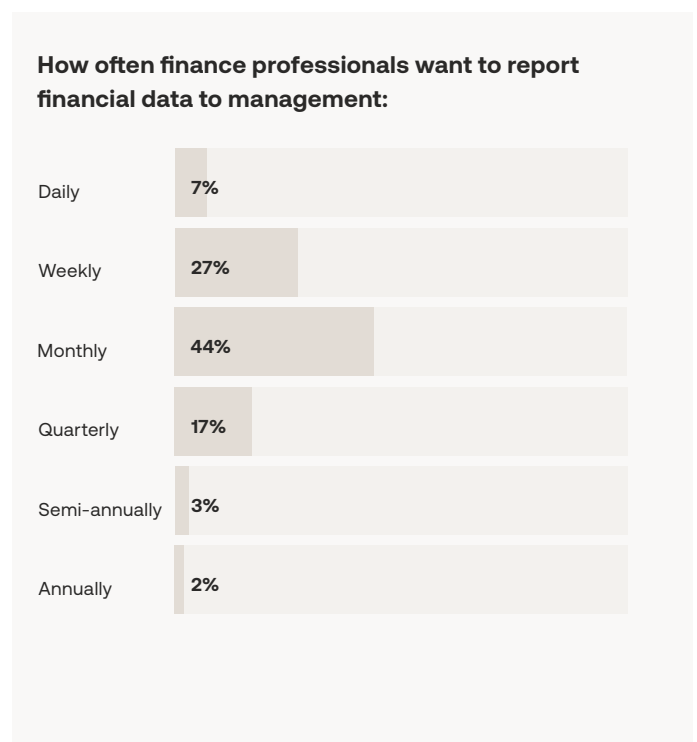
No matter what tools finance professionals use, **44%** agree that entering data into their accounting system should be less complex. Where this is the case, no less than **93%** expect that they would be able to work much more efficiently.

If entering expenditure into the accounting system were less complicated, then:



Financial reporting

When finance professionals are able to use the right integrations and tools to obtain adequate insights into finances, they also find it easier to produce financial reports. This is one of the main tasks that finance professionals carry out: three quarters (**72%**) say it's in their remit. But how often are finance professionals expected to prepare reports? Most currently report on a monthly basis (**39%**) and say that reporting on a monthly basis is their preference (**44%**). Due to current economic uncertainties, **46%** of respondents say they are now reporting financial data more frequently than they were a few years ago.



Integration needed: as many as one-third of finance professionals still work with decentralised spend management tools.

03

Cumbersome expense claims processes

Handling expense claims is another core part of finance professionals' day to day work. In total, **16%** say they have to enter receipts into the accounting system, **13%** say they have to approve expense claims, **12%** have to collect receipts, and **6%** have to reimburse expenses.

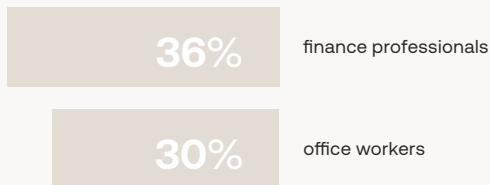
However, in many cases, employees are required to pay expenses in advance before the finance team can carry out any of these tasks. Two in 10 employees (**19%**) say that they simply do not have the money to pay expenses in advance. Meanwhile, the number of finance professionals who say they have experienced this is even higher, at **27%**. Rising inflation is a major factor here, as **30%** of office workers are less likely to pay business expenses in advance as a result of the wider economic situation. Among finance professionals the proportion rises to **36%**.



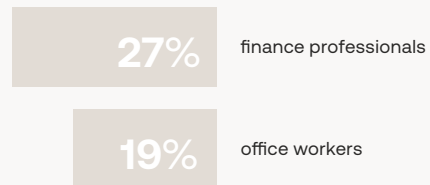
A business credit card stops employees having to pay expenses in advance.

Paying expenses in advance

Percentage of individuals who say that they are less likely to pay business expenses in advance due to the current economic environment:



Percentage of individuals who say that they do not have the money to pay expenses for their company in advance:



15% of office workers never pay business expenses in advance.

When employees do pay business expenses in advance they do not always claim them back. For instance, **30%** of office workers have spent their own money on small business-related purchases because they felt like reclaiming the cost was not worth the effort. What's more, **20%** have paid business expenses out of their own pocket because they simply forgot to claim reimbursement. A further **8%** are happy to pay business expenses out of pocket because it makes them feel connected to the company.

Our survey also reveals that finance professionals do not find it surprising that expense claims are not always submitted. A quarter (**24%**) understand that colleagues do not want to submit expense claims due to cumbersome processes. Meanwhile, **30%** of office workers feel that the expense claim process is too cumbersome, while **9%** have paid expenses out of their own pocket for this very reason.

As a result, **39%** of finance professionals believe that the process should be made simpler. This would allow employees to access easy reimbursement for money that they've spent on behalf of their company.

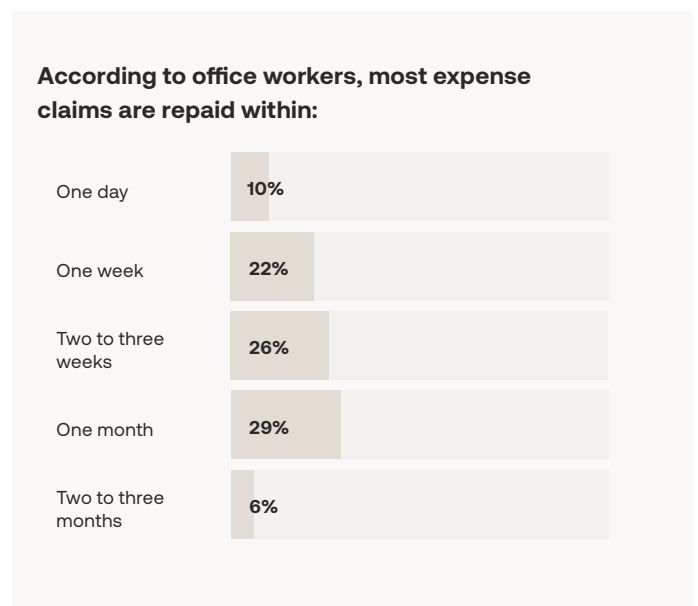
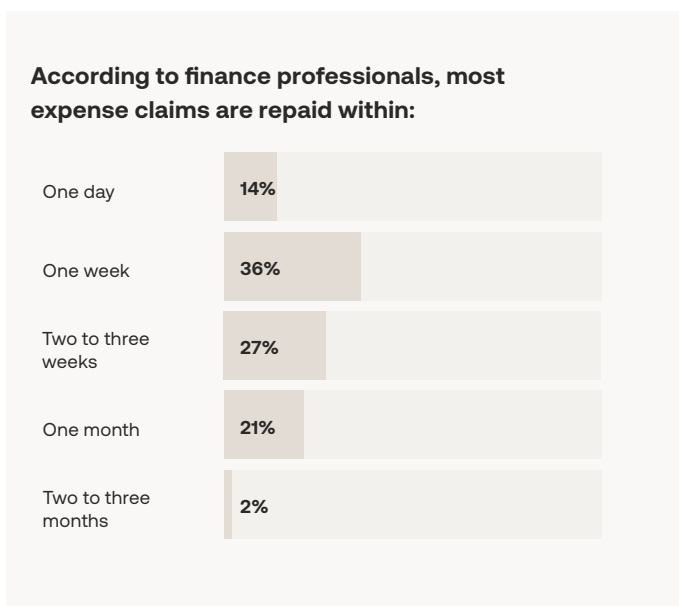
Payment of expense claims

Cumbersome processes not only prevent office workers from submitting their expense claims, they also mean that reimbursements are often paid late. In fact, almost a quarter

of office workers feel that their expense claims take too long to be repaid. But exactly how long does it take? On average, **20%** of office workers have to wait a month for their claims to be paid, with **6%** having to wait two to three months. However, **36%** of finance professionals feel that the process is a lot quicker, with most claims being repaid within a week.

Our survey also revealed that late repayments weigh heavily on finance professionals, with **48%** saying they feel guilty if colleagues have to wait a long time to be reimbursed. Most would agree that prompt reimbursement is especially important now that the average person is a little less well off than before. In fact, **20%** of office workers are afraid of getting into money problems if they have to wait a long time for reimbursement from their employer.

A common issue that many employees encounter when declaring business expenses is remembering to store and record proof of payment. One in three office workers (**33%**) reported losing out on reimbursement because of lost receipts. Finance professionals report the same — one quarter (**24%**) regularly deal with colleagues who submit expense claims without a receipt. This has implications for the employer too, as **20%** lose out on VAT refunds due to receipts not being returned on time.



04

Conclusion

Our data validates the common saying that no two days are the same for finance professionals. In fact, finance was one of the first professions to bear the consequences of the current economic downturn. Now that we seem to be heading towards recession, finance professionals are expected to closely monitor the financial health of their organisations, which makes access to real-time financial insights more important than ever. However, obtaining real-time insights is easier said than done, as processes and systems surrounding finances are still seldom centralised. This makes it more difficult to maintain real spending control – something that management expects.



Many finance professionals are still burdened with repetitive, manual tasks when they would rather be focusing their attention at a higher level. They would rather be involved in strategic decision-making and see opportunities for improving financial and accounting architecture. However, this is fully possible if finance teams have the opportunity to use technology in the right way. Automating and integrating processes and tools allows finance professionals to minimise repetitive tasks. This frees up time that can be spent on more strategic activities.

These tools are also essential for office workers, who see the general expense claim process as being too complicated. This often leads to them having to pay their business expenses out of pocket. When they do submit a claim, poor processes may mean that it takes a month or more for their claim to be reimbursed. This is too long under normal circumstances, but especially so at a time when many people are finding it harder to get by. Businesses also lose money when expense claims are submitted without receipts.

Luckily, automated expense management systems can eliminate all of the pain points that finance professionals and general employees experience in relation to expenses.

An automated expense management system can eliminate the pain points that finance professionals and office workers both face. However, it's important for companies to invest in the right systems and invest in integrating them properly. This ensures access to real-time insights and allows office workers and finance professionals to navigate finance-related processes with greater ease. It also speeds up the expense claim process and improves budgeting and ledger accuracy. All of these factors work together to improve companies' financial health through complete spending control.

About the study

This study was carried out by market research firm PanelWizard on behalf of Moss. The study surveyed 560 finance professionals involved in processing and reporting expense claims. In addition, the study asked 560 office workers about the financial processes that they have to deal with in their organisation.

About Moss

Moss is the go-to financial management tool for spend and expense management. Moss's technology-driven tools provide corporate customers with secure, easy access to virtual and physical credit cards which can operate on a credit or debit model. Moss gives companies more control, transparency and insights, saves time and money, and gives individual employees greater flexibility and autonomy. In addition to cards, Moss also automates expense claims and invoices through integrations with accounting systems including Exact, Xero, Microsoft Dynamics, Netsuite and SAP. The Moss platform, which was established in Germany in 2019, is seeing rapid growth, with more than 2,000 active customers, including TicketSwap and Corendon. Moss is an e-money institution (EMI) licensed by the German Federal Financial Supervisory Authority (BaFin). More information can be found at www.getmoss.com/en-gb.

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