A BANKING CIRCLE GROUP COMPANY

WHITE PAPER

Sustainability and Growth Through Automated Expense Management

www.b4bpayments.com

INTRODUCTION:

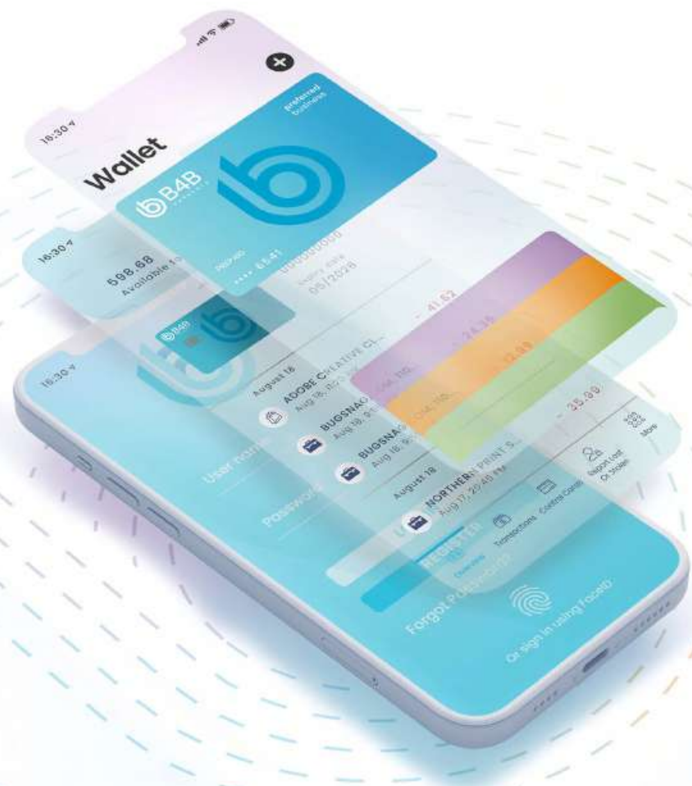
Minimizing the impact of an unstable economy, and developing strategies to remain resilient while keeping an eye on cash flow is a high priority for many financial business leaders. Issues of revenue and supply chain disruption, revenue challenges, and increased operational cost continue to linger.

Businesses that have adapted to the changing landscape have demonstrated greater financial resilience and an ability to quickly pivot toward digital transformation;adapting in areas such as e-commerce, remote work models, and digital services.

Another area of focus is the digitalization and optimization of expense management to support a global and remote workforce. The move to digital payments has exposed non-digital elements of day-to-day workstreams and highlighted the over-reliance on antiquated, manual processes and the resulting inefficiencies – and even breakdowns – that threatened business continuity and the bottom line.

In part, the reason for the shift in digital payments has come about due to what is described as the consumerization of business payments. Anyone carrying the titles of CEO, CFO, manager, division lead, and so forth is also a consumer.

Unsurprisingly, the fast, frictionless payment transactions consumers continue to experience have significantly influenced user expectations in business-to-business (B2B) transactions. These new norms have shifted expectations where control, visibility, data, and automation are key when managing complex financial transactions.



The Pains of Expense Management

The majority of the payments innovation and internal processes have been focused on streamlining collections or managing remittances.

An underlooked area is the complexity of managing expenses for a typical finance team to support business growth.

According to a recent study* by CFOdive of financial leaders said travel and expense management "absorbs too much time and attention" while wasting countless hours correcting errors annually.

20 MINS
Average time to complete one expense report

$58
Average cost of processing one expense report

19%
Average percent of expense report errors

18 MINS
Average time to correct and expense report

$52
Average cost to correct an expense report

***Source:** The previously cited study by CFODive (Financial leader say).

The Top Five Challenges

With easier-to-use digital payment tools, businesses have gotten much savvier and are realizing the value of optimizing expense management processes which is crucial for:

Cost Savings:

Ineffective expense management leads to unnecessary spending, incorrect classifications, and resolution and friction between between teams. Effective expense management allows businesses to identify cost-saving opportunities, negotiate better terms with suppliers, and implement strategies to control and reduce expenses. This ultimately leads to improved profitability and financial health.

Lack of Financial Visibility and Control:

By empowering finance teams to customize categories, download reports in multiple formats and set approval workflows and spend limits, businesses can enhance their expense management process. Without proper expense management businesses are challenged to track spending patterns, identify trends, and make informed decisions on budgeting, resource allocation, and investment strategies.

Compliance and Risk Mitigation:

Many financial executives believe employee violations of travel and expense policies will become a bigger issue as their companies grow. Without effective processes, compliance risks and financial integrity cannot be mitigated leading to fraud, errors and misuse. With an outsourced expense management program businesses can ensure compliance with internal policies, industry regulations, and legal requirements. This reduces the risk of fraud, errors, and non-compliance. Effective expense management processes include proper documentation, approval workflows, and auditing procedures, which help mitigate risks and maintain financial integrity.

Efficiency and Productivity:

Manual processes, such as manual data entry, paper-based expense reporting, and manual approval workflows, are time-consuming and prone to errors. By optimizing these processes through digital solutions and automation, businesses can save time, reduce administrative burdens, and allocate resources more efficiently.

Scalability and Growth:

As a company expands, its expense management processes must handle increased transaction volumes, diverse expense types, and a growing workforce. Efficient expense management processes that are scalable and designed to support the growth of a business without creating bottlenecks are key to long term success.

There is a cost each time employees spend for work, but businesses sometimes overlook the hidden costs associated with manual and overly simplistic expense management processes.

These hidden cost can come in the form of:

- Added costs that an employee may take on and pass on from using their personal payment card *(e.g., credit interests and fees).*
- The time and salary for administrative tasks that could be automated.
- A lack of financial data to make better decisions.

Financial leaders say their highest priorities for 2023 are:

Adopting new technologies or replacing legacy systems in the finance department

(42%)

Maximizing productivity and driving efficiencies

(41%)

Nine out of ten finance executives

(88%)

agree that fintech will be an essential growth driver for companies over the next five years.

***Source:** The previously cited study by CFODive (Financial leader say).

B4B Payments' Digital First Approach to Helping Businesses

By working with businesses in various regions of the world for over 15 years, B4B Payments is a leading, commercially focused fintech that understands the challenges businesses face.

We've leveraged our experience and payment knowledge of different industry requirements, regulations, and preferences to create a highly flexible, unified expense management solution that meets companies where they are in their digital transformation processes.

Fast and Seamless

With simple API plug-and-play functionality, our simple, intuitive expense management platform allows your finance team to issue virtual and physical cards anywhere in the world, load funds and have them made available to your employees in seconds.

For example, we can have a company onboarded and operating within days, and a finance manager looking to load more than 1,000 virtual cards globally can do so in less than five seconds (4.5 sec.) with funds made visible and available for use by recipients occurring in a flat two seconds.

Our easy-to-use platform allows companies to set spend limits, download reports, monitor transactions and customize your expenses according to your policy. For full control and customization, you can also integrate our services into your ERP or finance platform.

We've also made it easy for employees to use their cards on the go with our Android and iOS cardholder app that allows them to track their balance, see the transactions and upload receipts.

The Speed of B4B Payments

2 days:

Length of time it can take a company to get up and running on the B4B Platform once funds are added to th account

4.5 seconds:

Amount of time it can take to load funds onto 1,000 + virtual cards *(globally)*

2 seconds:

Amount of time it can take for funds to be visible and usable by employee(s) *(globally)*

> *"The speed and efficiency at which I can manage our teams' expenses, whether it be on the fly for immediate needs while traveling or planned or prep automated expenses with simple classifications, and the best part of from an accounting standpoint is that all transactions and reporting happens instantaneously, making reporting and management of our processes extremely simple,"* said Christina Pocsik, Finance Manager for B4B US operating division. *"Using our solution allows me to experience, first hand, the value we deliver to companies."*

Beyond the impressive speed of fund delivery, B4B Payments enables financial teams to connect each company card or payment to a specific employee or group of employees to enable the ability to track expenses in real-time by the desired segment and adjust amounts.

Companies can categorize and fund all expenses with the ability to manage spending (codes) at the:

- Department Level
- Team Level
- Project Level
- Individual Level
- Custom Level

Finance gains further control by having the ability to:

- Schedule automatic top-ups *(card reloads)*
- Control where funds can be spent *(restrict specific merchants such as alcohol and gambling)*
- Place spending limits on each card
- Instantly see digital receipts uploaded into the system by employees

B4B Payments' pre-funded corporate expense solution offers businesses great flexibility and control.

Employee expense reimbursement:

Pre-funded accounts can be used to streamline the reimbursement process for employee expenses. Instead of employees paying out of pocket and waiting for reimbursement, funds can be pre-loaded into individual accounts, allowing employees to make necessary purchases directly using the account balance. This eliminates the need for employees to wait for reimbursement, reducing administrative burden and improving cash flow for both employees and the company.

Travel and per diem expenses:

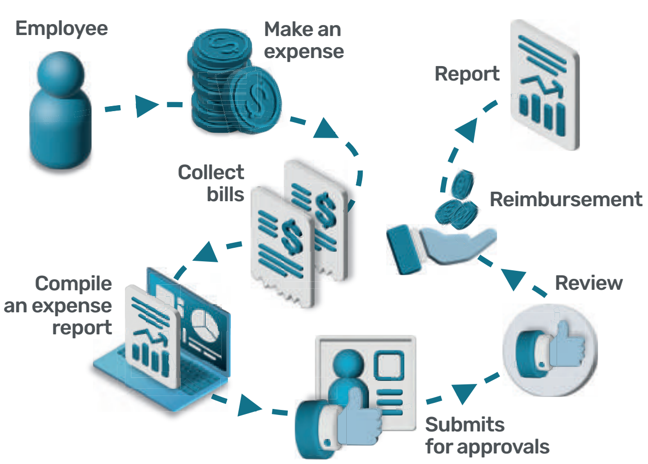
Pre-funded accounts can be useful for managing travel and per diem expenses. Employees can then use the funds to cover travel-related expenses, such as accommodation, meals, transportation, and incidentals. This approach simplifies expense tracking, eliminates the need for manual reimbursement, and provides better control over travel budgets.

Petty cash:

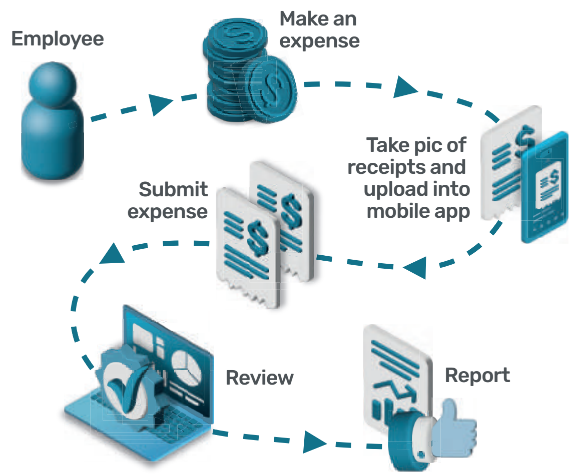
Pre-funded accounts can replace traditional organizational petty cash systems. Instead of holding physical cash, funds can be loaded into a pre-funded account dedicated to petty cash expenses. This offers better security, reduces the risk of loss or theft, and simplifies record-keeping and reconciliation.

Traditional vs. B4B Expense Management

Traditional



B4B Expense Management



As noted by B4B Payment's Finance Manager, Christina Pocsik, we give companies a level of transparency that helps finance teams understand how spending fits into the overall budget because every item is tracked and transactions are captured in real-time. Data plays a crucial role in optimization, and we enable finance to use data to collaborate with division leaders to propose acceptable spending limits, revise the guidelines, and set them in the dashboard. We aim to make it easier for finance teams to optimize budgets and control spending while stakeholders can focus on their core tasks without losing time to expense administration.

B4B Payments' solution streamlines the entire expense management process, including facilitating connections to modern payment methods, such as Google and Apple Pay, to ensure businesses stay up-to-date with contemporary payment trends and meet organizational goals.

Beyond eliminating the need for employees to use personal cards or high-interest corporate cards for business expenses, companies using our solution can offer a downloadable app for employees to upload receipts to support tracking and record keeping easily. For employees, the B4B Payments app lets cardholders view their balance and recent transactions and alerts them via SMS when a payment has been made. Accounts teams can effortlessly process these receipts for validation against company expense policies, preparing financial statements, improving efficiencies, and simplifying tax compliance and financial statement preparation.

Our industry-standard secure platform is accessible through an API and seamlessly integrates with accounting software, making it easy for businesses to incorporate their services into existing financial systems. This integration ensures a smooth user experience, enabling businesses to manage their finances more effectively.

Businesses are in the midst of tremendous change in the overlapping worlds of finance and technology, and B4B Payments is ready to meet you where you are in your digital transformation.

We welcome you to visit our website for more information or contact us directly to discuss how we can help you optimize expense management processes and implement a simple, flexible, scalable digital process that leverages real-time data and puts you where you want to be.

Resources:

*CFODive Report - May 26, 2023 Survey of 150 CFO from organizations with 100 or more employees and annual revenues of $500,000

Contact us to find out more about how your business can gain the benefits of a digitized expense management process with B4B Payments' easy to use payments platform.

Contact us

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