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# Improving Financial Performance:

Challenges Driving Spend  
Management System Adoption

Improving Financial Performance: Challenges Driving Spend Management System Adoption, a PYMNTS and Airbase collaboration, explores the biggest challenges SaaS firms face and how these challenges drive firms' willingness to adopt and pay for a non-payroll spend management system. We surveyed 225 executives with deep knowledge of and leadership responsibilities in AP departments at SaaS companies with 100 to 1,500 employees between May 18 and June 6 to explore the ways an automated system can streamline non-payroll spend management and improve financial performance.

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# Introduction

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Software-as-a-service (SaaS) solution providers experience a bevy of challenges when managing their non-payroll spending. For one, these firms too often rely on time-consuming, inefficient manual processes to manage this spend, which includes suppliers' invoices and employees' expenses, leading to delays impacting critical parties. Another flaw of manual entry is its propensity for mistakes: Data entry errors remain the top challenge cited by the SaaS firm executives we surveyed.

The concerns are manifold. One-third of executives surveyed report that fraudulent payments, lost receipts and access to real-time data are also key challenges when managing non-payroll spend. PYMNTS' data shows that an alternative system that streamlines how SaaS firms manage this spend is not merely an object of interest — many are willing to pay for these solutions. According to our data, 64% of SaaS firms that do not use an alternative system say they are highly interested in one, while 90% of interested firms are at least somewhat willing to pay for a spend management system.

What would these firms be paying for? Automation, primarily. With an automated spend management system, finance teams have access to real-time data and analytics. Such visibility protects firms from wasted spend and fraudulent payments, providing finance teams with an accurate view of business processes and resource deployment that can help them track financial performance and provide the key performance indicators that drive company growth. Automation also addresses executives' top worry: It significantly reduces the chance of data errors and lost receipts.

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**This is what we learned.**

1

**Fraudulent payments are a key challenge in managing non-payroll spend for more than one-third of SaaS firms.** Firms that face this challenge are among the most interested in using a spend management system.

While 37% of all SaaS firms surveyed report dealing with fraudulent payments when managing non-payroll spending, smaller firms and those that do not use a system have it worse. Forty-nine percent of small firms cited fraudulent payments as a challenge, as did 48% of firms that do not use a non-payroll spend management system. Among firms grappling with fraudulent payments, 96% are at least slightly interested in using a spend management system, with 79% of these firms very or extremely willing to pay for one.

2

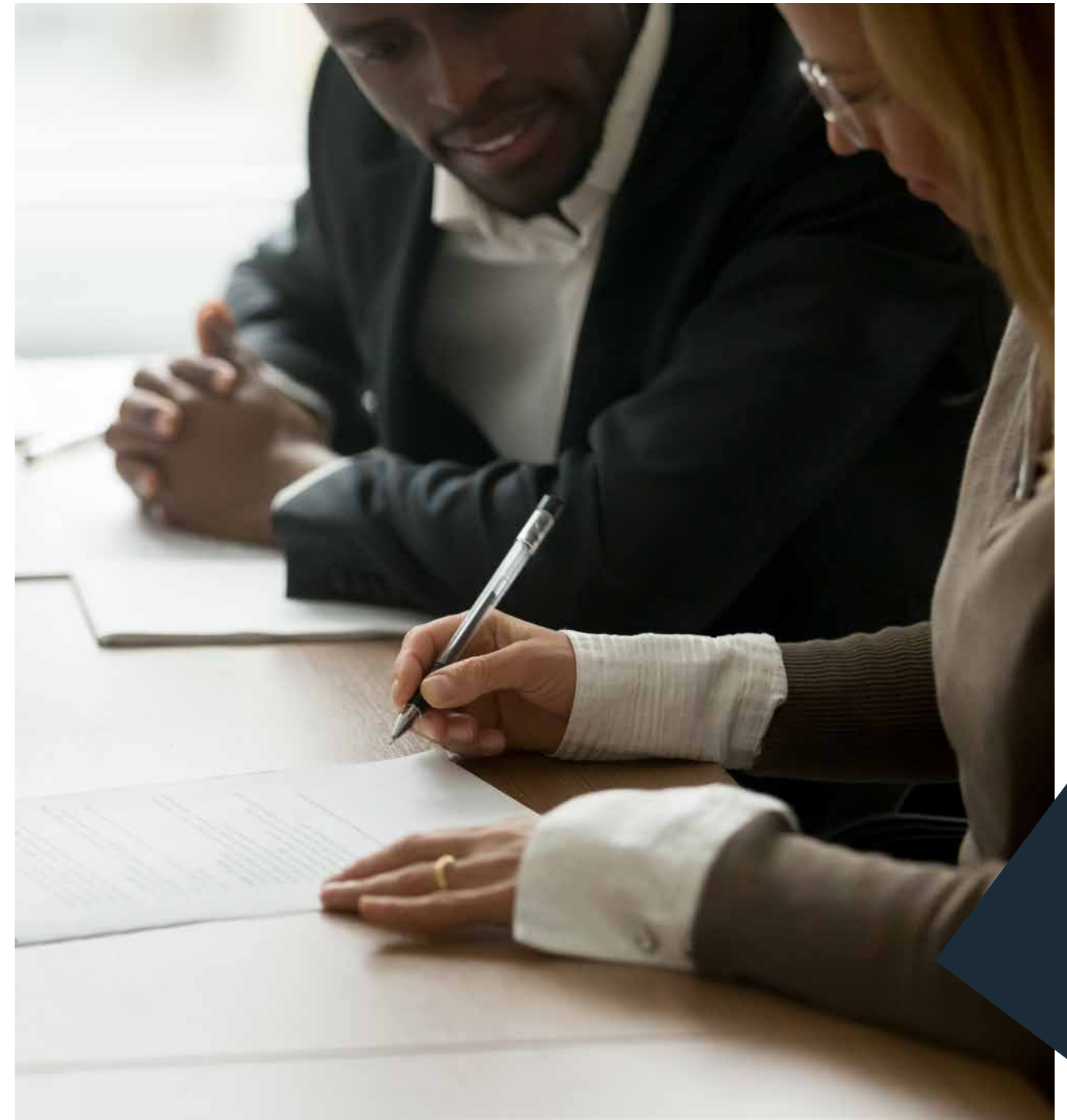
**More than one-third of firms report having difficulties accessing real-time data.** Firms facing this challenge are the most interested in adopting such a system.

Thirty-six percent of all SaaS firms cited a lack of real-time data as a challenge when managing non-payroll spending. Smaller firms are most likely to report having this challenge, at 41%. Among firms that do not use a spend management system, 40% cite difficulties accessing real-time data, exceeding the 32% of firms using such a system that cite the same issue. Nearly all firms that report having difficulties accessing real-time data are at least slightly interested in using a spend management system, with 76% of these firms very or extremely willing to pay for it.

3

**Close to one-third of firms surveyed have experienced problems with lost expense receipts.** Firms facing this challenge are among the least interested in investing in a spend management system, however.

While 32% of all SaaS firms cite lost expense receipts as a key challenge, this issue is more problematic for larger firms than for smaller ones: 37% of larger firms cited this challenge, and only 28% of smaller firms did so. Among firms facing this challenge, 90% are at least slightly interested in a spend management system. A significant share of these firms are very or extremely willing to pay for one, however, at 62%.



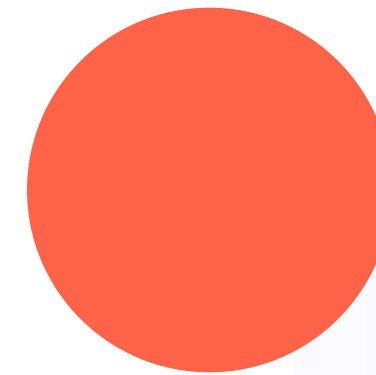
# Naming the challenges

Data entry errors remain the most common challenge SaaS firms face when managing non-payroll spend, with 47% identifying them as a problem, yet PYMNTS' research reveals that approximately one-third of firms cite each of the following as key challenges managing non-payroll spend: difficulty with fraud, difficulty accessing real-time data and problems due to lost receipts.

For instance, 37% of all SaaS firms surveyed report difficulties dealing with fraud when managing non-payroll spending. This is particularly true for smaller firms and those that do not use a spend management system. While 49% of small firms — those with 100-500 employees — cited fraudulent payments as a challenge, only 23% of larger firms — those with 500-1,500 employees — did so. Also, 48% of firms that do not use a non-payroll spend management system cited fraudulent payments as a challenge, whereas only 29% of firms that use a non-payroll spend management system report facing this issue.

Not having visibility into real-time data is another major concern: 36% of SaaS firms report having difficulties accessing it when managing non-payroll spending. Smaller firms are more likely to report facing this challenge than larger firms, at 41% versus 29%. Again, firms that do not use a spend management system are more likely to cite difficulties than firms that do, at 40% versus 32%.

Among all firms surveyed, 32% report that problems due to lost expense receipts are a challenge. Unlike the previous examples, lost expense receipts are more problematic for larger firms than for smaller ones. While 37% of larger firms cite this challenge, only 28% of smaller firms do so. Further bucking trends, lost expense receipts are more likely to be cited as a problem by firms that use a spend management system, at 35%, than those that do not, at 28%, an indication that the issue of lost receipts may not be one that can necessarily be solved by using an alternative system.



**FIGURE 1A:**  
SaaS firms' non-payroll spending management challenges

Share of SaaS firms experiencing select challenges when managing non-payroll spending in the last 12 months

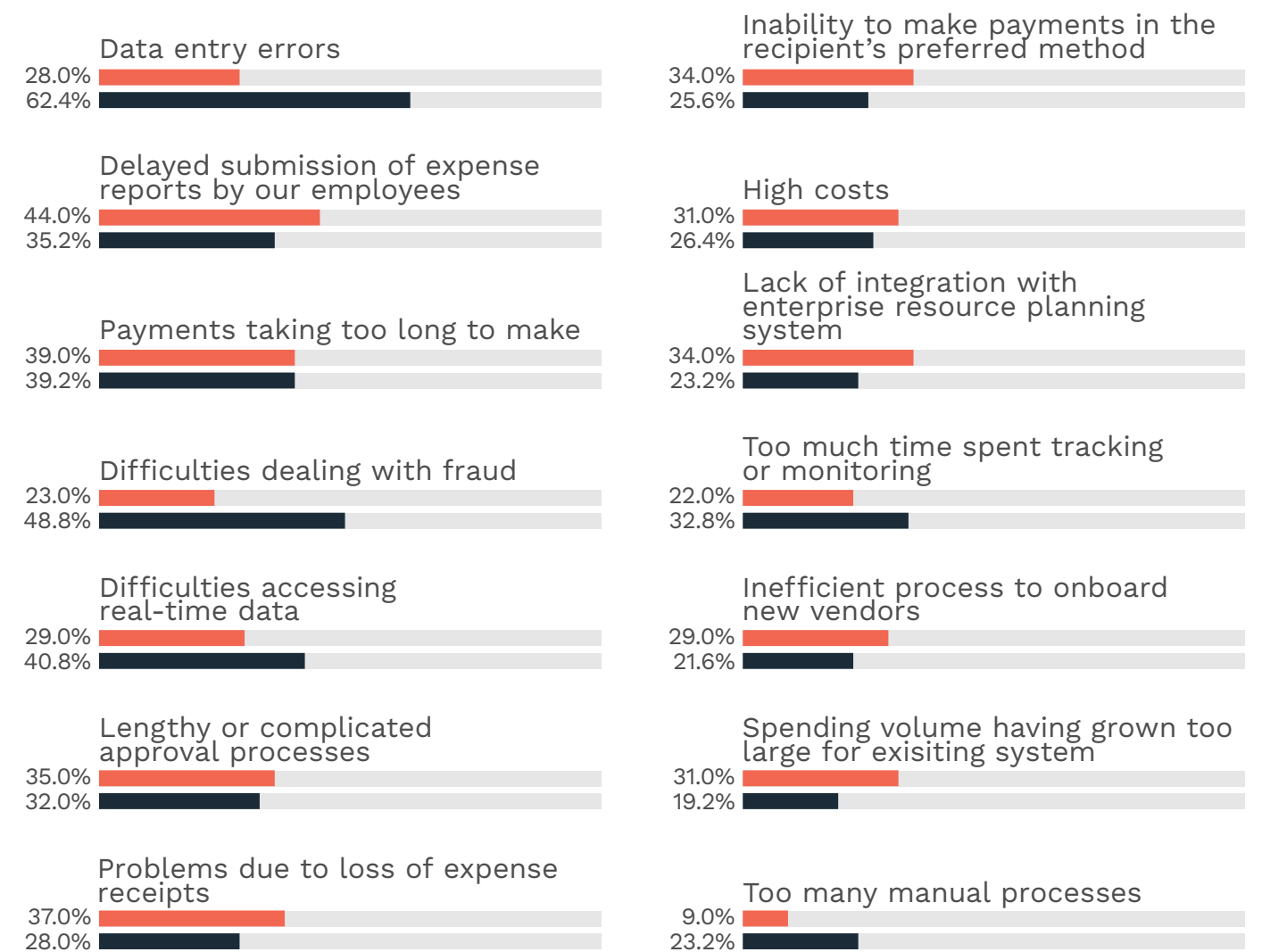


Source: PYMNTS  
The Financial Performance Quandary, August 2022  
N = 225: Complete responses, fielded May 18, 2022 – June 6, 2022

**FIGURE 1B:**  
SaaS firms' non-payroll spending management challenges

Share of SaaS firms experiencing select challenges when managing non-payroll spending in the last 12 months, by number of employees

■ From 500 to 1,500  
■ From 100 to 500



Source: PYMNTS  
The Financial Performance Quandary, August 2022  
N = 225: Complete responses, fielded May 18, 2022 – June 6, 2022

**FIGURE 1C:**  
SaaS firms' non-payroll spending management challenges

Share of SaaS firms experiencing select challenges when managing non-payroll spending in the last 12 months, by presence of spend management system

■ Uses a system

■ Does not use a system



Source: PYMNTS  
The Financial Performance Quandary, August 2022  
N = 225: Complete responses, fielded May 18, 2022 – June 6, 2022



**47%**  
of SaaS firms report  
challenges related  
to data entry errors.

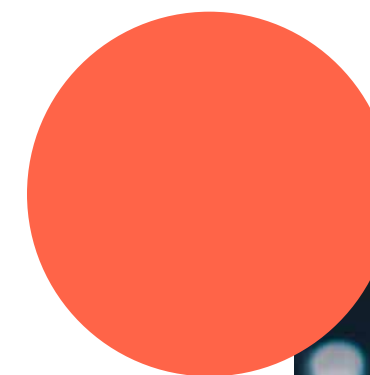
# Making the investment

PYMNTS' research finds that SaaS firm executives recognize that non-payroll spend management challenges impact their financial performance and growth. Consequently, 64% of SaaS firms that do not use an alternative system express high interest in adopting one, with 90% of interested firms at least somewhat willing to pay for a spend management system.

Among SaaS firms that cite fraudulent payments in particular, 80% are very or extremely interested in using a spend management system, while 10% are somewhat interested. Among firms that experience difficulties with fraud that are at least slightly interested in a system, 79% are very or extremely willing to pay for it, with another 17% of them somewhat willing to make the investment.

Accessing real-time data is important enough that 76% of firms that are at least slightly interested in using a spend management system because it offers visibility into real-time data are very or extremely willing to pay for it.

While one-third of executives surveyed say they have experienced problems with lost expense receipts, these firms are among the least interested in investing in a spend management system, suggesting that some firms may not think that the issue of lost receipts can be solved by using an alternative system. While 52% of firms facing this challenge are very or extremely interested in using a spend management system, only 28% are somewhat interested. Yet only 62% of firms that face this issue and are at least slightly interested in an alternative system are very or extremely willing to pay for one.



**FIGURE 2A:**  
SaaS firms' interest and willingness to invest in a spend management system

Share of SaaS firms experiencing select challenges when managing non-payroll spending in the last 12 months, by interest in a spend management system

- Not at all interested
- Slightly interested
- Somewhat interested
- Very interested
- Extremely interested

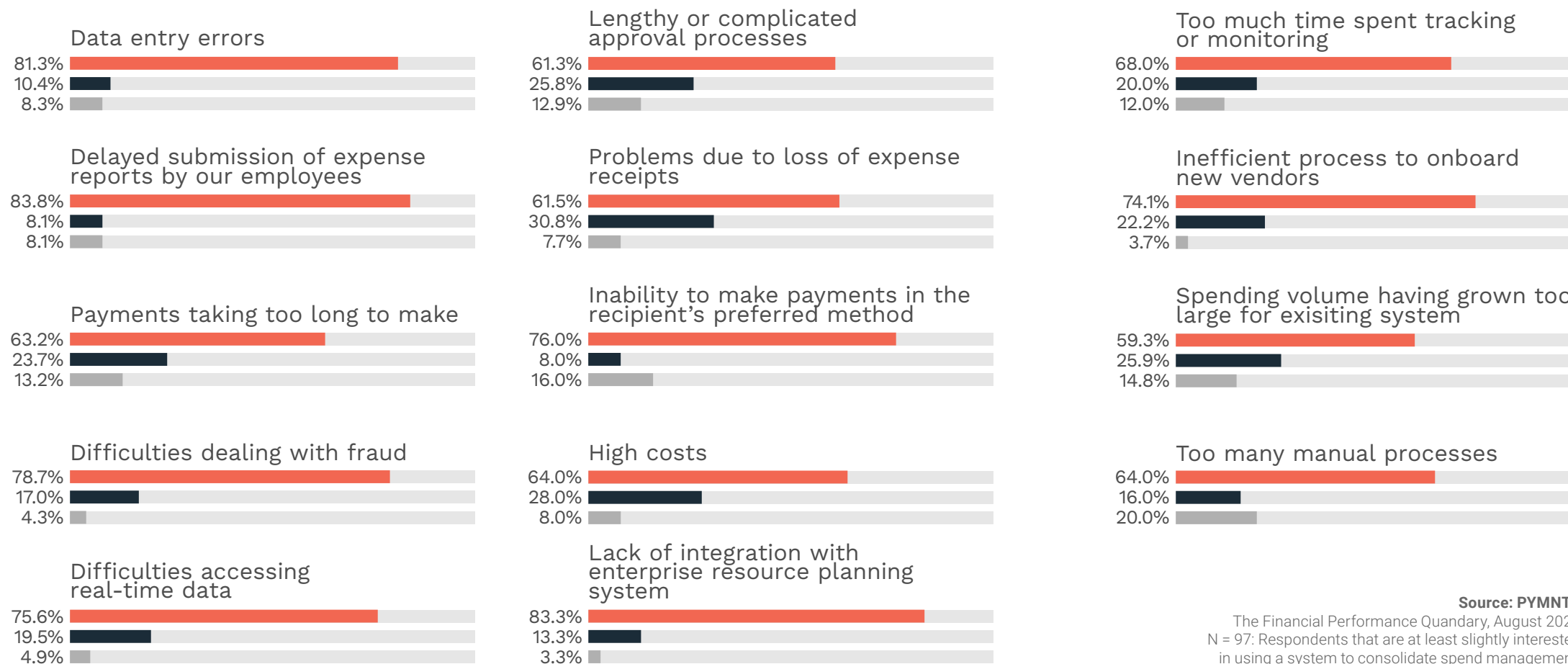


Source: PYMNTS  
The Financial Performance Quandary, August 2022  
N = 225: Complete responses, fielded May 18, 2022 – June 6, 2022

**FIGURE 2B:**  
SaaS firms' interest and willingness to invest in a spend management system

Share of SaaS firms experiencing select challenges when managing non-payroll spending in the last 12 months, by willingness to pay for a spend management system

- Very or extremely willing
- Somewhat willing
- Slightly or not at all willing



Source: PYMNTS  
The Financial Performance Quandary, August 2022  
N = 97: Respondents that are at least slightly interested in using a system to consolidate spend management, fielded May 18, 2022 – June 6, 2022



# Conclusion

For SaaS firms looking to improve their financial performance, investing in a system that automates non-payroll spend management can directly tackle key challenges. Not only does a spend management system lessen the burden of labor-intensive and inefficient manual processes on their accounts payable teams, it also streamlines invoice payment processes, reducing data errors. In addition, such a system provides access to real-time data, helps identify fraudulent payments and reduces problems with lost expense receipts. With all of these advantages, it is no wonder, then, that firms that do not currently use spend management systems are highly interested in adopting and paying for one.

# Methodology

Improving Financial Performance: Challenges Driving Spend Management System Adoption, a PYMNTS and Airbase collaboration, is based on a survey of 225 executives conducted from May 18 to June 6. We explored SaaS firms' interest in a system that allows for enhanced automation and the ability to manage three types of non-payroll spending: corporate cards that employees can use to pay for work-related expenses, accounts payable system payments on suppliers' invoices and expense reimbursements to employees. Respondents were executives with deep knowledge and leadership responsibilities in the accounts payable area, working at firms with between 100 and 1,500 employees. The firms surveyed provide SaaS solutions such as customer relationship management, project management, content management systems, eCommerce and web hosting.

# About

## PYMNTS

PYMNTS is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way companies in payments share relevant information about the initiatives that make news and shape the future of this dynamic sector. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovations at the cutting edge of this new world.



Airbase is the #1 comprehensive spend management platform. It combines all-inclusive accounts payable automation, software-enabled corporate cards, and simplified employee expense reimbursements. Airbase applies consistent approval workflows across all areas, automates accounting, and provides real-time reporting for all non-payroll spend. Innovative accounting automation results in a faster close, better visibility, and true control. Most companies rely on a combination of siloed software products, spreadsheets, and manual workarounds to pay vendors and reimburse employees. Airbase eliminates the resulting messy tech stack and inefficient processes by replacing products like Expensify and Bill.com. Airbase empowers employees with a uniform approach to spending money, whether that involves corporate card spend, raising a PO, or requesting reimbursement.

For more information, visit [www.airbase.com](http://www.airbase.com).

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