Why Are We Overpaying for IT Expense Management?

Organizations recognize transformative value of intelligent automation, yet have some hurdles to overcome.

IT and business management leaders firmly believe in the value of IT expense management. However, a recent survey indicates they have, on average, automated little more than half of key expense management tasks. That means they are leaving cost savings and productivity gains untapped.

Even in this digital era, many organizations still rely on traditional methods of paper-form invoices, outdated vendor data exchanges, or manual work processes to manage their IT services expenses. Centralization of these legacy methods and the lack of automation represent an inefficient drag on business productivity, leading to mistakes in processing invoices, poor reporting, and an incomplete or outdated view of IT assets.

Managing vital telecom, mobility, and IT expenses

Automated expense management—the use of software to streamline and automate the review, management, and archiving of expenses—is gaining traction. When it comes to IT-related expense management, 54% of IT and business leaders in a recent IDG survey said they have adopted some degree of automated solutions for overall IT expense management, while 57% said they have done so for telecom expense management tasks.

The respondents believe these solutions are substantially worthwhile, and rate them as having high or transformative value across a variety of use cases:

71% Workforce productivity

70% Data management

62% Cost reduction

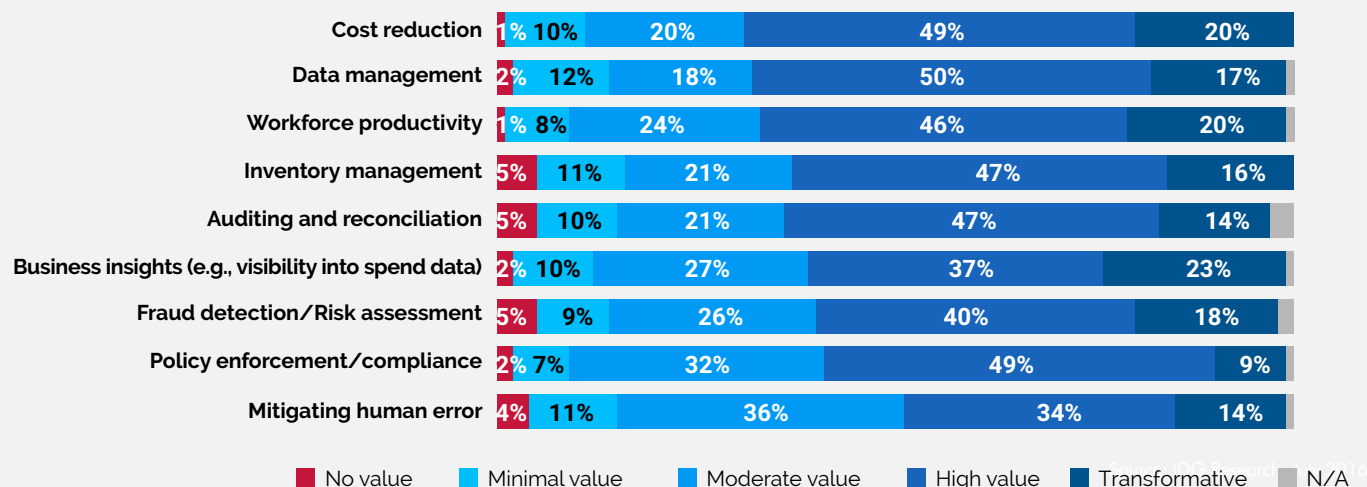**61%** Auditing/ reconciliation

58% Business insights

Similarly, organizational leaders recognize they can gain further value by applying intelligent automation to IT expense management. They expect to achieve cost reduction, improved data management, and more (see Figure 1).
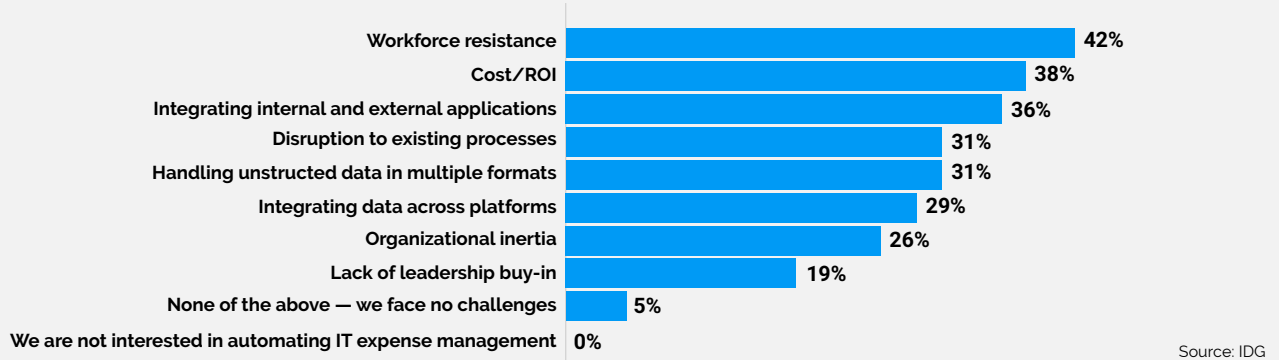
Overcoming automation challenges

Manual IT expense invoice and contract management processes are labor intensive, time consuming, and prone to human error. Also, they typically cannot provide the line-item detail required for true cost management as organizations increasingly rely on digital services to transform their businesses.

The invoice processing function alone typically involves multiple tasks and functions, including loading; allocation of charges; approval for payment; bill payment business operations; the audit

Figure 1. Intelligent Automation Expected to Provide Substantial Value

	No value	Minimal value	Moderate value	High value	Transformative	N/A
Cost reduction	1%	10%	20%	49%	20%	
Data management	2%	12%	18%	50%	17%	
Workforce productivity	1%	8%	24%	46%	20%	
Inventory management	5%	11%	21%	47%	16%	
Auditing and reconciliation	5%	10%	21%	47%	14%	
Business insights (e.g., visibility into spend data)	2%	10%	27%	37%	23%	
Fraud detection/Risk assessment	5%	9%	26%	40%	18%	
Policy enforcement/compliance	2%	7%	32%	49%	9%	
Mitigating human error	4%	11%	36%	34%	14%	

Source: IDG

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Figure 2. The Challenges of Implementing Intelligent Automated IT Expense Management

Challenge	Percentage
Workforce resistance	42%
Cost/ROI	38%
Integrating internal and external applications	36%
Disruption to existing processes	31%
Handling unstructed data in multiple formats	31%
Integrating data across platforms	29%
Organizational inertia	26%
Lack of leadership buy-in	19%
None of the above — we face no challenges	5%
We are not interested in automating IT expense management	0%

Source: IDG

and dispute function; and support for external financial systems integration. Reliance on manual processes requires valuable personnel resources and leaves the organization vulnerable to mistakes, missed deadlines, and duplicate payments.

Disruptions stemming from the COVID-19 pandemic have led to the growing use of and demand for digital collaboration services. This has further exposed the limitations of outdated expense management processes, and in many cases, obscured visibility into what it costs to operate the business.

While the cloud offers more flexibility to scale costs up and down based on user numbers and usage needs, billing structures are typically more static and can often make chargebacks far more challenging to manage.

While survey respondents recognize the value of further automating expense management, they are challenged by organizational inertia and technical issues. The top issue is workforce resistance (see Figure 2).

Automation typically raises concerns over how it will impact existing jobs and how change might disrupt existing processes with which staff are comfortable. Yet, business in general is undergoing unprecedented digital transformation and cannot afford to perpetuate isolated silos of inefficient manual processes. New approaches to IT expense management can free up resources to steer personnel into more productive and innovative endeavors.

Asserting control over repetitive IT expense management

The process of managing IT resources and assets is costly and complex. Relying on outdated manual processes while the digital business universe expands is untenable. Organizations cannot afford to let competitors gain an edge with better utilization of budgets, greater productivity gains, and more flexibility to pursue business initiatives.

Organizations that can integrate disparate systems and automate processes such as invoice ingestion, provisioning, contract

management, cost allocations, and usage management can redirect valuable personnel toward activities that drive top-line revenue.

Many companies acquire multiple tools to separately manage fixed and mobile telecom, IT expense and asset management, and cloud subscriptions. Utilizing a single platform that leverages Robotic Process Automation (RPA) can reduce costs, minimize risks, and improve visibility into actual expenses.

Unfortunately, humans make data entry mistakes, whereas robots perform the same task the same way every time provided there is no judgment call required while processing transactions. RPA can transform invoices into a digital format and ensure accurate data mapping. Organizations can rely on detailed audit logs enabling advanced business analytics and improved compliance.

Turning IT expense management into an asset

Asignet's cloud-based application platform-as-a-service solution provides a single comprehensive backbone to seamlessly and dynamically tie all aspects of IT assets, usage, and cost into one holistic view. With a comprehensive and fully integrated suite of managed services and control capabilities, Asignet, through its Wayfast platform and native RPA processes, provides a layer of audit, visibility, BI, and savings.

Asignet Wayfast provides tools to customize workflows and create specific reporting based on business-specific IT and telecom infrastructure requirements. Additionally, Asignet's GlassBox technology enables username and password encryption to allow for single sign-on to all enterprise portals.

With the convergence of telecom and IT and mobile offerings, organizations need fully automated expense management across diverse assets and services.

For more information on how Asignet can help transform your expense processes, go to www.asignet.com/idg

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