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*Fortune 50 Pharmaceutical Company turns to Outsourcing - Improves Efficiencies of their Time and Expense Reporting.*

### **Challenge**

As a prominent US Corporation, the client needed to ensure that its expense reporting process was efficient. Certain gaps in their existing application resulted in several unwanted limitations.

### **Solution**

Berkheimer deployed a suite of technologies and services to address gaps in the existing expense reporting process.

### **Results**

Using Berkheimer's automated substantiation process and "best practice" audit procedures, the Company dramatically increased its control over the expense reporting process, lowered direct cost per expense report by 33% and improved visibility within the process.

The company, a prominent US corporation, generates nearly 300,000 expense reports a year, all of which are processed through a sophisticated, automated expense management application. The Client needed to ensure that its expense reporting process was efficient. However, the occurrence of certain "gaps" in the existing application resulted in limitations which included back office processing errors, high cost of labor, limited transparency into receipt substantiation or audit data and process, non-value added work for employees, potential for policy abuse and fraud. (According to the Aberdeen Group 27% of corporate fraud occurs in travel and expense.)

Furthermore, the company was highly sensitive to the potential impact on employee satisfaction due to behavioral changes necessitated by the introduction of a new system. The company's wish list, in fact, closely mirrored the Aberdeen Group's findings of industry's expense management related wish list.

Berkheimer's unique approach to T&E expense management focuses on claim line level substantiation, as opposed to the traditional expense report level substantiation. Berkheimer's suite of technology and cost effective service easily integrates with existing ERP / Expense Management applications. It provides:

- Automated Receipt Processing and Substantiation
  - 100% match of receipts to the expense report
  - Berkheimer personnel review exception items only before triggering escalation procedures
- Fully Web-based reporting suite
  - access to previously unavailable levels of visibility
  - documented audit trail
  - managers have ability to customize data mining and analysis
- Fraud and Policy Abuse Detection
  - rules-based engine flags questionable items for substantiation
  - highly trained personnel substantiate questionable items
  - items that fail substantiation are escalated electronically

The Berkheimer System includes a sophisticated, back-end adjudication process built with best-practice procedures for receipt matching, audit and funds disbursement. Requires little or no end user training required because front end does not change. A high level of audit control is provided by the Berkheimer system, empowering Expense Managers to drill down to specific expense line items (as opposed to entire expense report) thus enabling a level of control not currently available to most corporations. With the system, the Client's risk to potential fraud and policy abuse is significantly reduced.

In this case the Client uses Berkheimer's suite of technologies and service for expense receipt management automation, audit and disbursement. By automating the substantiation process and providing claim-line level audits, Berkheimer has achieved the following direct and indirect benefits for the Client:

- Reduced expense report processing cost by over 33% with an annual savings of over \$560,000.
- The Berkheimer solution significantly contributed to reducing the days outstanding (client held days) with the Company's corporate credit card.
- Dramatically higher levels of control over the expense reporting process and related expense management data to identify and prevent fraud and policy abuse.
- Lower error rates as a result of automated matching of reports with receipts.
- High employee morale as the Berkheimer solution required no modification of existing expense-report related employee behavior.
- Increased convenience afforded by the Berkheimer solution. Since the solution is entirely Web-based, users have anytime/anywhere access to their accounts online.
- Client's expense management team has access to all employee expense related information. They can also run queries and reports to identify Berkheimer's backlog of processing, unusual trends, and overall funding status.

*Cost Per Expense  
Report reduced  
by 33%*

*"This Solution  
exceeded our  
expectations"*

*"Project had  
instant payback"*

*"Finally, we have  
complete control  
over our travel  
and expense  
process"*

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