

# Stop wasting money: 80% of Australian SMEs are still using manual processes for expenses

Small and medium-sized enterprises (SMEs) across Australia are confronting financial challenges that demand new strategies and smarter use of technology.

Cash flow strain, rising operating costs, and tighter credit conditions are putting pressure on business owners, accountants, and finance leaders to rethink their approach to financial management and accelerating the shift toward more resilient, technology-enabled finance models.

An OFX (IPSOS) survey of over 500 SME accountants and finance decision makers highlights the biggest challenges they face, the opportunities they see, and the trends shaping the future of SME financial management in Australia.

## Mounting financial pressures

Inflation continues to drive up the cost of wages, energy, insurance, and supplies, while cautious consumer spending makes it harder for businesses to pass on higher costs. Manual processes, regulatory complexity, and labour shortages compound these pressures, particularly in sectors such as hospitality, retail, and construction. Insolvency rates are climbing, though they have not yet reached historic highs.

In this environment, leaders are under increasing pressure to maintain steady cash flow, control expenses, and build stronger financial resilience.

## Challenges in expense management and payments

Expense management remains a major pain point. SME accountants and finance leaders consistently report that labour-intensive manual processes consume valuable time and resources, with 80% using entirely or partially manual processes to reconcile their business' or client's out-of-pocket expenses.

Security and data privacy are also front of mind, with more than half (52%) saying this is the most important factor when selecting a spend management solution.

Payment processes tell a similar story. Many SMEs still rely on manual workflows to handle invoices, leading to delays and inefficiencies. Over a third (38%) cite errors from manual data entry as their most common inefficiency, while another 36% highlight bottlenecks caused by lengthy approval processes. Late payments and disputes further disrupt cash flow and add to the strain on finance teams.

## Appetite for modernisation

Despite challenges, the appetite for change is strong. SMEs are increasingly turning to digital tools, automation, and integrated platforms to reduce fragmentation, eliminate manual processes, and enable faster decision-making. Nearly half (46%) see the increased use of generative AI tools and support as a top trend in payment and expense management.

Real-time visibility is another clear priority. More than seven in ten (71%) say real-time oversight of transactions is essential or very important, while the overwhelming majority (94%) report tangible benefits from adopting automated processes. Almost two-thirds (60%) of respondents said the biggest challenge they faced in changing or modernising platforms was the time and effort to migrate.

For many, this shift is about enabling the finance function to evolve beyond compliance and bookkeeping into a more strategic role at the heart of the business.

## Building resilience and future readiness

The findings point to a clear theme: resilience and growth will depend on sharper cash management, tighter expense control, and smarter adoption of technology.

Looking to the future, it's expected more businesses will turn to automated solutions to better manage employee and client compliance with company policies, with more than a quarter (26%) saying this will be one of the biggest challenges they face in managing expenses in the next two to three years.

Interestingly, trust also featured prominently with 31% saying that building trust and expertise in new software will be a big challenge. Growth ambitions remain, but margins are under pressure, and businesses must adapt to survive. By embracing integrated platforms, strengthening data security, and moving toward automation, SMEs can better position themselves to weather current challenges and build future-ready finance functions.

This research offers fresh insights into how Australia's SMEs are adapting today, the opportunities they see tomorrow, and the critical steps needed to secure long-term financial resilience.

For immediate expert commentary on these exclusive findings, including analysis of the payments efficiency gap and its impact on SME and accountant cash flow, please contact: [anthony@newromans.co](mailto:anthony@newromans.co). A senior leader is available for immediate interview or comment.



## Key insights

**75%**

Three quarters say cash flow management is essential or very important to their expense and payment optimisation efforts.

**94%**

Virtually all experienced benefits to their business/clients as a result of automated financial management processes.

**51%**

More than half said the biggest benefit to their business/client of automated processes was faster reconciliations, with another half (49%) nominating increased accuracy.

**38%**

Say errors from manual data entry are the most common inefficiency in payment processing they observe.

**37%**

Say increased use of security and fraud prevention technologies expect to have the most impact by 2026.

**52%**

More than half say security and data protection are the most important features they consider when choosing a spend management solution.

**32%**

View their role in supporting their business and clients with international or multicurrency payments as improving cash flow and facilitating faster settlements.

**71%**

Say real-time visibility over their business/client's transactions is essential or very important.

**80%**

4 in 5 say they reconcile their business/client's out-of-pocket expenses partially or entirely manually.