

From manual drag to **strategic finance**

How manual processes and fragmentation expose 80% of Australian SMBs to financial inefficiencies.

Handy checklist and actionable next steps inside.

The **2025** state of payments, expenses and financial workflows

500 SMBs, business leaders, financial decision makers, accountants and bookkeepers reveal the cost of outdated financial systems and manual processes.

— **October 2025**

Executive Summary:

The cost of inaction and the path to control

Our study via IPSOS of 500 business leaders and financial professionals examines the critical challenges facing Australian small-to-medium businesses (SMBs) as they navigate complex financial operations, finding that pervasive reliance on manual processes and fragmented systems is directly undermining profitability and strategic growth.

What becomes apparent is a significant operational disconnect: while **75%** of participants cite cash flow management as essential, many are using outdated methods. **80%** of businesses still rely on manual or partial expense reconciliation, directly leading to inefficiency, with **38%** citing manual data entry errors as a primary headache.

This summary distills the core problem and key insights, plus a handy diagnostic checklist and the immediate actionable recommendations for C-suite and financial leaders. We hope you find these findings insightful.



Why read this report?

For SMBs and financial decision makers

When manual processes, inefficiencies and fragmented workflows become the norm, finance teams can be consumed by tedious tasks, diverting focus from strategic analysis and growth. Learn how to recover time, protect margins and gain real-time control over cash flow.

For Accountants and Bookkeepers

Shift from manual and reactive processes to proactive strategic advisor. Learn how to transform your client relationships and unlock new advisory revenue streams.

Methodology: How we did it

This study was conducted by Ipsos Research on behalf of OFX in October 2025. Among the 500 participants, are Australian business leaders, financial decision makers and accountants from small-to-medium businesses with up to 250 employees, across a wide range of industries.



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.



Key finding 1

The hidden cost of manual work

Manual processes are becoming a big efficiency drain for businesses with 80% of SMBs **still manually reconciling expenses.**



80%

Four in five businesses are leaking time and resources by partially or entirely relying on manual expense reconciliation.

The hidden cost?

38%

cite manual data entry errors as their biggest inefficiency.

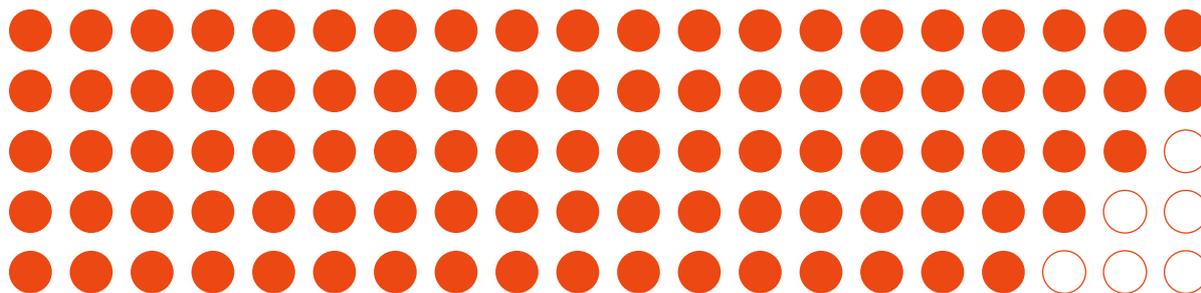
36%

experience payment delays due to manual approval bottlenecks



The ROI of Automation

Our research revealed a critical opportunity for operational efficiency through automation.



94% Nearly all SMBs using automation see measurable gains.

Businesses investing in AI-driven tools report these five key benefits:



Every error, delay and manual reconciliation is potentially costing SMBs time and money. And the ripple effect can be significant. The good news is automation, even starting small, can be a critical lever to unlock efficiency.

Considerations:

- **Prioritise high-impact workflows:** Consider opportunities to optimise the three biggest bottlenecks identified in the report: manual data entry, manual approvals and reconciliation
- **Explore tools that automate expense capture** and categorisation, to help eliminate the 38% error rate cited
- **Develop a plan for a phased automation rollout** with measurable ROI metrics to help justify and track the investment



Key finding 2

The fragmentation penalty

Nearly 75% of businesses want a single platform for payments, expenses and treasury.

The move to real-time financial control and visibility is stalled by siloed systems.

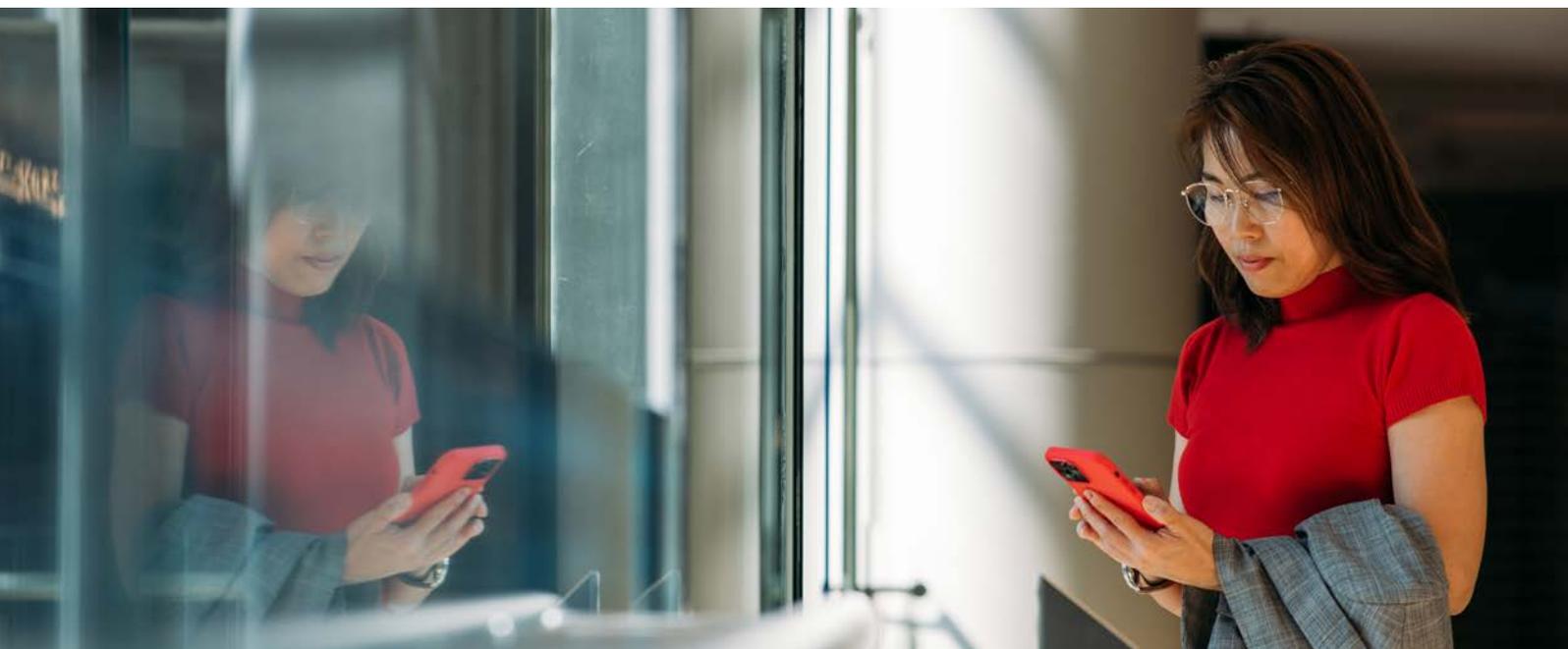


75%

Almost three in four businesses say real-time visibility of transactions and consolidation of expenses, treasury and accounts payable is essential or very important.

Businesses recognise the benefit, with 62% seeing the potential for increased efficiency and 54% citing the potential for increased accuracy and cost savings.

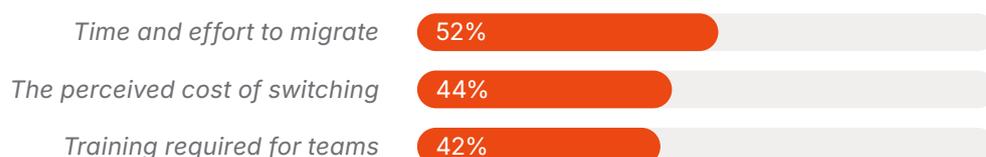
This isn't just about productivity, it's also about having real-time visibility and control to drive better decisions and gain a competitive advantage. When systems don't connect, the reliance on manual effort consumes valuable time and resources, diverting focus from strategic growth.



The adoption barrier addressing the time, cost and trust hurdle

So what's holding businesses back from consolidating platforms?

For many, the decision is dominated by the immediate effort and perceived disruption. The top three perceived barriers are centred on the effort involved in switching:



While businesses are focused on the immediate cost of change, they simultaneously **recognise the expense management challenges that may arise over the next 2-3 years.** These are the areas where operational optimisation may be most needed:

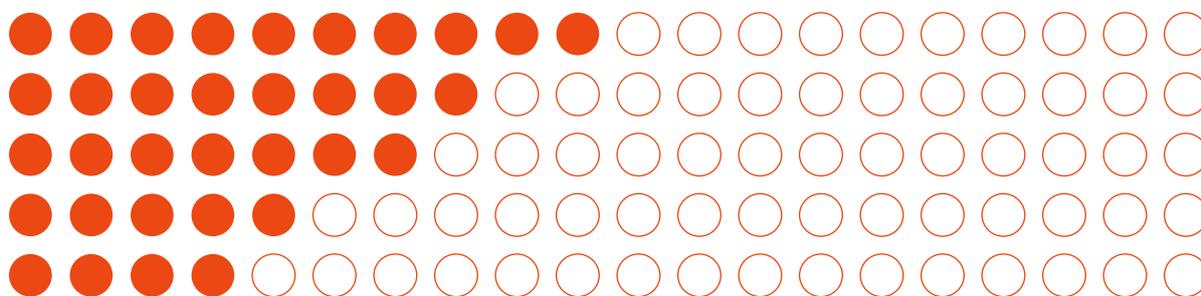


Considerations:

- **Mapping the inefficiency:** Count and map all current tools to quantify potential leakage and define the requirements for the ideal consolidated platform
- **Empower teams with automated controls:** Prioritise tools that allow for setting budgets and automating approval policies at a granular level (e.g. card by card, or team by team) to empower all teams responsible spending, while maintaining necessary financial control.
- **Choosing a partner with a human touch, not just a tool:** Consider vendors that offer dedicated, local and human onboarding support to smooth the migration and adoption challenge

Key finding 3

The currency risk blind spot



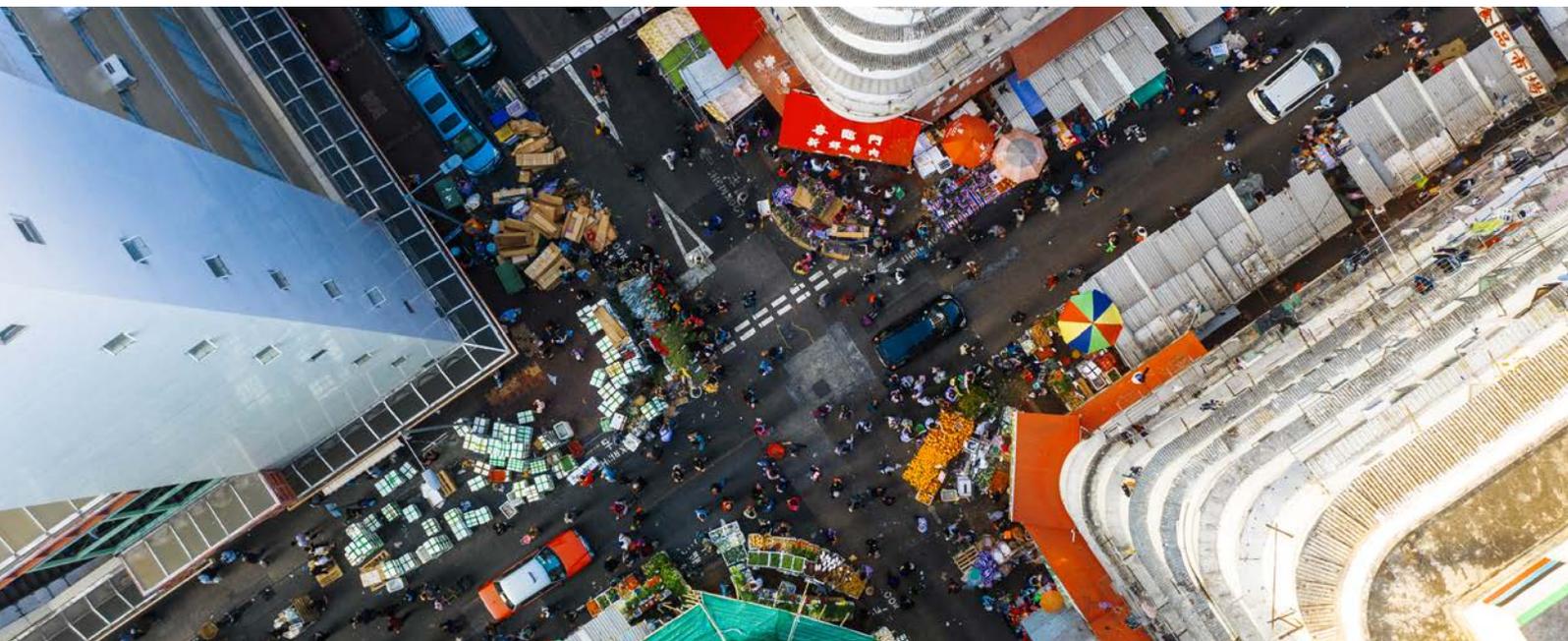
34%

Over one third of SMBs are taking zero proactive measures to manage currency volatility, exposing potential losses.

Cash flow management is universally essential, with **75%** citing it as essential or very important for optimising business spending and payments. Yet, this priority is undermined by a potential blind spot: **34% of businesses** are taking zero proactive measures to manage currency volatility for their international payments.

By not actively managing this risk, businesses expose their business to unpredictable revenues which can create downstream impacts on cash flow. Businesses report currency volatility directly leads to tangible challenges:

- Unpredictable revenues or costs
- Reduced profitability due to negative currency shifts
- Payment delays or re-negotiations due to rate changes



The value of simple strategies

For those seeking to gain more margin certainty and improve forecasting, simple, proven tools can be effective, with businesses using strategies such as:

- Encouraging clients or suppliers to invoice in local currency.
- Multi-currency accounts to minimise the need to exchange currencies.
- Locking in the exchange rate to provide predictability for future payments.

The impact is bigger than you think

While potential savings is a clear benefit, the true value of adopting simple strategies is predictability. By reducing uncertainty, finance teams can budget, forecast, and invest with greater confidence, shifting from a reactive approach to a strategic one.

Considerations:

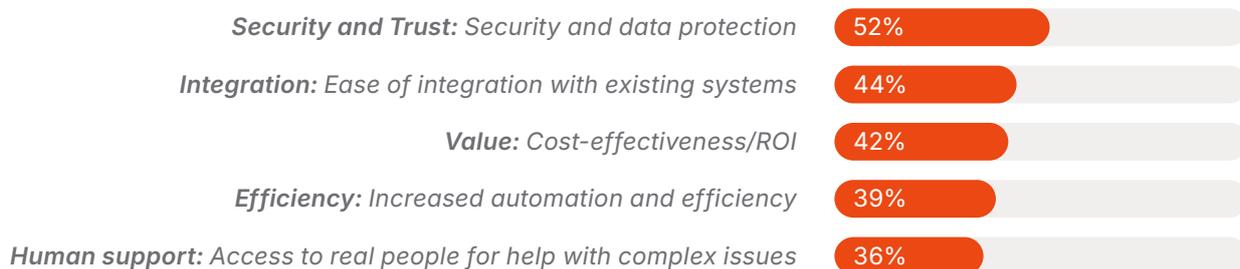
- **Quantify your FX exposure:** Calculate your annual overseas spend and determine the potential impact of a 3%-5% currency swing on margins.
- **Look for ways to implement a simple hedge:** Explore tools that help shift from a reactive approach to a strategic one. For example, a multi-currency account gives you the ability to hold foreign currency and convert when the rate suits you.



The path forward

What SMBs prioritise when choosing an expense management partner

These five characteristics came out on top:



Take action, here's a diagnostic checklist to pinpoint hidden inefficiencies

This checklist summarises potential inefficiencies and risk exposures commonly observed across the SMB sector.

How does your business measure up? Select which statements apply.
(Every "tick" may indicate a potential workflow bottleneck or risk exposure)

Automation & manual work

- Expenses are reconciled manually, even partially
- Manual data entry or error correction is a weekly task within the finance team
- Payments or expense reports often face delays due to manual approval processes
- Measurable automation gains have been difficult to achieve or track in core finance workflows over the last 12 months

Consolidation & control

- Expenses, payments, and AP/Treasury functions are managed across three or more separate platforms
- Real-time visibility of all transactions is lacking, with reporting limited to weekly or monthly cycles
- Compliance with expense policies relies on manual checks conducted after the spend occurs
- Teams have reported lacking confidence or struggling with the use of current financial management tools
- Ensuring compliance with expense policies from day one is perceived as challenging

Global payments and margin certainty

- Overseas payments are exposed to currency volatility through reliance solely on daily spot rates
- Cash flow management processes are reactive, rather than following a proactively defined strategy for optimising payments
- Cash flow management is a defined strategy for optimising business payments and expenses

Vendor confidence

- The security and data protection standards of current finance tools are a source of concern
- Access to timely, human support is challenging when technical or payment issues arise
- A dedicated person or resource for onboarding support is not available

Discover paths to operational efficiency

Now that we've identified some common industry bottlenecks, here are a few areas businesses could explore to help simplify financial processes and boost efficiency.

- **The potential of AI-driven tools:** Exploring the use of AI-driven tools that provide instant receipt capture and automated categorisation (cited by the report as relevant to the 38% error rate)
- **Platform consolidation:** Identifying areas for consolidation by inventorying current financial tools and defining "ideal state" platform requirements to help maximise efficiency and avoid data leakage
- **Currency strategy review:** Reviewing current currency strategies and considering the potential adoption of tools like multi-currency accounts to help manage exposure to market movements on overseas payments
- **Establishing ROI metrics:** Determining measurable ROI metrics (e.g. hours saved on reconciliation) as a way to establish the business case for technology investment
- **Empowering teams and compliance:** Evaluating tools that auto-enforce business expense policies and spending limits at the point of transaction, which may help ensure greater compliance
- **Enhancing forecasting:** Continuing to explore the potential of AI to enhance payment workflows and improve forecasting accuracy, enabling a move toward more strategic analysis
- **Vendor selection focus:** Prioritising vendors that offer dedicated, local onboarding support to help mitigate common training and migration challenges (cited by 60% of businesses)

Ready to transform your financial operations?

Connect with one of our specialists over a [call](#) or [30-min demo](#). Take an [interactive tour](#) of the OFX platform to explore at your own pace.

About OFX

OFX is a leading financial operations company providing businesses and accounting firms with real-time financial control and visibility to do business anywhere in the world. With an innovative platform and 24/7 human support, OFX automates and simplifies doing business across borders, reducing risk and eliminating routine operational tasks. Offering global business accounts, payments to 180 countries in 30+ currencies and currency risk management solutions to simplify global payments. OFX further enhances business operations by providing corporate cards with spend management, bill payments, vendor management, and integrations with popular accounting and HRIS software, to help achieve better business solutions so accounting firms and businesses thrive.

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Automate payments and expenses today

Get the oversight, automation and control you need to manage company cash effectively. Our fully integrated accounts payable, corporate cards and expense management software integrates with your existing finance tools and streamlines your spending processes.

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