The Next Era in Spend Management is **AI and Machine Learning**
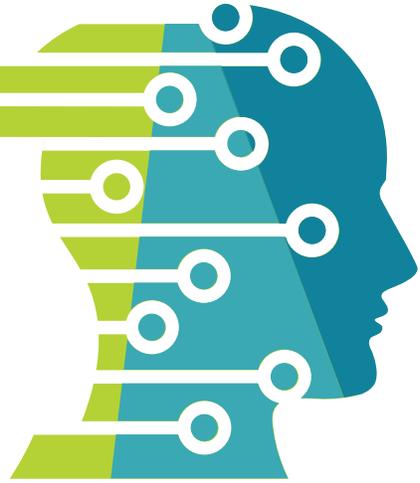
If you've shopped on Amazon or used a mobile map app (say that three times), you are utilizing artificial intelligence (AI) and participating in machine learning. As you browse on Amazon, save products to your wish list, and make purchases, your search data and actions are monitored and collected.

Behind the scenes, a machine learning module analyzes that data, along with the data of all the other shoppers' actions, to make predictions for what products you'd be most interested in next. Netflix and Pandora do the same thing to determine what movies and music are presented to you.

Waze and other map apps use the data from traffic patterns, reported accidents, police sightings, user routes, and drive times to predict which route is best for your trip and how long it will take you to get there. If you tend to race against time to get places, you can appreciate having a clear picture of what route to take to avoid traffic risk.

We've all been touched by AI systems, machine learning, and crowdsourced data. As you can see from the examples above, AI is pervasive within our consumer lives. This real-world technology makes our lives easier, helps us make more informed decisions, and saves time and money.

CONSUMERIZATION OF THE ENTERPRISE IN FINANCE WITH AI

We are now in the age of consumerization of the enterprise. This means we expect the same benefits and experience we get from our consumer apps in the enterprise solutions we use at work.

We have access to more data than ever before. The ability to harness that data to solve problems is fueling the next age of development and innovation in business.

Without AI technologies, it is a laborious, time-consuming task to audit company spending. Auditors are faced with too much spend data and too few resources to sort through that information and draw meaningful insights. In fact, the data pool is so enormous a human could not possibly detect various patterns of risk.
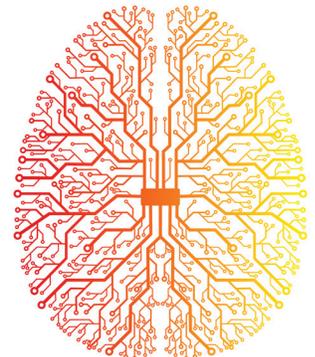
The frequently used method of random spend data sampling can compare to searching for needles in a massive haystack. Auditors waste a lot of time looking for potential exceptions and end up working exceptions that are not true violations. And there is no early warning system in place to flag fraud risk.

Even with expense management automation solutions, transactions are typically only analyzed within an expense claim. Sure, audit rules fire if a transaction is out of policy but identifying risk, and potentially fraud, requires analysis of transaction volumes over time. Meanwhile, fraud, errors, and misuse go undetected.

Oversight introduced the capability for companies to find and manage spend risk no matter where it resides. Our system utilizes AI to monitor 100 percent of spend transactions, analyze those transactions, and serve up anomalies or exceptions in the data that indicate risk. As a result, it's easier and more efficient to find the needles in the haystack.

But even with a better and faster way to identify exceptions, auditors don't have the bandwidth to work through every potential risky transaction that pops up.

MANAGING PRIORITY EXCEPTIONS WITH EFFICIENCY THROUGH MACHINE LEARNING

What if you could easily see which red flags had the biggest risk out of the pile of needles that represent possible fraud, noncompliance, or misuse? What if your ability to identify true exceptions got better and better as you worked those exceptions? Well, there's a solution for that.

Oversight's new machine learning model, (which uses the results from its numerous AI analytics), raises the use of intelligence in the accounting space to the next level. Now auditors can use the same technology Amazon, Netflix, and Waze use for a better experience, increased efficiency, and greater accuracy.

This new Global Risk Indicator is a machine learning model using historical AI data across Oversight's customer base to identify indicators of travel fraud, travel misuse, expense duplicates, and excessive out of pocket spending and predict current spend risk. Looking at multi-dimensional relationships between a wide variety of data and indicators, the Global Risk Indicator picks up on patterns humans can't identify.

The Global Risk Indicator crowd sources actions others have taken to spot patterns and anomalies and develop better risk predictions. The module leverages information collected from closed customer exceptions over the

years and extends its learning to clients' current flagged transactions to predict the likelihood each exception will be a true finding.

Accuracy is increased because its analysis is based on reinforcement learning from what actions our customers' auditors have taken to manage similar scenarios, combined with what actions your company has taken for that specific scenario. And the model continually learns and improves as more exceptions are worked.

The Global Risk Indicator uses this deep learning to prioritize exceptions that should be reviewed by an auditor. It identifies the proverbial needles in the vast troves of spend data to invest your resources in.

MANAGING SPEND RISK IS EASIER THAN EVER

Waze makes it easier for you to choose the best travel route, so you don't waste time sitting in traffic. Likewise, Oversight makes it easy for you to zone in on high priority spend issues, so you don't waste time working exceptions that are not true violations.

Convenience, focus, and speed will be available to all Oversight clients when the Global Risk Indicator rolls out this in Q2 2022. With Oversight, the auditing process is faster and more accurate than ever before.

To find out more about how AI and Machine Learning can hekp you manage your spend risk, book a quick, free demo now.

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