AI-driven expense management for pharma finance

By 2030, AI investment by pharma will grow 600%. Now is the time to optimize processes and reinvest savings in innovation and growth.

Are pharmaceutical finance teams missing out on AI's efficiency revolution?

Controlling costs and ensuring compliance is more challenging than ever for global pharmaceutical companies. Firms are pouring billions into AI for R&D and supply chain improvements, with 95% investing in AI capabilities today. Yet their finance departments aren't realizing the massive efficiency and savings gains that AI is providing elsewhere in the business. The paradox is an industry on the cutting edge of science with decades-old processes in its finance department.

Pharma industry CFOs are facing macroeconomic and industry pressures from high inflation in supply and labor costs, looming patent cliffs, and investor demands to fund R&D pipelines. Their finance teams must navigate a complex web of regulations that carry serious legal ramifications if violated, making any new technology adoption feel risky. Operationally, these teams are stretched thin managing high transaction volumes across global subsidiaries. Fragmented ERP, procurement, and expense systems that don't talk to each other, as well as data siloed across different regions and functions, leads to a lack of real-time spend visibility.

Every dollar spent on operational overhead is a dollar not invested in developing breakthrough therapies. Unfortunately, legacy systems can't easily adapt. Core finance processes like accounts payable (AP) and travel and expense (T&E) management remain burdened with manual work and hidden inefficiencies.

This is a tremendous opportunity for AI. Industry analysis shows that companies adopting AI across all business functions could double operating profits. Yet so few pharma firms have scaled AI in finance, that this section of the business currently accounts for only ~11% of AI's impact in the industry. Can organizations overcome adoption barriers and start reaping the benefits?

Tangible gains with intelligent spend control

Leading pharma companies are already demonstrating that AI-driven spend control leads to measurable results. Takeda, one of the world's top 10 pharmaceutical firms, implemented AI to audit employee expenses and saw immediate improvements. The AI system now reviews 100% of the company's expense reports pre-payment, catching duplicates and non-compliant spend that might otherwise have slipped through random checks. Takeda's auditors focus on high-risk cases instead of poring over routine ones, for substantial time savings. They gained so much efficiency that about 4,000 hours of staff time are saved per quarter, and employees are reimbursed faster, boosting satisfaction.

Finance AI is no longer an experiment. It's a proven value driver. Pharma finance teams that have embraced it are cutting costs as they transform their roles from process managers into strategic business partners.

What's weighing down pharma finance operations?

In many respects, pharma finance departments face the same structural and operational efficiency struggles seen in other industries, like manual processes, disconnected systems, and compliance overload, though at a greater scale and complexity. These challenges set the stage for why an AI approach is urgently needed.

According to the ACFE's annual occupational fraud report, the typical organization loses an average of 5% of its annual revenue to fraud. 89% of documented fraud cases involve asset misappropriation, like padding T&E claims.

Manual, labor-intensive processes

A surprising amount of pharma's finance work is still done by hand. Auditors manually key in data or randomly sample expense reports, and controllers sift through spreadsheets. This reliance on manual effort is not just inefficient; it's unsustainable. The human cost is tedious work, long cycle times, and inevitable errors, leading to frustration and burnout. Yet legacy tools make eliminating manual processes nearly impossible, even as transaction volumes climb.

Fragmented systems and siloed data

Pharmaceutical companies are often the product of global growth and acquisitions, which means finance data is spread across ERP systems, expense management platforms, corporate card programs, and more. Systems often don't integrate well, resulting in a fragmented view of spend where fraud and errors are missed. Travel bookings, corporate card charges, and expense reimbursements may all live in separate databases that require manual reconciliation. Every handoff between systems causes critical information to be lost, forcing staff into hours of detective work to piece together basic facts. The lack of a single source of truth undermines effective control.

Heavy compliance and audit burdens

Few industries face the compliance scrutiny of pharma. Every dollar spent, whether paying a vendor or taking a doctor to dinner, is subject to strict rules. Finance teams must document and justify expenditures to satisfy auditors, regulators, and internal policies, creating a tremendous workload. Stringent financial documentation and regular audits require precise records to avoid non-compliance penalties. Often, teams resort to sample-based auditing and after-the-fact reviews simply because they lack the bandwidth to scrutinize every transaction in real time. That leaves gaps. Compliance in pharma finance is non-negotiable, but the traditional methods to ensure it, which usually involve lots of people reviewing lots of paperwork, are increasingly untenable.

Fraud and operational spend leakage

With so much money at stake, pharma is a prime target for fraud and waste due to its global footprint and high-value transactions. Significant savings slip through the cracks under legacy processes and complex manual processes. Duplicates, fake expenses, and policy violations can remain hidden amid thousands of reports until it's too late. Even without malicious intent, an unapproved conference sponsorship here and a luxury hotel upgrade there can quietly drain budgets. Manual oversight often catches only a fraction of this leakage.

Navigating global compliance, one region at a time

Finance teams operating within global pharmaceutical companies face an array of compliance obligations across different countries and regions. Each jurisdiction has specific laws, reporting requirements, and cultural norms governing healthcare expenditures and interactions with medical professionals. This adds another layer of complexity to pharma finance operations. Routine payments or expenses in one country might be restricted or reportable in another. Keeping up with ever-changing global regulations is non-negotiable for avoiding fines and protecting the company's reputation. Finance AI acts as a real-time monitor, checking every transaction against the relevant rules for each region.

North America

In the US, the Physician Payments Sunshine Act requires drug and device makers to track and annually report any "transfer of value" to healthcare professionals, including payments, meals, travel, and speaking fees. Every expense report that touches a doctor or teaching hospital must be categorized and logged; failure to report accurately can result in penalties. Anti-corruption laws like the Foreign Corrupt Practices Act (FCPA) have also ensnared pharma companies for improper payments abroad. In Canada, authorities emphasize ethical conduct and proper record-keeping.

European Union

Across Europe, the EFPIA Disclosure Code, covering 33 countries, obligates pharma companies to publicly disclose, annually, any direct or indirect payments and gifts to healthcare professionals and organizations. This includes sponsorships for medical conferences, consulting fees, travel, and hospitality provided to doctors. Electronic invoicing and VAT reporting are increasingly used across the region to combat tax fraud, so finance systems need to capture very detailed transaction data.

United Kingdom

In the UK, the ABPI Code of Practice sets strict standards for documenting, justifying, and publicly reporting any promotional spend or hospitality directed at healthcare professionals. The UK also enforces one of the world's toughest anti-bribery laws, the UK Bribery Act, which holds companies liable for failing to prevent bribery. Pharma firms must maintain rigorous oversight of all payments, including those to third-party consultants and government officials.

Asia Pacific

The broader Asia-Pacific region encompasses diverse markets, but a common trend is increasing enforcement of anti-corruption and industry codes. China's sweeping anti-corruption campaign maintains a zero-tolerance stance on bribery in the medical sector, with a focus on practices like speaker program payments, lavish hospitality, and "consulting" fees that serve as kickbacks. Pharmaceutical companies are expected to assist in investigations and improve self-policing.

Japan's JPMA code and Australia's Medicines Australia code impose their own transparency and gift-giving rules. Singapore and South Korea have strict limits on medical conference sponsorships and doctor honoraria. The Indian government's Uniform Code for Pharmaceutical Marketing Practices (UCPMP) strengthened rules to curb extravagant spending on doctors and inducements for prescriptions, with caps and bans on gifts, travel hospitality, and entertainment for healthcare professionals. Companies must file detailed annual reports of all marketing expenditures. Non-compliance triggers penalties under India's Companies Act and tax laws.

Finance AI ensures compliance and improves efficiency

Advanced AI platforms that are purpose-built for finance are transforming pharmaceutical finance operations by automating transactional work and compliance monitoring. This is enabling teams to operate with far greater efficiency and control as they shift from constant human intervention to autonomous AI processing and strategic analysis. Instead of sampling just 2% of expenses after payment, AI audits 100% of transactions beforehand. It catches errors and policy violations that legacy systems miss as it automatically reconciles documents. And it provides on-demand insights through natural language queries.

AI audits every pharmaceutical expense before payment

Instead of sampling a fraction of T&E submissions, AI reviews 100% of expense line items before reimbursement, applying dozens of pharmaceutical-specific compliance rules in milliseconds. It validates every receipt, cross-references travel dates with expense locations, and checks submissions against both company policies and healthcare regulations. This comprehensive approach catches policy violations and compliance risks that random sampling would miss, protecting against regulatory breaches before they occur.

Intelligent fraud detection catches sophisticated schemes

AI identifies duplicate receipts submitted across different months, validates merchant information against external databases, and flags suspicious patterns like excessive meal costs or inconsistent mileage claims. The system learns from historical fraud cases to spot increasingly sophisticated schemes, from receipt manipulation to coordinated expense padding. By analyzing patterns across thousands of transactions, AI catches fraud that individual reviewers examining isolated expenses would never detect.

Multi-language processing handles global pharmaceutical operations

Pharmaceutical companies operate across borders with employees submitting receipts in dozens of languages and currencies. AI translates foreign receipts in real-time, converts currencies using actual exchange rates, and validates expenses against region-specific requirements and local healthcare regulations. This capability ensures consistent policy enforcement whether processing a dinner receipt from Tokyo or a conference registration from São Paulo, eliminating the delays and errors of manual translation and conversion.

Compliance protection prevents costly regulatory violations

AI enforces pharmaceutical industry requirements by preventing unreported transfers of value to healthcare professionals and other regulatory breaches across every single transaction. It maintains detailed audit trails, flags potential sunshine law violations, and ensures consistent policy application across all divisions and geographies. This systematic enforcement protects against the multimillion-dollar fines and reputational damage that come from compliance failures in the highly regulated pharmaceutical industry.

Pharma finance leaders are proving out AI's effectiveness

Some platforms talk about use cases. AppZen delivers them. Modernizing expense management doesn't require ripping out existing systems or overhauling finance teams. Global enterprises processing billions in annual spend and fast-scaling, mid-sized pharmaceutical companies see similar results: cleaner books, fewer compliance risks, and more strategic finance operations. Whether it's reducing workloads by 50%, catching errors before they cost you, or accelerating audits to minutes instead of days, the results at companies like Takeda speak volumes.

PHARMACEUTICALS

Takeda's finance organization wanted to modernize a complex, manual expense auditing workflow that spanned dozens of countries. They chose to implement AppZen's finance AI platform, starting with Expense Audit, and achieved rapid success. The project demonstrated that AI could meet the stringent needs of a pharmaceutical company, integrating with Takeda's existing systems and flexibly adapting to different regional requirements, while delivering strong results. AppZen's AI analyzed the company's historical expense patterns and learned to identify true risk, which meant far fewer false positives than their old, rule-based approach. The AI system could read multilingual receipts and handle regional expense policies, a key advantage in a company with 50,000+ employees across 63 countries. AppZen showed that finance AI can be safely and effectively deployed in a highly regulated environment, yielding large efficiency and compliance gains without disrupting business.

63
countries covered

4,000
audit hours saved
quarterly

63%
auto-approval rate

" AppZen has been a great partner with us as we've gone through this journey. They really understood the requirements that we have and the need to innovate and customize the platform to meet our needs."

Global Process Expert for Procure-to-Pay at Takeda

Unlocking new value for pharma

Finance AI enables a fundamentally new way of operating. Finance teams become proactive advisors armed with real-time data, rather than reactive processors of paperwork. AppZen's intelligent automation understands that compliance requirements vary dramatically across regions. It handles multi-currency operations, complex approval hierarchies, and the dozens of regulatory frameworks pharma companies navigate daily.

Here are the forward-looking benefits finance leaders can expect to achieve with proven AI-driven operations delivered at a global scale:

Integrate seamlessly with the systems you already use

AI platforms that meet you where you are in terms of systems and processes will integrate via APIs with your existing systems, such as SAP, Oracle, and Coupa, with no rip-and-replace required. The AI sits on top of your current workflow, pulling data and pushing results into familiar tools while respecting pharma's validated systems and GxP requirements. Finance teams see immediate improvements without learning new interfaces or disrupting established processes.

Scale globally without expanding headcount

Whether processing 1,000 or 10,000 expense reports, AI handles the volume with the same setup. Adjusting rules for new countries does not require additional headcount. When transaction volumes spike during clinical trial ramp-ups or acquisitions, AppZen's AI scales automatically while providing 24/7 coverage. This breaks the traditional paradigm where expansion meant linear staff increases, future-proofing your finance organization for whatever growth comes next.

Manage complexity with intelligent context understanding

AppZen's AI understands that a payment to a research hospital might be a clinical trial expense versus a marketing event and applies different policies accordingly. It concurrently enforces U.S. policy in dollars, French policy in euros, and Japanese compliance in yen, while parsing documents in 42 languages. When regulations change, like India's UCPMP caps or IRS mileage rates, you can update the rules centrally and they're applied everywhere instantly.

Talk to your data for actionable insights and analytics

AppZen's AI proactively notifies you about spend activities that need your attention. The platform finds AI-generated fake receipts, unusual expense patterns, team spend anomalies, and chronic offenders for you so your team can take action early. You can even query your data in everyday language, like "Which therapeutic area had the highest travel spend increase last quarter?" and get an immediate analysis. This democratizes analytics, meaning no more waiting for custom reports or pivot tables. Historical trends help you identify which departments are improving and which are falling behind, with AI insights that are accurate, defensible, and actionable at every business level.

Make finance better, not busier

Our AI doesn't replace your finance team; it amplifies it. Studies show 90% of workers would trade earnings for meaningful work. Automating routine audits and data entry frees talented finance staff to work on cutting-edge projects and new initiatives, rather than remaining mired in manual budget reconciliations or chasing receipts. Lean teams deliver the output of a larger group. All of this elevates finance to a strategic partner, shaping the business alongside R&D and commercial teams.

AppZen's safety advantage for pharma finance

CFOs rightly demand solutions that are secure, reliable, and compliant with the high stakes of this industry. AppZen's finance AI platform has been engineered with these priorities, offering the advantage of safety features and capabilities that ensure AI can be trusted in a sensitive finance environment: domain-specific accuracy, transparency, and enterprise-grade security.

Purpose-built for finance, with targeted models and proprietary tech

AppZen's AI was engineered from the start specifically for finance, with over a decade of training on millions of real-world financial documents and transactions. It easily understands industry-specific formats and continues learning your business processes, making it smarter and far more effective than legacy systems with AI added as an afterthought.

Unmatched accuracy, trained for high precision and low hallucination

Generic LLMs hallucinate. Ours don't. Trained on the finance specifics you need most, our AI delivers highly accurate decisions. Its best-in-class balance of precision and recall, meaning both the quality and quantity of its findings, catches more errors with fewer false positives.

Auditable, explainable AI that finance teams can trust

The actions taken by AppZen's AI are traceable and policy-based. There's no black-box logic. You gain transparency and control, with the ability to verify the accuracy and reliability of the system and its decisions, all critical for SOX compliance and CFO confidence.

Enterprise-grade security and compliance, built-in

AppZen's AI is secure by design. To serve the the stringent needs of pharma IT and risk management, data is encrypted in transit and at rest. The company meets or exceeds global requirements for rigorous data governance and access control standards, including SOC 1 Type II, SOC 2 Type II, ISO/IEC 27001:2022, GDPR, and CCPA/CPRA.

Not a prompt. Not a patch. A real platform.

Where others offer prompts on top of brittle workflows, AppZen delivers end-to-end intelligence built on the Mastermind AI platform. Our comprehensive AI framework automates approval workflows, flags risk, and offers real-time insights across expense audit, card audit, and invoice processing for a single source of truth in your finance operations.

What's next: Leading the frontier in pharma finance

Soon, finance AI will simply be how finance is done. Pharmaceutical companies like Takeda are proving AI can handle modern enterprise complexities by setting new finance standards in an industry where speed, compliance, and efficiency determine competitive advantage. AppZen easily integrates with existing systems, scales operations without adding headcount, and frees finance teams to focus on meaningful strategy. This enables CFOs to redeploy resources toward R&D acceleration and market expansion while slashing costs and accelerating decisions.

Contact us today to join the pharmaceutical enterprises already reaping rewards with AppZen.

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AppZen is the leader in autonomous spend and compliance management, revolutionizing enterprise finance operations with its proprietary AI platform. Built specifically for finance, AppZen's solutions accurately automate expense audits, card audits, and invoice processing. They integrate seamlessly into your existing processes and learn from your workflows to drive operational efficiencies, ensure compliance, and help your business grow. Empower your AP, T&E, and Card teams to transform your business with AI. Learn why the world's largest companies trust AppZen's AI platform to automate their finance operations. Visit www.appzen.com today.

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