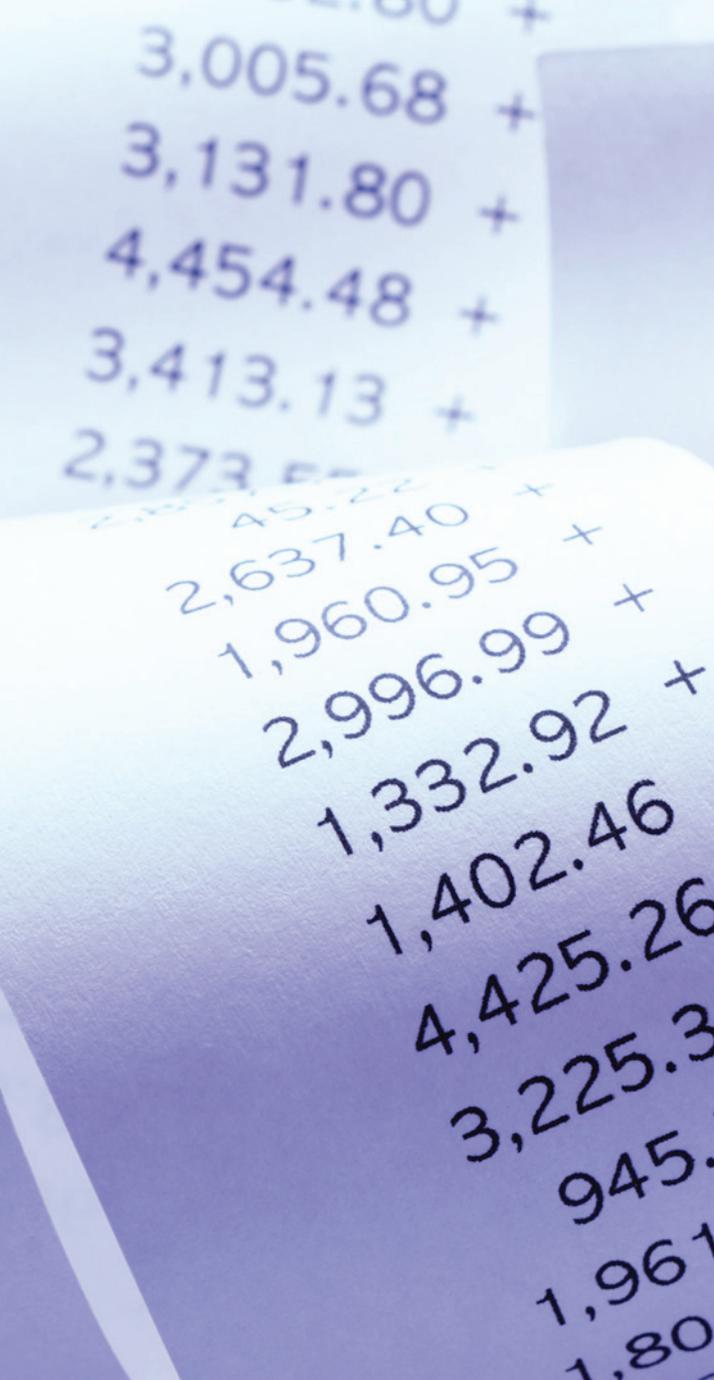


Taking Control of Corporate Spend

Using Technology to Gain Value in Spend Management



Managing Spend Is Challenging

Finance and accounting departments are devoting increasing amounts of time to managing and controlling organization expenses, especially for business travel and indirect procurement. These can account for a significant share of operating expense.

Transaction volumes can be heavy, posing significant challenges:

- Managers must have timely insight into the details of every expense transaction.
- The organization must make it easy for employees to comply with travel and indirect spend policies.
- Spend-related processes must be handled efficiently.

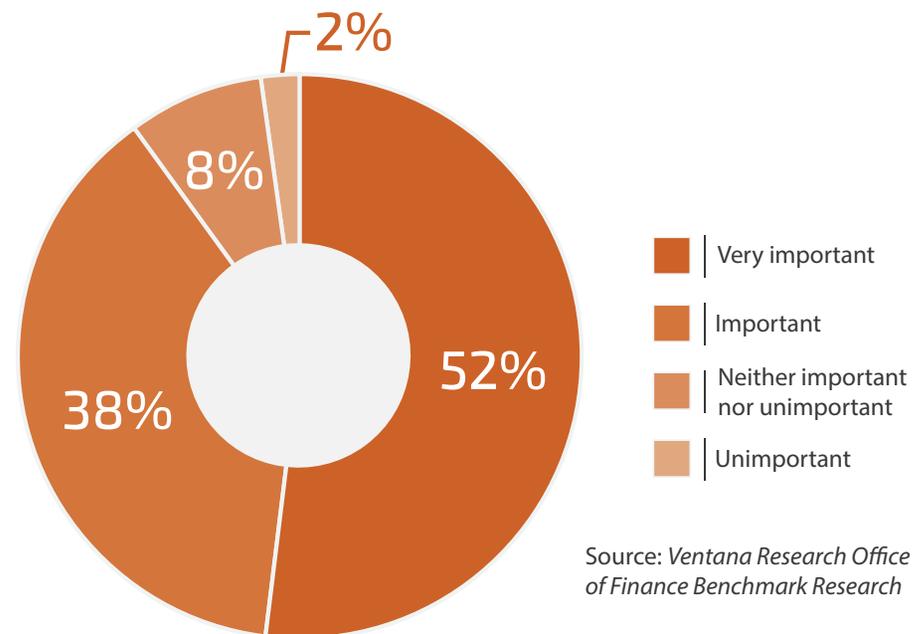
Furthermore, 90% of those who participated in our Office of Finance benchmark research said that it's important for Finance to take a more strategic role in the organization and become as much a facilitator as a regulator. One way is to use dedicated software to make spend management more effective and less burdensome.

Using Technology to Control Spend

Savvy organizations are achieving substantial business value by using technology to manage expenses and indirect procurement. Technology can **simplify** and **streamline** policy compliance for employees while enhancing **control** and **visibility** for managers and executives. It can also help **reduce** the **costs** associated with out-of-policy spend.

- A dedicated application can provide more accurate and more timely information on employee spend and help achieve greater fiscal control.
- A dedicated application with a modern, consumer-friendly interface makes it much easier for employees to prepare and document expense reports and submit purchase requisitions for goods and services.

Finance Should Play a Strategic Role



Takeaway: Effective spend management software is essential to enable a strategic finance department.

Streamline Expense Management

In addition to recording employee expenses, managing approvals and processing reimbursements, a dedicated application can provide **immediate visibility into actual spending and trends**.

Using a **single system** for expense management, HR and financials can improve the finance department's strategic potential. **Streamlining** the accounting and reimbursement processes can **reduce the time** and effort required by Accounts Payable when these processes rely on paper and desktop spreadsheets. A system that also knows an employee's full record can **automatically apply** role-dependent travel and expense policies.

Using a cloud-based system helps further by making expense management easier to access and use by those who work remotely or travel.



Takeaway: Streamlining expense management with cloud-based software makes everyone more productive.

Rationalize Purchasing



Outlays for the purchase of indirect goods and services (such as computers, office supplies, furniture and services) may seem trivial to executives, but they can add up to a significant share of controllable expenses. **Software that automates** the procure-to-pay process **makes it easier** for employees to comply with policies and **reduce wasteful spending**.

A **single system** for purchasing, HR and financials can enable Procurement to **immediately enforce** role-based spending limits and provide **greater visibility**.

Furthermore, **cloud-resident systems make this process more efficient**. Users can access them through Web browsers from anywhere, and in-house IT doesn't have to purchase equipment and manage the systems.

Takeaway: Automating the procurement process in the cloud helps facilitate employee compliance and reduce wasteful spending.

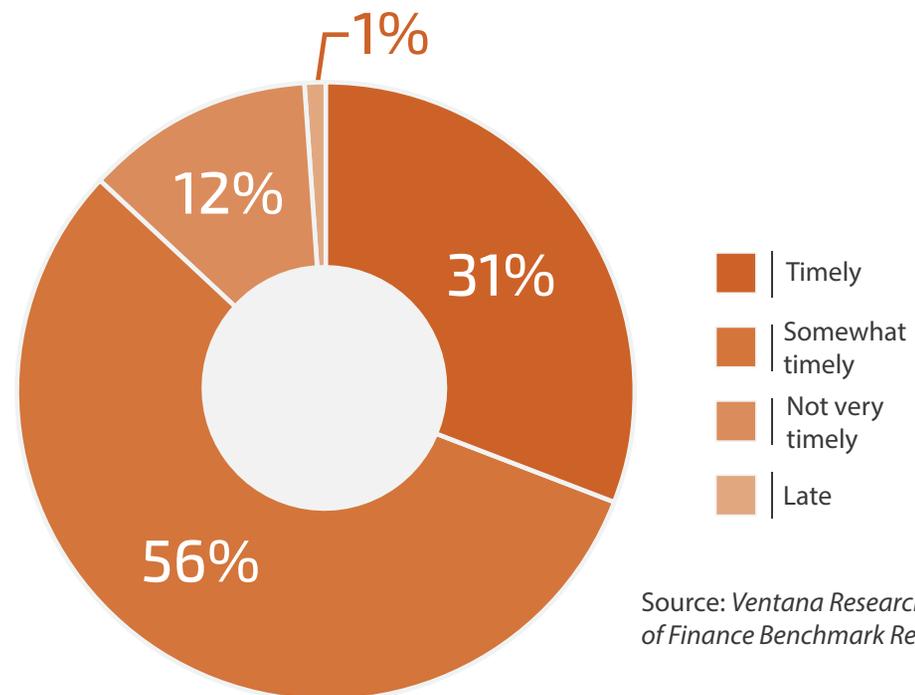
Improve Accuracy and Timeliness

Using a **single system** makes it easier to manage and use expense data that may be scattered and inconsistent. It **automates data capture** and ensures that the data is **accurate** and immediately **available**. Information can be accessed promptly in reports or preconfigured dashboards, addressing a common issue for organizations.

In our research, most participants said that their finance department's reports are accurate, but only **31%** said they are timely.

Takeaway: Demand both accuracy and timeliness of information to control corporate spend.

Information Isn't Timely Enough



Source: Ventana Research Office of Finance Benchmark Research

Mobility Enhances Effectiveness

Mobile capabilities enable employees to **prepare** and **submit** expense reports **on the go**. Cameras in smartphones **simplify** the collection of receipts by “attaching” them to the electronic expense reports, and optical character recognition of these images can further **automate data entry**. Managers benefit by being able to review employee expenses and purchase requisitions whenever and wherever it’s convenient, **boosting their productivity**.

Takeaway: Mobile capabilities can shorten expense report processing times and speed approval of purchase requisitions.



The Power of One



Expense management and purchasing applications need not be unified with an organization's ERP software, but having a **single system** can be advantageous. It **ensures consistency** in accounting, **enhances control** and **streamlines data flows**. It also **improves support** for **decision-making** and compliance.

In our research, **38%** of organizations said they choose software suites unless there is a compelling reason to buy individual applications; only half as many (19%) said they prefer individual applications.

Takeaway: A single system for expense management, indirect purchasing, HR and financials provides better clarity and control over employee spend.

Reimagine Administrative Processes

Efficient and accessible software can make administration less burdensome by streamlining expense management and indirect purchasing. A single system that facilitates oversight of these tasks makes it possible to avoid duplicate or wasteful spending. It can make compliance with spend policies easier for employees, provide managers with better service and improve expense visibility.

Finance organizations that want to avoid the up-front costs and ongoing administrative burdens of buying software will find the cloud-based software-as-a-service (SaaS) approach an attractive option. Cloud computing provides a reliable platform and frees user organizations from IT expenses for software updates and maintenance of the system.

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The benchmark research report *Office of Finance* can be purchased from Ventana Research at www.ventanaresearch.com.



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