5-Step Guide to Transform your Expense Management

equisys

CONTENTS

What this white paper is about

Expense management is a source of employee frustration across multiple departments. Hours are often wasted by employees where company processes are outdated, while undue stress is caused when inefficiencies lead to missed finance deadlines.

As a result, many companies are considering turning to a digital solution to transform their expense management. This white paper is targeted towards Microsoft Dynamics 365 Business Central and NAV users, and identifies the 5 steps you should take to ensure this process is completed as smoothly as possible and results in a successful outcome for your company.

Key takeaways:

1. Going digital is a positive business investment. It leads to significant time savings and reduced employee frustration, while more than one third of small businesses achieve payback on their investments in a digital system in six months or less

2. It doesn't matter how many employees you have submitting expenses – there are time and cost savings to be taken advantage of

3. Taking a structured approach to transforming your expense management, including building a template of your needs and priorities, will help you achieve the outcome you want

Introduction

Shoe boxes or envelopes filled with receipts. Spreadsheets. Expense forms. Countless hours of administration. Frustrated employees.

All are symptoms of an ineffective and cumbersome expense management process.

Companies that use a paper or email-based process for managing expenses (including the submission, approval and reimbursement of expense claims) are at risk of suffering from process inefficiencies, lost time, inaccurate data, fraud and inconsistencies.

Such a process affects groups of employees differently. Typical scenarios include:

Travelling employees: An employee incurs multiple expenses over the course of a month. They accumulate receipts and store them in a combination of their wallet or purse, the glove compartment of the car or an envelope at home. They may even lose a few of them during the course of a month. At the end of each month, they spend hours completing an expense form. This time could be spent on more productive tasks, which leads to growing frustration. They then staple their receipts together and submit to their line manager.

Approvers: It is the approving manager's job to manually check each expense to ensure its legitimacy before approving. It can be complicated if the approving manager travels a lot and doesn't have easy access to the appropriate paper receipts to check the claims, or if questions about the claims are required.

Finance teams: Meeting payroll deadlines is put at risk by needing to chase overdue or inaccurate expense claims. This causes stress as finance teams need to ensure that employees get paid on time. Rekeying data into spreadsheets or a finance/ERP system is also a time-consuming and monotonous task.

Expense management does not need to be a negative experience. There are tools available that make life easier for everyone involved. This white paper will help you take a structured, logical approach to transforming your expense management.

Step 1:

Make it Digital

The only way that you can truly transform your expense management process is to make it digital from end to end. If you don't, you may succeed in making your current process slightly more efficient, but you will not transform it.

Companies that have gone digital have reported these benefits:

1. 26% higher rate of compliance for the spend that they control

2. Employees take 43% less time to fill out an expense report, leading to less frustration

3. 50% lower costs processing travel and entertainment expenses

4. Administrative work is reduced; therefore time is saved (90% of SMEs who implemented a digital expense management solution identified this benefit)

(Source: Aberdeen Group)

Digital transformation does not need to be a scary or vague concept. Many of your processes will already be automated,
so why not make expense management digital too?

**Digital transformation does not need to be a scary or vague concept. Many of your processes will already be automated,
so why not make expense management digital too?**

Step 2:

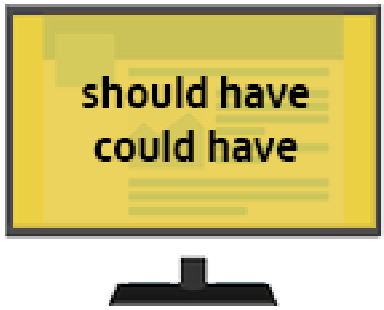
Build a template

There are a wide range of specialist providers of expense management software, each with their respective advantages and disadvantages. It is vital to build a template of how you want your new process to look, as it will help you decide on the right solution for your company.

To create this template, you should take time to analyse your current process. Do this by speaking to stakeholders involved in each stage of the expense management process. Take time to understand what frustrates them, how much time they spend on expenses and what they feel could help them.

You may want to consider using this template as a basis for creating an image of how your system should look. It contains a list of questions to ask your staff and some software features that you can prioritize according to the MoSCoW method. This will help you identify which features are "must have", "should have", "could have" and "won't have" in the software you choose.

This is a useful tool to help you move forward and discover what is available that could meet your needs.



Step 3:

Research alternatives

Now you can start to identify and evaluate possible solutions.

Your first action might be to speak to your Microsoft Dynamics or ERP partner, as they are likely to know of several specialist providers of expense management software. They may even have a preferred supplier, however it is important that you explain clearly the template you have built in the previous step, so that your partner can propose providers that meet your most pressing requirements.

Your first action might be to speak to your Microsoft Dynamics or ERP partner, as they are likely to know of several specialist providers of expense management software.

An option that may be open to you is to build your own connection between a new software and your existing IT systems, as opposed to buying a system that is already integrated. Taking this approach might allow you to customize your solution more effectively to your needs. However, you will need to weigh up whether this approach is financially viable. It will have a higher initial cost, but will it work out cheaper in the long term? There is no definitive answer to this, while the level of expertise you can call upon to build it will play a significant part in your decision.

When it comes to costs, you may have a couple of options available. One is CapEx, which is when you pay upfront and then own a perpetual license to use the software. The other is subscription, which involves paying a smaller amount on a regular basis (e.g. monthly) to rent the software from the provider. Again, this decision will depend on your financial position and whether the providers offer these options. If you have employees who are infrequent claimers, then opting for active user pricing will mean you avoid paying for those who rarely make claims.

Step 3:

Research alternatives

You will also need to weigh up whether to implement a cloud-based software or one on-premise. Opting for a cloud-based solution will mean your software gets updated automatically, so you will always be on the latest version of the software, whereas an on-premise solution will require you to update the software yourself or pay for this to be done for you from time to time.

To help you create a shortlist of potential solutions, look for case studies, reviews, webinars and datasheets from the providers – anything that will help validate the quality of the software and identify those which meet your needs.

Once you have a shortlist, a great way to see software in action is to book a personalized demonstration. This gives you the option to explain what you are looking for beforehand, so that the provider can show you specifically how its software meets your needs. You can also ask any questions and generally get a feel for how the software will "fit" your company. Some providers might even offer a free trial of their software.

To help you create a shortlist of potential solutions, look for case studies, reviews, webinars and datasheets from the providers – anything that will help validate the quality of the software and identify those which meet your needs.

Step 4:

Implement and train your staff

Having evaluated the possible solutions and selected the one that is right for your business, it is now time to implement the solution in your organization and train your staff on how to use it most effectively.

The level of involvement of your Microsoft Dynamics or ERP partner will vary depending on the solution you have chosen and how simply it integrates with your system. They will be able to advise you on this and ideally provide a step-by-step project plan for its implementation.

The project plan should specify a methodology for making the new system live and what needs to happen both in the run up to this and afterwards.

You will need to consider whether to run your new system in parallel with your old one. Running them in parallel will ensure you still have an expense management process to fall back on, should any issues arise during the installation or roll out of the new system. Doing this will also allow you the opportunity to have a team of early adopters who use the new software to become accustomed to it, iron out any flaws and identify other features that may be required.

You will need to consider whether to run your new system in parallel with your old one. Running them in parallel will ensure you still have an expense management process to fall back on, should any issues arise during the installation or roll out of the new system.

Step 4:

Implement and train your staff

This approach will identify parts of the new software that need to be configured and whether there are any customizations required. Despite creating a template of your requirements, there is always the possibility that you realize that you require something else while using a new system. This should be discussed with your Microsoft Dynamics partner and the software provider.

From the early adopter team, an in-house champion can be appointed who can train the other members of the team once the new software has been tested and is ready to be rolled out across the whole company. An administrator should already have been selected by this point, who will be in charge of the running of the software. If possible, it will be useful to have a representative from the solution provider spend some time with the designated champion and administrator. This can be done in person or remotely in an online session. The amount of training required will vary, depending partly on how intuitive the software is.

Processes need to be put in place for after the system goes live, such as an upgrade plan. If you select cloud-based software, updates and upgrades will happen automatically. If you select on-premise software, you will need to agree an upgrade plan with your partner.

Ongoing technical support is also something you should consider, too. This will ensure you are protected in case something goes wrong once the software is in use and that any issues will be fixed. Your provider can advise on this.

Once your new system is live and has been rolled out across the company, you will reap the benefits.

Step 5:

Exploit the benefits

An obvious benefit is that your digital process will free up staff time and reduce their level of frustration that stemmed from the previous system. Research from smallbusinessheroes.com suggests each employee will save three working days per year by moving to a digital expense management solution. This can be used for other, more productive activities and result in happier employees.

Ideally, your chosen software will provide you with comprehensive analysis and reporting functionality. You can use this to help detect possible expense fraud and identify where savings can be made based on spending trends. You can also compare and contrast different employees' spending patterns so you can go back and influence them or their managers to make changes, as required.

It should be easier to ensure expense spending is kept within budget. You can implement a live policy that includes spending warnings (to educate employees on acceptable levels of spend) and spending limits (blocking a spend by an employee) on expenses. Implementing a live policy makes expense management easier to control.

A digital solution should also help you recover more tax or VAT, for example as part of mileage expenses. Combined, this will benefit your company's finances.

You will likely find that you have a happier workforce. It is difficult to imagine any members of staff who enjoy the expense reporting process. Making the process more efficient, employees won't have to endure the frustration of correcting mistakes, chasing and providing justification of claims, looking for lost receipts or paperwork, or trying to remember an expense policy booklet they read only when they joined the company.

Conclusion

No matter the size of your organization, there is significant time and money to be saved by switching to a digital expense management system. To illustrate this, a report by The Aberdeen Group (2015) reveals that employees spend on average three hours per expense report. If you have 20 employees each submitting one report a month, that's 60 hours per month that is being wasted. Would your business not benefit from getting 60 hours back each month?

77% of businesses who plan to upgrade their expense management process will do it within 12 months. Small companies are acting even quicker, with 86% planning to change within 6 months

(HubSpot, 2018)

More and more companies are transforming their expense management, with many of them planning to do it quickly. 77% of businesses who plan to upgrade their expense management process will do it within 12 months. Small companies are acting even quicker, with 86% planning to change within 6 months (HubSpot, 2018). For those companies, relying on paper receipts and claims forms, chasing overdue expenses and rekeying details of claims can all be consigned to history.

Breaking your transformation of expense management down into the steps identified in this paper will help you find the solution that best matches your staff's needs. The advantages of doing so far outweigh the disadvantages and costs involved, with more than one third of small businesses achieving payback on their investments in a digital system in six months or less (HubSpot, 2018).

Get the benefits for your organization now by transforming your expense management!

About Equisys

Equisys is a leading provider of expense management and document management software on Microsoft Dynamics 365 Business Central and Dynamics NAV.

Our software is known collectively as Zetadocs. The Zetadocs suite integrates with Microsoft Dynamics to help organizations automate manual processes, cut paper use, save time and money, and reduce their carbon footprint.

We also produce fax software for PCs and web-based project management software.

If you would like more information on our expense management solution: Zetadocs Expenses, please visit zetadocs.com/expenses

You can download our expense management template here.