

5 Steps to Strategic Spend Management

Smart Ways to Handle Expenses and Vendor Invoices to Protect Future Growth



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It's Time to Capitalize on Your Moments

How is your company spending its money? It's an important question for businesses as they carefully work through big moments of uncertainty towards stability and new opportunities. But the business landscape is constantly changing. How do you stay on top of spending at a high level while also having insight into the smaller spending decisions? Each one is a chance to make your business run better. After all, every decision to spend is also an opportunity to become more efficient and profitable.

A strong strategy for managing travel, expense, and invoices lets you align spending goals with business objectives. In this manner, you can elevate spend management from a cost center to a driver of performance, business continuity, growth, and supporter of employee satisfaction.

This eBook explores five ways that you can help guide your company towards a more strategic approach to expense and invoice management.



TOPICS INCLUDE:

- Why is having a spend management strategy so important?
- How well does your company's spend management solution adapt to evolving business conditions?
- Do business leaders have access to forecasts, budgets, and insights they need to make the best spending decisions?
- How do travelers, corporate spenders, and purchasing agents stay informed about changing policies?
- Is your spend management strategy aligned with future business goals?

1 Understand the Impact of a Spend Management Strategy

Does your company need a spend management strategy even if it isn't a global enterprise? In today's economic reality, the answer is yes. A strong strategy aligns changing business travel, employee spending, and vendor invoice management with business goals. This helps to build business continuity and support growth. Better forecasting and planning, more data-informed decisions, and simplified processes are all possible when you take a more strategic approach to managing spending.

Every moment of decision and spending is an opportunity to improve performance and find savings. Your spending strategy should support this with policies that guide employees towards purchasing within guidelines for cost, efficiency, and sustainability.

However, policies alone aren't enough. Good governance is equally essential – not just for finance, but for everyone in the company who travels or makes purchases. “Our research shows workflows

where people are accountable for their own policy and compliance work best,” said

[Ben Wright, Senior Research Manager, Thought Leadership at Oxford Economics](#), a leader in global economic forecasting and econometric analysis which has partnered with the SAP® Concur® business unit of SAP on several programs. “It's just not efficient or effective for managers or finance staff to manage everyone's spending decisions. And when everyone is accountable for their own decisions, it helps to have the framework of a spending strategy to help them understand the impact of each purchase.”

Here's where a spend management solution that encompasses employee spending, travel, and invoice management can help. Your solution should make it simple to create policies that support the overall spend management strategy, update them as business needs arise, and help guide users to consistently spend within the policies.

“A spend management strategy is critical not only to control costs, but to potentially drive growth and profitability, increase efficiency, and create more positive experiences for employees.”

[Ben Wright, Senior Research Manager, Thought Leadership at Oxford Economics](#)

Understand the Impact of a Spend Management Strategy

“Our company uses Concur to manage, approve and track travel expenses. Since we started using Concur, we’ve been able to institute better controls and approvals processes. Expenses are better tracked and the documentation is clean and clear, and easy to research if a question arises during year end auditing. Concur has made it easy to keep better track of expenses and organize the documentation.”

SAP Concur User¹



2 Build Flexibility into Your Spend Management

In today's economy, change is inevitable and it happens quickly. Each day, moments of change and uncertainty arise. Sometimes in the form of growing pains, sometimes in new regulatory requirements, a new competitor, or a global economic disruption. Like all other aspects of your business, your spend management strategy has to be flexible to keep up with the evolving business needs and shifting employee expectations. A strong strategy supported by the right spend management solution allows you to confidently face those uncertain times.

For example, hybrid work and supply chain disruptions introduced an influx of transactions, new payment types, and unapproved vendors in many companies. “Employees who had rarely if ever encountered business expenses began spending much more frequently and in new ways, changing the mix of travel, employee, and purchase agent spending. Spend management solutions need to handle such rapid shifts when necessary while still being rigorous enough to uncover efficiency and savings,” said [Katie Evans, Research Director, Worldwide Small and Medium Business Research, IDC](#) – a premier global market intelligence firm.

“Spend management solutions must be structured enough to ensure compliance to spending policies, but also flexible enough to allow finance staff to meet the changing needs of the business.”

[Katie Evans, Research Director, Worldwide Small and Medium Business Research, IDC](#)

Another important reason to be flexible is to incorporate sustainable options for travelers and spenders. Adapting your spend management strategy not only allows you to include sustainable purchasing but also guides spenders towards making sustainable choices as often as possible.



Build Flexibility into Your Spend Management

“We were able to move away from a paper process to a fully automated system. This has allowed the accounting organization to become more productive, verify expenses more easily, and generally make our expense reporting process much more simple.”

SAP Concur User²

3 Give Everyone Insights into Spending

With a solid strategy aligned with your business, spend management can become a driver of growth by increasing profitability and improving efficiency. However, the policies and processes alone won't guarantee success. "Informed decision-making requires the right information," said Ben Wright. "If business leads have better visibility and access to data, they can make better decisions. Finance doesn't need to own the data, the budgets, or the analysis. However, those insights need to be made available to line of business leaders."

Opening access to spend data by integrating spend and invoice management with other financial systems provides everyone with a better view of the business. Intelligent solutions leveraging AI and machine learning (ML) can provide analysis and uncover opportunities for efficiency and profitability. These insights give greater visibility and timely information to line of business leaders. Predictive analytics improves the speed and accuracy of forecasting and planning. All of this gives people the confidence to make spending decisions that will move the business forward.

"Systems that provide greater visibility into budgets and current spending levels are essential to optimizing spend management. When visibility extends to lines of business, all necessary parties have access to the relevant and timely spending information they need to make informed decisions that are aligned with the organization's priorities."

[Katie Evans, Research Director, Worldwide Small and Medium Business Research, IDC](#)

Give Everyone Insights into Spending

“Concur allows for all organization expense reporting to be consolidated into one platform, which makes the submission, approval, and processing of the organization extremely efficient.”

SAP Concur Admin³



4 Simplify Compliant Spending

The days of referring new hires to an employee manual outlining spending policies are gone. Those policies are likely to have changed by the time manual is published. How are employees expected to make compliant choices when they can't keep up with the policies? "Company-wide emails or the intranet aren't necessarily the best way to get the word out," said [Joseph Bertran, Senior Analyst at Analysys Mason, a top management consulting firm for the technology industry](#). "Technology should serve as the backbone of modern spend management processes, and the best solutions make it simple for employees to adhere to policies by putting guard rails in place."

Spend management solutions can offer opportunities to help travelers and other employees comply with policies – even as they are updated or replaced. Solutions that let you build policies into the software make rules clear and easily accessible so that people can't help but make compliant spending choices.

Still, mistakes can happen. When they do, the reason is often that the employee was simply unaware of a policy or a change. When travel, expense, and vendor invoice data are connected, non-compliant transactions can be detected. Patterns of mistakes or potential fraud can also be detected; often much more quickly than human auditors can manage in the time they have available. Solutions that automate audit tasks resulting in a simpler and more efficient workflow can find and flag moments of risk before payments are made. With less manual work needed to chase down errors, finance teams have more time for the more important work they were trained for.

"You no longer have to wait until an expense or invoice hits the accounting department to flag a non-compliant purchase. Technology helps users avoid making a purchase or booking a flight that doesn't comply with policy."

[Joseph Bertran, Senior Analyst at Analysys Mason](#)



Simplify Compliant Spending

“It’s proven to be a great expense platform for our mid-sized company. It allows me to easily input my invoice into the system. It’s reduced any complexity and gives me a full picture view of my company travel and expenses.”

SAP Concur User⁴

5 Align Spend Management Strategy with Business Goals

Moving your business forward means finding new business models and new ways to delight your customers, partners, and employees – no matter how small. Your spend management strategy should support those goals and allow the moments of decision to turn into new growth, better performance, and more innovation. Find savings to reinvest by optimizing cash flow, free your finance team to focus on more strategic projects and give employees time back with a spend management solution that simplifies travel, expense, and invoice processes.

One of the most effective ways to ensure that spend management and business strategy are aligned is by tracking key metrics related to business outcomes. This can include reducing approval time resulting in greater efficiency, shrinking invoice to payment time

to help improve vendor relations, save on late penalties, and faster expense reimbursement to improve the experience for employees. “It’s hard to influence what you can’t measure. Your spend management processes should allow you to measure outcomes that are synced with your business objectives,” said Joseph Bertran. “If there is a disconnect, it’s time to look for a solution that can deliver insights to help you improve your business.”

Better spend management can also help you move forward with innovation. There may be funding for six projects, but there is a dozen on the list. You’ll have greater confidence in making decisions on where to invest when your budgeting is up to date, and cash flow is optimized.

“Spend management strategy should be holistic, supporting a wide variety of company objectives – from growth and innovation to meeting the needs and expectations of employees, partners, and customers.”

Ben Wright, Senior Research Manager, Thought Leadership at Oxford Economics

Align Spend Management Strategy with Business Goals

“Concur cut the time I would spend processing paper expense reports drastically. This was extremely helpful as the company continued to grow.”

SAP Concur Admin⁵



Solutions for Strategic Spend Management

The pace of business isn't slowing down any time soon. A solid spend management strategy, powered by the latest technology, helps companies keep up with five tactics that can help your company adopt a more strategic approach to expense and invoice management.



Understand the impact that effective, strategic spend management can have on profitability and performance.



Build flexibility into spend management to meet new challenges and needs.



Give everyone who needs it access to the data necessary to make the best decisions.



Design your spend management strategy to support business objectives for maximum impact.



Make it easy to make spending choices that balance what's best for the business with what's best for employees.

The potential upside to being more strategic about spend management is significant. It can help you find the balance between growth and reinvestment and have confidence in making data-driven decisions. Being strategic about spend management means capitalizing on moments to control costs, maximize profitability, improve productivity, and increase employee satisfaction. It makes it possible to move your business forward with every decision – big or small, turning them into moments that make your businesses run better.



[Contact us](#), [request a free trial](#), or take a self-guided self-guided [expense](#) or [invoice](#) demo to find out how SAP Concur solutions can move your business forward.

[Learn more](#)

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