

Title A: What to Look for in an Expense Management Provider

Subtitle A: These eight expense management requirements can make or break your company.

Title B: 8 Important Considerations When Choosing an Expense Management Provider

Subtitle B: Ditch the manual processes and upgrade to a platform that does the work for you.

Title C: 8 Business Requirements Your Next Expense Management Provider Must Have

Subtitle C: Don't let expenses get the best of your business.



[Image Source](#)

Expense management is one of the most important productivity processes in your company. Money is the lifeblood of any organization, and you need a solid, dependable platform to ensure expenses are tracked and maintained accurately and efficiently. Yet a recent survey of over 600 CFOs found [46 percent of businesses](#) still use paper- and spreadsheet-based expense reporting. It's time to focus on innovation in your t&e solution.

An American Express travel report found only [57 percent of travelers](#) are satisfied with the way they currently track expenses. In fact, as Millennials take over the workforce, the expectation for [a mobile-first expense solution is increasing](#).

It's probably time to replace your current expense management process. But how do you do that?

When shopping around for financial tools, it can be difficult to tell the differences each brings to the table. Your instinct is to compare them by price, but there are other considerations to keep in mind.



[Image Source](#)

1. Configuration – Configuration is the most important feature of an expense management platform. Every company is different, and the platform needs to be adjustable to your firm's exact specifications to ensure usability. This means every device, employee, and situation needs to be covered for both small business and corporation.

Consider whether your company needs to cover an IRS per-diem and what rules will apply to them. List all available accounting and payment software to ensure integration with the software suite you already have. Make a list of categories important to your business – like payroll, production revenue, invoiced revenue, etc. – and ensure they're all supported.

If an [expense management platform](#) can't work with every policy and procedure in your business, then it's time to look for another platform that will. And because your business changes over time, your platform should too.

2. Training – Even the most powerful software is useless without proper training on product functionality. A recent survey of HR professionals found [\\$13.5 million is lost](#) every year for every 1000 employees due to ineffective training.

People get college degrees in software platforms like Final Cut, Photoshop, etc. Your expense management software is no different. The expansive toolsets available will go to waste if your staff isn't properly trained on how to utilize both the desktop and mobile version. Make sure every configuration has training – it doesn't matter that you can import expenses into QuickBooks if nobody knows how to do it.

3. Support – Your business is always open, especially in this digital age. The more employees and clients you have in different time zones, the more important it is to know that [things are working 24/7](#). This is especially true if you run an international business. If a problem arises during business hours, you need to be able to reach the software provider to have it resolved immediately.

Gartner research estimates one minute of IT downtime costs an [average of \\$5,600 per minute](#). Of course, every business is different, and the researcher found cases costing as much as \$540,000 an hour. On the extreme, the NY Stock Exchange cost \$2.5 million per hour of downtime. Every second counts, so stick with a provider that is available 24/7 to keep things running.

4. Transparency – Transparency is important for running an ethical business in today's world. Studies show that [94 percent of employee happiness](#) in the workplace is driven by management transparency. A transparent expense management platform keeps everyone both honest and happy.

Policies should be laid out up front so that employees understand what they will and won't be reimbursed for. All transactions should be tracked for at least seven years, and detailed reports should be available. Not only is transparency good business, but it'll be required if your business is ever audited by the IRS.

5. Automation – Automating menial, repetitive tasks tops the list of cost-saving trends and innovations of expense management. A recent McKinsey study found [45 percent of activities](#) people are currently paid to perform could be automated. This means almost half the time you're paying your employees for performing functions that could be done instantaneously by machines.

Talk to your staff and discover the mundane tasks they perform during the expense management process. This will include things like tracking receipts, manual data entry, reimbursement, etc. Look for expense management software that automates these mundane tasks.

6. Ease of use – Of course, automation doesn't save time and money unless the platform is easy to use. Implementing a software solution that adds more work to your employees negates any positive benefits. In fact, a [study from The Access Group](#) found ease of use to be the top requirement project managers look for.

Expense management software needs to intuitively fit into your employees' workflow, or it won't get used. If people have to stop and think about every laborious step of entering their expenses, it's very likely that the software won't have the positive impact and ROI expected. Millennials are much more computer savvy than previous generations, so keep this in mind.

7. Company policy enforcement – All software, including expense management, needs to support the company's policies. [Monster.com found](#) not enforcing company policies can quickly lead to expensive problems for a company. While informing all employees of policies is crucial, so is supporting that information with procedures within your software platforms.

Before investing in an expense management platform, discuss its policy management tools with the sales rep. Go down the list of specific policies related to which expenses can and can't be entered, and ensure there are checks and balances in place to easily enforce them. If the platform isn't capable, keep shopping around for a platform that can be configured for your company's specific policies.

8. Compliance – The IRS and Department of Labor have [extensive guidelines on expense reimbursement](#) for businesses. Petty cash is never just petty. There must be a business reason for the expense, and it must be made in connection with employee performance of job duties. There need to be receipts and

invoices documenting the nature and amount, and there are several timeframes and monetary limits in place.

Government regulators require extensive documentation of business expenses, and your expense management software should be able to easily capture, track, and archive this information. The IRS can audit expenses for up to six years, so it's important to keep at least seven years of information to maintain compliance during these events. If your software expense platform can't do this, it's time to upgrade.

Expense management is a vital part of any business's operations. Not only does it help maintain and forecast budgets, but it keeps you in line with federal and local regulations. Instead of relying on outdated manual procedures and spreadsheets, consider upgrading to an all-in-one platform that takes the headaches out of the process.