



# The SMB Case for Expense Management Automation

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## The Balancing Act

For SMB leaders, time, money, and organizational focus must be balanced to ensure that the short-term needs of the business are addressed and that the long-term goals of the business can be realized. Who do you hire next? When do you do it yourself? When do you outsource? When do you need to establish a formal process or policy? Successful leaders understand the *immediate costs* of their decisions but they must also seek to understand the *opportunity costs* of what they pursue. They also need to have great instincts to anticipate issues looming on the horizon - when will some small, manageable problem today become a significant distraction and disruption to staff, operations, and most importantly, to clients? Perhaps the most daunting aspect in all of this is that most SMB leaders perform their balancing acts at great heights and without a net. The risks from one small shift in the market, one client disruption, or one poor decision can set a company back months, if not years.



## The SMB Case for Expense Management Automation

***"We're the small upstart in our segment but we hold our own by playing much bigger than we really are. Everything we do in front of our clients and prospects - our office space, our collateral, our invoicing, etc. - must be seamless to protect and enhance our image."  
- Founder, Software Solutions Company (85 employees)***

Inefficient processes have costs on the business. That point is both clear and understood. But, what is generally less understood are what the actual costs of the inefficiencies are and how they impact the business. Inefficient expense management processes present a host of challenges (and opportunities) for the typical SMB. Here are a few:

- **Cost Controls:** Do you have visibility into the goods and services that your employees buy and use on the company's (and customer's) behalf? Shouldn't you? Automated expense management solutions allow companies to systematically view, track, and approve expenses and ensure that they are in-line with company policies before they are reimbursed or paid.
- **Cash Management:** Do you have an accurate picture of your short-term liabilities and are you getting reimbursed by your clients in a timely manner? Cash is the lifeblood of any business operation and understanding net cash positions allows SMB executives to sleep at night. Automated expense management solutions let managers see business expenses in near real-time and ahead of period closing, while also helping finance teams invoice customers for reimbursement in an accurate and timely manner.

- **Employee productivity and satisfaction:** Are your employees spending time on non-value added activities instead of improving the product or client service and building a better sales pipeline? How do your employees feel about huge delays in out-of-pocket expense reimbursements? Despite people being every company's most valuable resource, modern business places extraordinary demands on its staff from a time and energy perspective. Happy, productive workers are much more likely to thrive. Automated expense management solutions help employees complete expense reports in significantly less time than manual methods and help ensure that companies can reimburse their staff more quickly too.
- **Business and process scalability:** Are you built for speed? At certain inflection points in your company's evolution, decisions must be made to help manage actual and expected growth. Automated expense management solutions allow companies to quickly scale their policies and processes from two to two hundred or two thousand employees. Additionally, solutions that are web-based and offered in a subscription model allow companies to start with little or no initial investment and provide an ability to ramp up quickly or scale back as the business demands.
- **Workforce Mobility:** Are all of your employees in the office every day? Are you building a regional, national, or global team? The recent advances in connectivity and communications have dramatically changed the world and reduced the need for employee proximity to central business operations. Automated expense management solutions can be used to educate and communicate company policies and processes with your remote and/or traveling employees and ensure that mobile workers can promptly and accurately complete and submit their expense reports.

The competitive pressures of today's business environment demand that companies have near-flawless execution. From phone systems and websites to marketing collateral and sales presentations, your company sends clear signals into the market regarding its viability, its orientation, and its ability to execute. Companies bogged down with poor internal processes do themselves and their customers a disservice and lessen their likelihood for survival and growth. Automated expense management solutions that help companies streamline processes to improve employee efficiency and productivity and help managers control costs and manage cash are one lever to help SMBs maximize their resources and "play bigger" in the market.

***"With the new Financial Reform Law, we are staring at a growth period where the wind will be at our backs for the next 12 to 24 months. Our trigger for investments in process automation is anticipated growth. Right now, we have 70 expense reports a quarter; but what happens when we have 200 a month? It's a question of keeping our business efficient, planning ahead, and making some of those decisions now."***

***- Managing Director, Financial Services Consultancy (40 employees)***

## ABOUT ARDENT PARTNERS

**Ardent Partners** is a Boston-based research and advisory firm focused on defining, advancing, and promoting the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Register for access to Ardent Partners research at [www.ardentpartners.com](http://www.ardentpartners.com).

## ABOUT THE AUTHOR

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Andrew is a globally-recognized expert in sourcing, procurement, accounts payable, and supply management. Andrew focuses his research and efforts on helping enterprises develop and execute strategies to achieve operational excellence within their procurement, finance, and travel departments. Andrew is also the publisher of [CPO Rising](#), the first independent media site written for and about Chief Procurement Officers and other supply management executives.

Andrew has been named a “Pro to Know” by Supply and Demand Chain Executive three times and holds a B.A. in Economics from The College of the Holy Cross and an M.B.A in Finance from Indiana University. He welcomes your comments and questions at [abartolini@ardentpartners.com](mailto:abartolini@ardentpartners.com) or 617.752.1620.