

## When to buy a distributed spend management platform

Employees have more purchasing power than ever, which often leaves finance teams struggling to keep up. As organizations become more agile, employees take advantage of the flexibility of corporate credit card programs in order to quickly complete purchases. This speed is critical for growing organizations, but without proper controls in place, finance teams may find themselves having awkward conversations with employees. When purchases occur out-of-policy, it's often too late to fix it.

Finance also suffers from the reactive nature of corporate card spending. Until the month closes and expense reports are submitted, finance has no idea how much money the company has spent. Because you can't track approval workflows, you are often left wondering who bought what, and why.

To gain control and real-time visibility into spend, agile finance leaders seek distributed spend management solutions that enable employees to continue to do business efficiently.

## Buy or build?

Organizations with skilled development teams may be tempted to solve for the pains of distributed spend management internally. Building a custom solution can certainly seem appealing, and from the outside it might seem like a more cost-effective option than purchasing new software.

However, companies typically incur unexpected costs and frustrations when trying to build a solution from scratch, such as:

- **Industry expertise:** Even the most highly-skilled internal development teams often have limited subject-matter expertise when it comes to the business challenges they are trying to solve. Software providers have development teams that are dedicated to solving a specific problem, and have learnings gained from supporting myriad customers. This results in best practices and a roadmap specific to a business user's needs. Customer success teams are available to share best practices and support as needed.

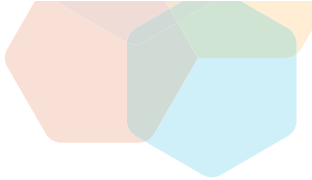
- **Scalability:** Organizations often build solutions to meet current needs, but don't have visibility into what will be needed as the business scales. Software providers have clients of varying size, and have capabilities to support companies through growth with additional features that become more critical with size.

- **Time to value:** It can take months to build an MVP for a custom distributed spend management solution, when software vendors can offer this out-of-the box immediately. And by the time the internal tool becomes available, existing providers with dedicated product teams and roadmaps will be even further ahead.

- **Development costs:** Building a homegrown solution requires internal resources that often must be reallocated from other projects. These internal teams can be extremely costly, especially when they come at the cost of de-prioritizing other projects.

- **Maintenance costs and risk:** The development cost doesn't end when the product goes live. Ongoing efforts must be made to maintain the product, especially as integrated products or third-party services are updated. This introduces additional risk when developers leave the organization.

- **Training costs:** New technology is only valuable if employees use it. With a custom solution, companies need to build out a plan to train the workforce on how to use the new offering. It takes time and resources to build out an appropriate program. Software providers often offer integrations into digital workplace technologies, meeting the users where they are and eliminating the need to train employees.



# Key requirements for distributed spend management software

Best-in-class distributed spend management software offers so much more than streamlining virtual card creation and syncing data to your ERP.

- **Business process customization:** Companies often update policies, rules, and codes throughout the year. It's critical that a distributed spend management system is flexible and can be updated by the finance team quickly with new rules and policies.
- **User adoption:** To gain compliance and adoption, end-users require a system that's universally accessible, like Slack or a web browser. Solutions that integrate into an employee's existing workflow gain adoption much more quickly and completely than one which requires training - meaning the problems of policy misalignment hodgepodge and spending will be under control.
- **Reporting and visibility:** Relieve pressure on the finance team and department leaders by giving them visibility to know exactly how much has been spent, where, and by who. Hierarchical reports and visibility with scoping allow managers to view their approvals and employees to view their own spend data.

- **Alerting and notifications:** Users today rely on software to push critical information. A distributed spend management platform should enable proactive alerts to finance, managers and end-users regarding their spend - calling out large variances, new vendors, duplicate vendors, and more.

- **Committed spend:** Leaders need not just the ability to track what has been spent, but also funds that have been approved but not yet spent. This visibility enables smarter, more proactive decision-making.