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Blueprint for Decentralized Spend

This series of short checklists offers CFOs the pros and cons of decentralized spend. It provides a blueprint of how a specific system operates.

Decentralized spend—

Pros-Empowers employees to make purchases, can save dollars, frequent monitoring

Cons-Difficult to control, budget, report on

Main Areas of Spend

- Subscriptions & Saas Tools
- Marketing & Events
- Travel & Entertainment
- Vendors

Spend Management

- Digital payments and workflow that impacts teams across the company
- Empower with oversight and control
- Flexible payment options
- GL accounting integration
- Real time spend reporting

Approval workflows for visibility and control should….

- Handle approvals
- Make payments
- Categorize expense
- Sync to the general ledger
- Provide real time reporting

How the system works

Employee

- Requests approval
- Creates a virtual card
- Pay vendor

Manager

- Receives request
- Approves

Vendor

- Send PO (optional)
- Gets payment
- Sends receipt

Accounting

- Sees request
- Receives transaction details
- Receives receipts

Management

- Real time visibility into spending
- Management can see what departments are spending without waiting to month end

(More than savings from visibility and control)

Generate additional cash back

- Company earns cash back from card use
- Shift PO transactions to card transactions to earn more

Eliminate the need for cash management tools like Expensify

Eliminate the need for AP tools like Bill.com

Automation helps save finance team time on AP, such as

1. Chasing AP reports
2. Chasing receipts
3. Managing compromised cards
4. Managing cards tied to ex-employees
5. Gathering information from various payment sources
6. Reconciling information from various platforms
7. Reconciling card transactions and addressing categorizations
8. Manually entering information to downloading CSV files to general ledger

Categories of Wasted Spend

- Unnecessary spend due to lack of oversight
- Duplicate services
- Missed discounts and price breaks
- Undetected fraud
- Undetected overbilling
- Poorly negotiated pricing
- Orphan charges (ex-employee or old card)

Airbase System Integrates Most Accounting Platforms

- QuickBooks Online
- Sage
- Zero
- NetSuite
- Intacct

(Source: CFOLC)