



Facilitating a new era in enterprise spend management

Why Commercial Card Providers must
play an active role in helping business
customers adopt new solutions



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Executive summary

Businesses incur a variety of expenses every day.

Businesses incur a variety of expenses every day. From subscriptions, office equipment, airline tickets, business insurance and any incidentals, expenses add up. Businesses are looking to get insight into those purchasing decisions so that they can have more financial control and grow.

Enterprise spend management software meets that need, providing transparency and automating the entire process from end to end. But spend management is a crowded market, [generating \\$2.1 billion annually](#) widely distributed among various industry players and internally built solutions. Moreover, changes in global travel (a major component of business expenses) and the rise of newer technological integration (like cloud) have changed expectations.

Commercial Card Providers must take a more active role in introducing and advising clients about this core component of their commercial card offering. Because failing to show businesses, large and small, how they can simplify their expense reimbursement and reconciliation processes could mean getting left behind in the ever-evolving payments space.

To help Commercial Card Providers understand how businesses use enterprise spend management software, Visa commissioned Mercator* to learn more about how they tap into enterprise software to control their spend, drive organizational efficiencies, and eliminate time-consuming manual processes.

Small (Less than \$25m)
Middle (\$25m to \$1b)
Large Market \$1 billion above



Through 460 responses from an online survey distributed to decision makers across ten international markets, we learned:



How businesses evaluate commercial card spend management tools



What buying factors influence how businesses adopt new solutions



What Commercial Card Providers should consider when offering card spend management software to corporate clients, both large and small



How Commercial Card Providers can serve clients and compete with disruptors in the marketplace

What businesses want from enterprise spend software

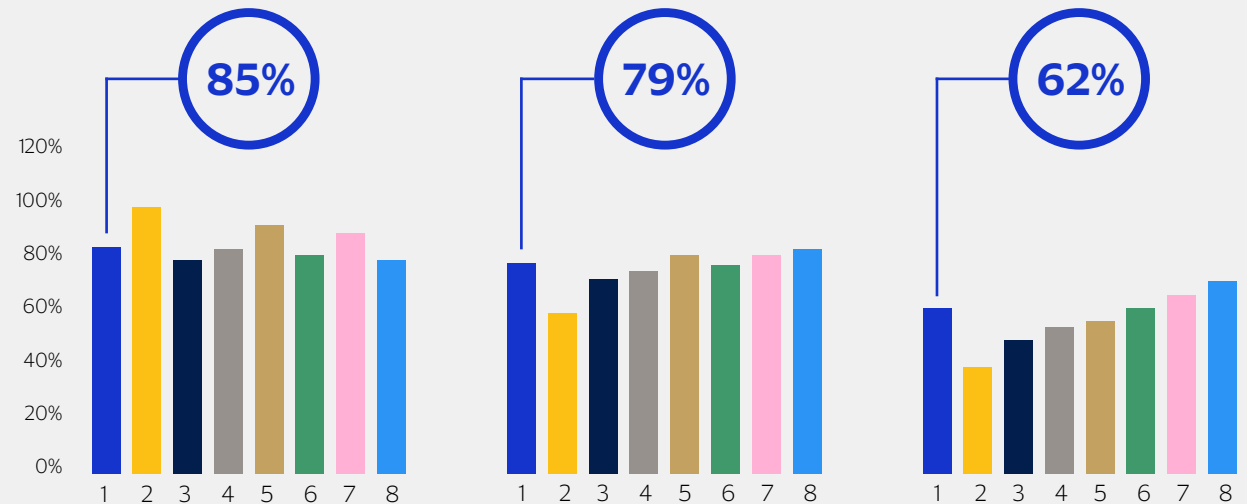
Businesses invest a considerable amount of time and effort into the process of introducing new capabilities or incorporating particular products into a commercial card program. The vast majority (93%) test software capabilities frequently in a cycle of up to three years.

There are many factors involved in a corporate buying decision, but three categories are considered more frequently than others in evaluating solutions:

1. Ease of use (85%)
2. Cost (79%)
3. Reconciliation capabilities (62%).

Key decision factors when considering a spend management purchase

1 Total 2 0-49 employees 3 50-249 employees 4 250-449 employees 5 450-649 employees
6 650-849 employees 7 850-1,000 employees 8 1,000+ employees



Ease of use

is a significant buying factor across all business sizes. Businesses are looking for a solution that is quick to set up, requires little or no support, and saves time and money.

Cost

is a highly important factor in the choice of a spend management system. Enterprise spend software systems are often provided as a value-added feature at no cost or on a cost pass-through basis. However, the Total Cost of Ownership, which includes software subscription and maintenance, as well as support staff, is an added consideration. Commercial Card Providers must take this into account when deciding how to present their solution.

Reconciliation capabilities

form a sliding scale. The largest businesses cite this as a factor in 78% of cases, whereas the smallest companies cite this as a buying factor in only 40% of cases. This suggests that customized versions of the software might have success along business size lines.



Businesses were also asked to identify the relative importance of various spend management software capabilities in the selection process

The one most frequently mentioned as extremely important was in the **fraud management and employee misuse** category – a nuanced area to consider when selling spend software.

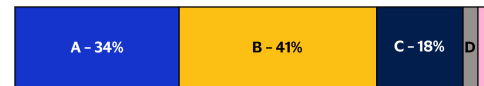
Businesses are most concerned about employee misuse from a policy and cost perspective, and while they realize the inconvenience and administrative burden of handling actual fraud, they also expect that cost to be managed by their Issuer.

Respondents ranked corporate credit card reconciliation, reporting, and data integration as highly important factors.

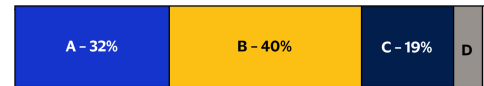
Fraud controls, employee misuse, unauthorized 3rd party use



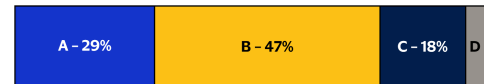
Corporate credit card reconciliation



Reporting



Data integration



- A** Extremely important
- B** Very important
- C** Somewhat important
- D** Neutral
- E** Slightly important

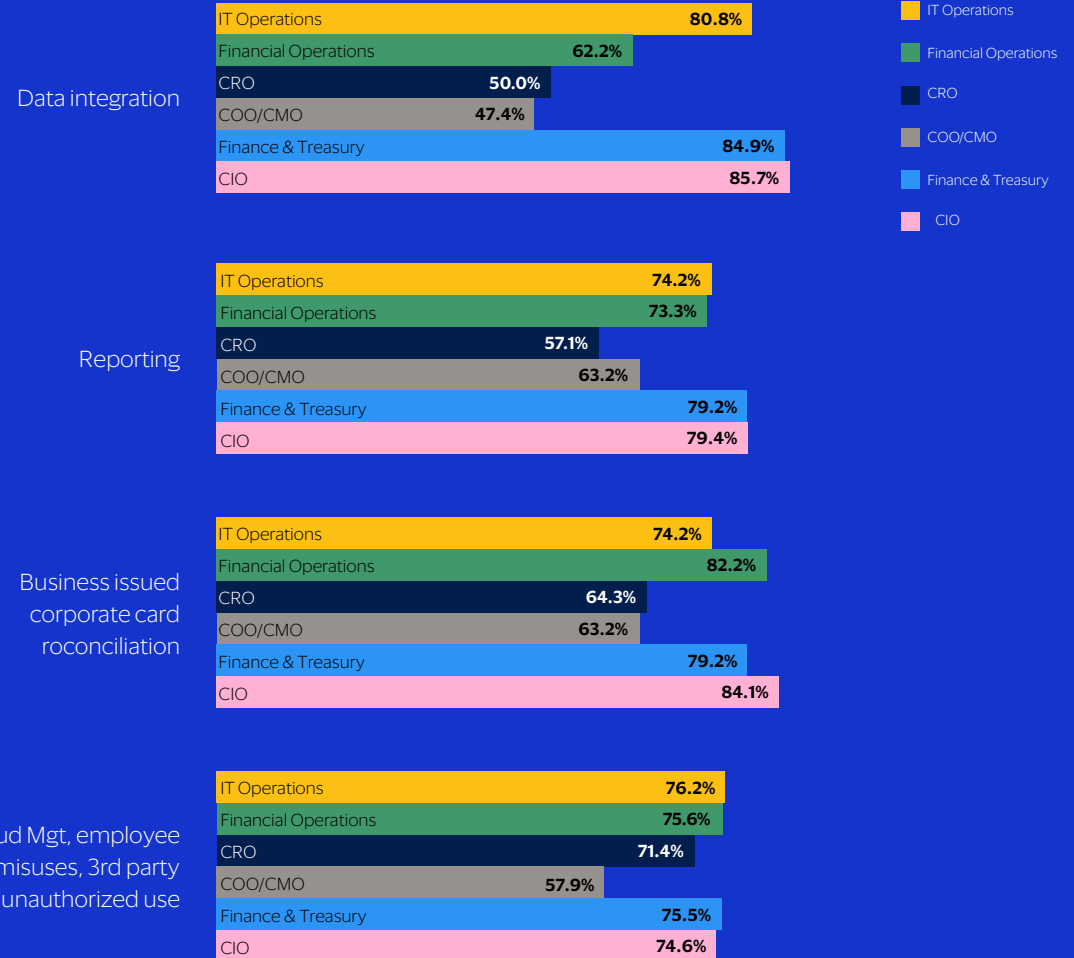
However, a key point to note is that there is a somewhat different level of importance placed upon these four key features depending upon the functional title of those evaluating the solution.

The survey found that those in more technical and operational positions had a higher likelihood of ranking these features as highly or very important versus their colleagues in marketing and sales.

Corporate Card Providers must take these differences into account to ensure that the chosen spend management software solution delivers against all key objectives.

Focus on mobility

Spend management software is more relevant than ever due to the mobile nature of employees that are working remotely. Most respondents (63%) indicated that it is most important for the traveling employee so the stress of expense management processing can be reduced.





The opportunity to support enterprise clients

Commercial Card Providers have long been purveyors and collaborators in spend management software solutions, typically as a value add for corporate card programs to ease the expense management burden on traveling employees and program administrators. But Mercator's research found that only 53% of respondents consulted with their banks while evaluating new software options in general, including spend management (defined as general spend management, including tools like Oracle and SAP Ariba that track Advanced Procurement activities, not just card management software).

Commercial Card Providers can get more involved in these decision-making processes and advise corporates as they implement monitoring and control tools delivered across the entire spectrum of spend – including card. They can support corporate clients with spend management software by demonstrating how to use features in conjunction with their card program. To do this, take an approach based on the business's size and corresponding needs.



Which solution to recommend?



Smaller businesses and business owners need automation and tools to keep spend on track, allowing them to focus on growing their business. Commercial Card Providers should recommend a solution that offers:

- Secure self-registration and access
- Full control and categorization of all spend transactions
- Easy-to-use card controls with real-time alerts and transaction notifications
- Intuitive dashboards and streamlined reporting
- Easy integration into existing accounting software
- Mobile receipt upload to improve record-keeping



Large businesses with sophisticated requirements and approval structures require a powerful suite of solutions that can be used seamlessly across departments, entities, and regions. Commercial Card Providers should recommend a solution that offers:

- On-the-go expense management with auto-linking of uploaded receipts
- Intuitive control and visibility of employee transactions and card statements
- Swift and secure access to spend with virtual cards and custom controls
- Powerful dashboards and tools to identify spend patterns and make informed decisions
- Online card management that enables card administrators to control card programs
- Automated and secure payment solutions to reconcile and pay suppliers quicker

Offering the right card spend management solution

Commercial Card Providers are well aligned with what their clients want and need from spend management features and functions. However, they face a number of challenges with selling and implementing spend management tools.

Commercial Card Providers identified client customization of solutions (57%), the need for differentiation (41%), and integration with other internal systems (47%) as major obstacles. As the demand for more control and visualization of spending continues, Issuers can circumvent common issues by choosing software that addresses these areas of concern.



Issuers can circumvent common issues by choosing software that addresses spending control



Before offering enterprise spend software, Commercial Card Providers must consider:

Choosing a solution that provides a true end-to-end digitized experience for users, regardless of their role in the process chain



Offering effective system demonstrations and regular training updates to aid the evaluation process



Collaborating with vendors to better understand the specific pain points corporates face around spend management, especially in the areas of accounting and regulatory challenges



Selecting software with architectural flexibility that is customizable, easily integrable, and more easily deployed in the implementation process to accommodate the needs of businesses of different sizes



Highlighting the solution's mobile capabilities to match the existing preference by travelers and expected growth in demand for mobile experiences from non-travel end users

Businesses need to swiftly digitize their processes to remain competitive.

Enterprise spend software can help them do that by addressing inefficiencies in how they manage expenses. Commercial Card Providers must engage corporate clients in discussions about how they can better manage this area of their finances, or risk losing the opportunity to newer market disruptors. By meeting the demand for more visibility and financial control, Commercial Card Providers can strengthen relationships with customers, drive card spend, and ultimately increase revenue.



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**To find out more about how enterprise
spend software can help your customers,
contact your Visa representative.**

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