

# Small Adjustments, Big Changes

How minimizing cash  
spend can help your  
company gain more  
control over spend





When it comes to spend management, incremental changes can lead to surprisingly big results. As a customer currently leveraging SAP Concur® solutions, you've already made some large improvements in your financial processes, like enhancing the employee experience of submitting expenses and gaining a more detailed view of spend through automation.

Here's another area of spend management improvement that is easy to tackle but will reap great rewards: minimizing cash spend. We define cash spend as spend that occurs via cash or personal credit card. Tracking cash spend is inefficient, doesn't produce good data, and is rife with the potential for errors and fraud.



Learn **5 ways to reduce cash spend** in your organization to gain even more control and compliance over your company spend.

# Why Is **Cash Spend** Such a Big Deal?

Cash spend may not seem like a problem on the surface, especially for employees who rarely make purchases. After all, those employees will submit receipts so they can get reimbursed. However, cash spend could be costing your business more than you realize.



## **Spend governance**

Cash spend has inherently less documentation and data than card spend. A corporate card feed can bring more levels of data to SAP Concur solutions. For example, it can go beyond date, vendor, and amount to include information like air, car, and hotel incidentals. This can help you identify areas where you can improve efficiency and effectiveness.



## **Employee experience**

When expenses are recorded from cash or personal card transactions, employees must manually enter data into SAP Concur solutions. But with a company card, expense data automatically attaches to that specific expense, eliminating the data entry. On the back end, the card feed, itinerary, and receipt are all automatically united within SAP Concur solutions. This reduces the time a manager or auditor must spend validating the expenses.



## **Controls and compliance**

When employees manually enter expenses, errors can be introduced and non-compliant spend can slip through. Having a card feed provides validated spend. The automatic merging of credit card feed and travel itinerary ensures accuracy, minimizes data-entry errors, and reduces the opportunity for non-compliant spend.





## What Is the **Bottom-Line Value** of Reducing Cash Spend?

Beyond the value of increasing governance and control and improving the employee experience, there is a monetary value of reducing cash spend. To estimate the value of implementing programs to reduce cash spend, try these calculations.

### **Time and labor savings**

Is it reasonable to think that you can save three minutes by using your corporate card to enter the line item on your behalf? If so, multiply the number of transactions that are cash/personal card by three minutes. Multiply that figure by a per-minute labor rate. For example, for an employee who earns \$60 per hour, each minute saved is a dollar saved.

### **Improve spend validation and reduce errors**

It's reasonable to plan that you'll find value from reduced cash spend in several ways: fewer errors, improved efficiencies in back-end processes, and less waste and non-compliant spend. Therefore, you can estimate that by moving current cash spend to corporate cards, you will see a savings of 5% of that transitioned spend.



Look at your **“Cash vs. Card Spend”** report in your SAP Concur dashboard to discover your adoption rate.

# Why Aren't Employees Using **Corporate Cards**?

There may be a number of reasons employees are spending via cash or personal card, rather than by corporate cards.



Users do not have corporate cards.



Cards are not accepted in particular regions or by certain vendors.



Users enjoy the rewards programs on their personal cards.



# How Can You Mandate and **Increase Corporate Card Use?**

When your organization decides to make the switch away from cash spend to corporate cards, you can use your SAP Concur solutions to find data to drive these new policies. Follow these steps as you make this transition.

## **1. Use SAP Concur solutions to identify users who are responsible for cash spend.**

Consider the reasons they may be out of compliance (department culture, lack of knowledge of importance of corporate card use, rogue use to get personal card points, too few corporate cards being disbursed) and how to best address these issues.

## **2. Issue cards to the appropriate team members.**

With SAP Concur reports in hand, work with department heads to determine who needs to be issued corporate cards to curb cash spending.

## **3. Ensure that you have the most appropriate card for your region or vendors.**

If after talking to non-compliant employees, you find the issue is that certain regions or vendors do not accept your corporate card of choice, research additional card choices or vendors to reduce cash spend.

## **4. Shift the focus so that users understand the value of corporate card use.**

Conduct an educational campaign to inform employees why it's important to use corporate cards and how it can benefit them (e.g., it's easier to track and approve expenses).

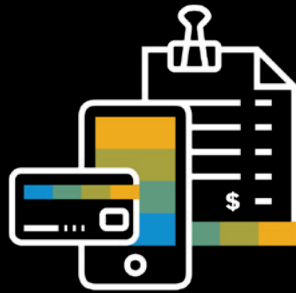
## **5. Continue to use SAP Concur reports to minimize cash spend.**

Follow up with prior offenders to encourage and reward improved spend choices, while supervising and considering disciplinary action against repeat non-compliant offenders.



## How Can You **Decrease Cash Spend** If You Prefer a Lighter Approach?

If your company prefers to limit cash spend and encourage corporate card use in a more subtle way, consider these two steps.



### **Receipt thresholds**

Raise the receipt threshold for card use and/or lower it for cash use. This will make it easier to use corporate cards and more cumbersome to use cash or personal cards.



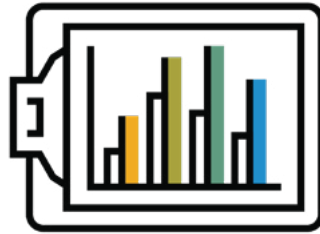
### **Improved visibility**

Provide **Expenselt**® to get some of the same benefits of corporate card visibility, even for cash spend. When employees photograph receipts or import e-receipts with Expenselt, it improves the employee experience by having the line item automatically built into their expense report. This also increases data accuracy, spend visibility, and controls.





The bottom line is that by putting a value on best-in-class performance for certain spend governance benchmarks, like cash vs. card spend, you can deliver real-world material value to your organization. With each percentage of improvement, you'll see valuable results, including reduced labor, improved employee experience, fewer errors, and increased compliance and visibility.



**Contact your Customer Engagement Executive today for more personalized advice on how you can optimize SAP Concur solutions to build a stronger organization.**

## About SAP Concur

SAP® Concur® is the world's leading brand for integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. The top-rated SAP Concur mobile app guides employees through every trip, charges are effortlessly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to audit 100% of transactions, businesses can see exactly what they're spending without worrying about blind spots in the budget. SAP Concur solutions eliminate yesterday's tedious tasks, make today's work easier, and help businesses run at their best every day. Learn more at [concur.com](https://concur.com) or the SAP Concur [blog](#).