



The Value of Outsourced Expense Report Management to Organizations with Less Than 5,000 Business Travelers

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In this challenging economy, leading companies understand the value of automating manual processes. With limited IT budgets, it's essential to prioritize purchases based on technologies that will provide maximum impact on your organization's bottom line. .

To insure that employees will embrace new processes, the software you purchase must be rapidly deployable, easily integrated into your current infrastructure and intuitive. Plus, it must provide a rapid return on investment (ROI), while offering a low total cost of ownership (TCO).

Since Travel and Entertainment (T&E) Expense Management is the second largest controllable cost for many companies, you would expect that it would be a priority for small to mid-sized enterprises to automate this repetitive task; to reduce costs, increase efficiency and free employees from the burden of tedious expense reports.

With so many T&E expense management products flooding the market, ranging from glorified spreadsheets to complex applications that fall just short of traveling for you, selecting the right technology for your company can be an overwhelming.

No one likes expense reporting to begin with and when it becomes so complicated just to identify the best software to automate the process for your company, it is understandable that your purchasing decision is put on the back burner, while you work on "more important things."

Regardless, if you have yet to automate your T&E expense management system or have implemented a solution that does not meet your needs, you are wasting money and your employees' time.

While you are slumped over a pile of receipts, scribbling down your expenses for that flight to Omaha or that lousy meal from room service, hoping you can overnight your report in order to be reimbursed on time, your competitors are focusing on mission-critical business tasks.

PayService.Com was founded with the focus of providing an affordable, comprehensive and flexible T&E Expense Management solution for small-to-mid sized businesses. In working with our clients we have received valuable feedback and insights on the technology needs of enterprises with less than 5,000 users. The following is a guide to help simplify and expedite your search for the T&E Expense Management solution that is right for your company.

Understanding Your T&E Expense Management Process

Determining the value of automating T&E expense management will depend on each enterprise's unique challenges. Understanding your current process is the first step in ensuring that you maximize your investment in T&E expense management software.

You must understand how your employees function in your current process. Are they racking up costs because they are overnighting reports to meet expense processing deadlines? Are they clear on expense management guidelines so that they do not submit forms with unauthorized charges; requiring additional work by accounts payable, management and employees?

The bottom line is that no matter how robust the solution, it will be a long-term disappointment if there is not an excellent Customer Service plan.



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You must also understand how your current system is working for you. Does it help you: limit maverick spending and fraud; audit expense reports and ensure compliance with regulations such as Sarbanes-Oxley; determine preferred vendors and do you leverage this information to negotiate better rates with those vendors?

It will be difficult to determine the best T&E expense management software for your company unless you can ask and answer the questions that highlight the strengths and weaknesses of your current process. While this process may seem laborious, you would be surprised how accurate of a snapshot of your current process you can develop from a few conversations with key managers and accounting personnel.

Total Cost of Ownership

Once you understand your process, your next step is to determine what solutions are affordable. In order to understand this you should determine total cost of ownership (TCO) of the applications you are considering. This involves understanding how long it will take to deploy and integrate your solution, how much time, if any, it will take for your IT department to maintain the system, the cost of the solution, the cost of upgrades, the time to train employees and how quickly they adopt your new system.

The first fork in the road for TCO in T&E expense management solutions is determining whether you want a licensed in-house solution or an ASP model, which is a secured outsourced service.

In addition to having a significantly higher cost, licensed applications will require your IT department to monitor and maintain your software. While you have ownership of the software in this situation, which is attractive for core infrastructure technologies, it will put a greater burden on your IT department and the costs of the software tend to be prohibitive for small to mid sized businesses.

With vast improvements in securing online information, leading enterprises are turning to ASPs to automate their business processes. The simplest way to think of an ASP is renting or leasing software. T&E expense management software as an ASP allows you to own all of your information and have access to your application just as you would with licensed software.

The difference is ASPs are hosted by a professional service provider. You do not incur the IT costs associated with deploying and maintaining licensed software. Since ASPs are delivered via the Web, deployments usually entail downloading software or merely logging on via the net. As a result installations and upgrades can be done company wide without having to touch each computer terminal; this mean rapid deployments and upgrades.

It is important when reviewing T&E expense management ASPs to ask three key questions:

- Is the solution hosted in a secure environment? You need to be confident that your information is safe.
- What is your service level agreement (SLA)? You want to make sure that your system will be accessible and working.
- Do you have a customer support response time guarantee? If you do have a question or problem, you want to ensure that your needs will be addressed within a reasonable time frame.



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Since with ASPs you are subscribing to a software service, they tend to be significantly more affordable than licensed software. Some companies offer applications for free as either a stand alone or part of a suite of products. With ASPs, you can expect initial implementation fee and a range in pricing per seat from free to about \$15.

Within this price range you will discover different contract agreements and functionality. One of the benefits of ASPs is that most vendors have enough confidence in their product to offer monthly subscription contracts that can be cancelled within 30 days; meaning no long term commitment on your part.

Functionality is the heart of your T&E application, and we will explore how to evaluate functionality in the following section.

Functionality

At this point, you know the strengths and weaknesses of your current T&E Expense Management process and your approximate budget for automating it. The next step in discerning what product offers the most value is; identifying the software that provides the best functionality for your T&E expense management challenges. The three areas of functionality that are most important are: depth, intuitiveness and flexibility. These categories are obviously not mutually exclusive.

You will want the depth of functionality to compliment and enhance your current process. You will want the application to be intuitive to minimize time to train employees and to encourage acceptance. Finally, you want flexibility. As mentioned each enterprise has unique aspects to their T&E expense management process. If your “hot buttons” are not addressed by an application’s basic offerings, it will be important that the software be flexible so it can be tailored to your overcome your challenges without having to pay significant fees.

The T&E expense management ASP market breaks down into three basic categories, two of which have already been touched upon. The first is free applications, either stand alone or in a suite. While most of us learned a long time ago that there is no such thing as a free lunch, unfortunately the prospect of a free T&E application can be too tempting for some.

There are very few if any T&E expense management vendors that have focused on the needs of small to mid sized businesses that offer their applications for free. Instead these offerings range from glorified spreadsheets to basic applications. These free offerings lack functionality, intuitiveness and flexibility.

While the price is attractive, many of your T&E challenges will not be overcome. Your employees will be frustrated by adopting a new process that does not significantly improve their workload and in order to build up the software into the robust offering you need, you will be forced to invest thousands of dollars.

Automating current processes with free software is usually akin to wearing shoes that are 4 sizes too small and then moving up half a size. You are slightly better off, but still not the right fit.



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When choosing an ASP provider, you can expect a price range of \$4 to \$15 per user. The price can be contingent on a variety of variables such as the depth of the offering and number of users. This category is represented by vendors that have focused on providing an ASP T&E application for small to mid-sized business and on larger vendors who have developed market share with large license deals and are attempting to bring their offering down market.

The latter tends to offer extensive functionality, which is necessary when you are a Global 2000 company. When you are a small to midsized business though, these offerings are somewhat like swatting a fly with a sledgehammer. Too much functionality means you are paying for a lot of product you are not using, it will be much more complex to integrate into your infrastructure and the bells and whistles can be confusing to employees.

What is also important to remember with companies who are moving their product down market is that their origins are 5 to 6 figure sales deals. With these sales, the customer has the leverage of a large check, which results in an expected performance and support from the product and the vendor.

As a small to mid-sized company you want to be able to easily tailor the product with minimal costs, not be charged for upgrades as if you were a much larger company and have your needs be addressed as if you were a vendor's most important account. The question becomes if you are one of thousands of customers and a minimal percentage of a companies annual revenue, will your needs be met?

With vendors that specifically focus on T&E Expense Management for small to midsized businesses there are a number of differentiators. You will want to make sure the vendor serves a diverse customer base. The greater the variety of customers the better chance the product has evolved through iterations that address various T&E expense management challenges.

You will also want to make sure the vendors' software can easily scale to meet the needs of your organization. While some application might be suitable for 10 to 1,000 users, does it bog down or crash when extended through a 5,000 user enterprise?

Many of these vendors are small-to-midsized companies as well. So you will want to make sure they can provide a robust and stable environment with dedicated servers and daily data backup.

Finally, make sure you have references to assure the availability of prompt and courteous Customer Support. Some of these firms offer web-based only support. Others make you wait as long as 4 days for a response. Can your firm endure a 4 day wait for an open issue? Is Customer Support an extra fee? Are upgrades an extra fee?

The bottom line is that no matter how robust the solution, it will be a long-term disappointment if there is not an excellent Customer Service plan.



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Return on Your Investment

At this point you should know what applications are in your price range, have the necessary functionality, can easily be tailored to meet your unique needs and what SLA and customer service guarantees are offered. You should also have an idea of how long it will take to deploy the software and if the interface is intuitive enough for your process and workforce.

This should allow you to do a general cost analysis and begin to develop expectations for ROI. If the applications can be easily deployed, adopted with minimal training, reduce your costs and increase your efficiency, you should be able to expect rapid and significant ROI, depending on the challenges of your current process.

Why ExpenseVisor... "We represent the best in a Business Partner"

PayService.Com's customer base includes companies such as Dole Processed Foods, Tiffany and Co. and Cannacord Capital, Canada's largest independent investment firm. Our deployments range from 50 to 5,000 users. We have been offering T&E expense management solutions to a variety of industries longer than most vendors in the market. What we are saying is; we understand what small to mid-sized businesses need when it comes to T&E expense management. That's reflected by our customers' satisfaction; some of whom have called their decision to purchase ExpenseVisor, "a no-brainer."

We developed ExpenseVisor with the focus of providing an affordable, intuitive, flexible, easily deployable solution with robust features and functionality, all backed by superior customer service.

After an initial start-up fee, a medium size deployment averages \$6 a month per user. If an employee saves 15 to 20 minutes by processing reports with ExpenseVisor, the application pays for itself. This ROI does not even include savings in accounts payable processing times, possible lower vendor costs and savings from rules enforcement to name a few other items that will increase your ROI.

We understand that software should work the way people like to work, not force people to adapt to an applications intricacies. ExpenseVisor's click and drop menus allow users to begin filing reports with minimal to no training.

You will find ExpenseVisor offers the core functionality necessary to vastly improve your T&E expense reporting process. For clients with unique challenges, we have tailored the application to their needs, without exorbitant custom development fees.

One of PayService.Com's greatest differentiators is our customer service. Hosted at a secure Class A facility, we can deploy ExpenseVisor in a matter of days, with a near 100% SLA. And if you have a question or a problem we have a rapid response guarantee.

Regardless of your challenges, ExpenseVisor can meet them. So you can do exactly what you want with T&E expense management: automate and forget about it so you can focus on mission-critical business tasks.



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How ExpenseVisor has helped

So all of these claims are great, but you want some real world examples of how ExpenseVisor has created efficiencies and reduced costs, beyond just making things more expedient.

Prior to ExpenseVisor, some of our customers had employees overnighting last-minute expense forms. By automating with ExpenseVisor and eliminating those costs, hundreds of dollars are saved each month.

ExpenseVisor can also assist in meeting regulatory requirements such as Sarbanes-Oxley. ExpenseVisor automation makes multiple years of expense records available with just a click!

Other customers have been faced with consistently inaccurate or incomplete reports. As a result, their accounting departments and employees were spending significant amounts of time submitting, denying, resubmitting and approving forms. With ExpenseVisor's built in guidelines and rules features these errors are avoided; saving valuable time and money.

These are just a few examples of the rapid ROI ExpenseVisor has provided PayService.Com's clients.

For more information on PayService.Com and why our customers say their purchase of ExpenseVisor was "an excellent decision," go to www.payservice.com or call 704-552-9227.