



Four powerful tools for business spend management

Finance and procurement teams share a common goal: optimizing company spending to reduce unnecessary expenditure and keep return on investment (ROI) high. While cost-cutting is an important exercise, it's not the only objective of spend management.

Spending more can drive efficiencies or create quality gains that make your business more profitable. The practice that allows procurement and finance teams to collaborate on optimizing company spending is known as business spend management. Learn about the importance of business spend management, its impact on profitability, and four powerful tools for controlling and optimizing company spending.

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What is business spend management?

Business spend management (BSM) is a collaborative practice that focuses on identifying opportunities to improve and optimize company spending habits.

The main collaborators in business spend management are the finance and procurement teams, but the input and commitment of department leaders are also necessary, especially in cases where purchasing is decentralized and not solely the responsibility of the procurement department.

The primary goal of BSM is to improve profitability, achieved through cost reductions like renegotiating existing contracts or revenue-generating initiatives such as sourcing a new software platform that enables businesses to offer additional services.

The practices of business spend management fall into three categories:

1. Procurement management

Procurement management is the process of overseeing the activities involved in sourcing and procuring new goods and services, such as:

- Market research and analysis
- Vetting of potential vendors
- Supplier risk analysis
- [Contract negotiations](#)
- Vendor relationship management

2. Staff expense management

Expense management is the process of monitoring and processing employee expense claims. It involves cost control initiatives such as expense [approval workflows](#) and undertakings to increase efficiency, like automated expense claims systems.

3. Invoice management

Invoice management involves the processing and payment of vendor invoices. This process includes invoice management software to make payment processing more efficient and approval and security initiatives to detect and mitigate fraud attempts.

The importance of business spend management

Here are some of the key benefits of business spend management that are key to your procurement organization.

Lower costs and higher ROI

Effective business spend management helps companies reduce costs and realize a higher return on investment. For example, you might identify that you currently pay for two software tools that do roughly the same thing. You reduce software expenditure by eliminating one relationship and consolidating usage into one platform.

Improved efficiency and productivity

Spend management practices seek to improve business efficiency and productivity by identifying areas to automate work or simplify cumbersome processes. For example, you implement an invoicing processing software tool to help with accounts payable. By setting up custom automation rules, you save time on invoice processing and avoid potential late payment fees charged by your vendors.

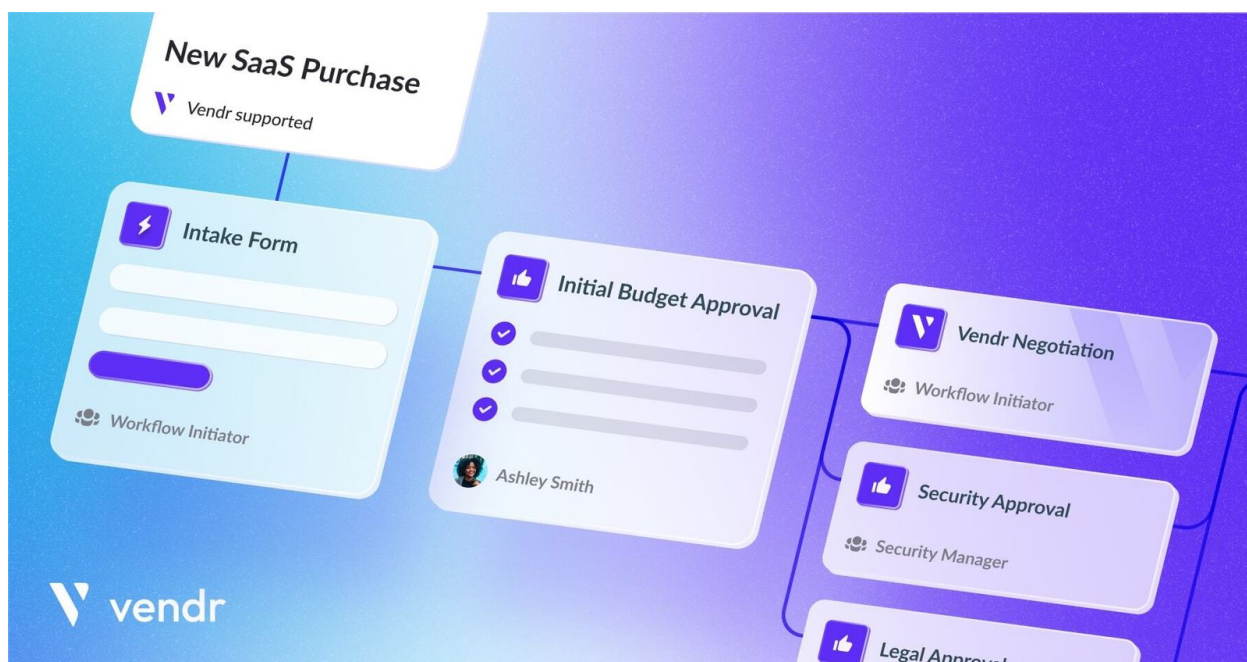
Enhanced spending compliance and reduced risk

A stronger focus on business spend management ensures employees follow spending guidelines and reduces the likelihood that your company is a victim of fraud or other risks. For instance, by designing and distributing clear purchasing guidelines, you can require that a senior leader approve purchases above a certain dollar threshold and that the CTO sign off on any new software purchases. This distribution mitigates the risk of fraud by enforcing a double-check on large purchases. You also reduce the likelihood that an employee creates a tech or security issue by integrating a software solution with less-than-ideal data handling procedures.

Four software tools that enhance your business spend management.

Effective business spend management uses powerful software platforms that provide real-time insights into company spending behavior and use automation to increase efficiency.

1. Vendr - end-to-end procurement management



Vendr is a powerful tool for business spend management, offering a streamlined procurement solution for software purchases.

As a product, Vendr consolidates all software suppliers into a single system of record, providing a centralized source of truth that protects organizations from lapsed renewals, duplicative purchases, and shadow spending.

Vendr's improved spend visibility allows businesses to understand their entire suite of contracts, identify overlapping tools, and consolidate their software stack to save costs. With deep insights into specific supplier usage, Vendr empowers businesses to make data-driven decisions about their software purchases, ensuring they get the tools they need at the best value. As a comprehensive solution for SaaS procurement, Vendr simplifies the process, making it easier for businesses to buy, renew, and manage their software stack without negotiating individual deals.

Vendr's end-to-end procurement platform features include:

Procurement workflows

Procurement workflows are effective solutions for business spend management, bringing all stakeholders onto the same page, including requesters, approvers, and decision-makers. With workflows, conversations, statuses, and decisions are centralized for every purchase and renewal. Vendr's platform offers quick access to all necessary information, whether navigating to last year's contract, finding previously aggregated documents, or discovering other critical supplier information. With workflows, approvals are faster, and businesses will keep sight of a deal.

Overlapping spend reporting

When purchasing is decentralized, it's not uncommon for different departments to purchase similar software solutions without consulting each other. Vendr helps you identify overlapping spending areas and create immediate cost savings by consolidating licenses.

Contract management

Built-in contract management functionality allows procurement teams to monitor vendor performance and schedule notifications when contracts are about to expire, meaning you never miss a renewal opportunity again.

Real-time spend analysis

Visualize the impact of your spend management initiatives on the bottom line with real-time spend visibility. You see how much you spend on each vendor and drill down on spend data at the category or department level.

Strategic sourcing support

Vendr's team of SaaS buying experts helps you find suitable suppliers to support your current business processes, leveraging the most extensive data set of software purchases to benchmark vendor pricing and secure the best upfront price.

2. PayEm - Automated invoice management

PayEm is a spend and procurement management platform designed to help large and small business owners take control of spend management. PayEm specifically focuses on invoice management, helping you pay service providers more efficiently and avoid late payment fees. Key features include

- Invoice and payment process automation
- AI-assisted optical character recognition to speed up invoice processing procedures
- Integrations with a variety of enterprise resource planning (ERP) tools
- Easy transfer planning and scheduling

3. Expensya - Employee expense management

[Expensya](#) is an automated spend management solution that controls and monitors employee expense claims. Teams use automation and employee-facing portals to speed up expense management processes and issue reimbursements. Expensya even processes expense reports sent to the finance team and uploads the data inside. Other key features include:

- Company payment cards to manage employee expenses even more effectively
- Integrations with several commonly used tools like Uber, Quickbooks, and SAP
- Centralized business intelligence reports and AI-powered insights

4. Oracle NetSuite - Enterprise resource planning

[Oracle NetSuite](#) is an enterprise resource planning platform that helps finance teams manage business spending from multiple angles:

- Price benchmarking helps finance leaders prevent overspending
- An order management suite helps procurement teams automate purchase order management and control approvals
- Accounts receivable and payable platforms unify financial processes in a single platform

To help you get the most out of NetSuite, Oracle also offers a global consulting and implementation customer support team, which is available at an extra charge.



Vendr is the end-to-end solution for business spend management.

Vendr streamlines procurement processes and optimizes business spending. By consolidating software suppliers into a single system, it provides a centralized source of truth that prevents lapsed renewals, duplicative purchases, and shadow spending.

With improved spend visibility, supplier usage insights, and faster approvals, Vendr empowers data-driven decisions, ensuring businesses get the best value for their tools. For hassle-free SaaS stack management, try Vendr today and experience smarter spend management.