

deploying spend management when & why

When is the right time to start planning for an automated spend management solution? There is no reason why this initiative could not run concurrently with the implementation of your ERP system.

The two systems are complementary, however, most companies implement an ERP system first and only consider spend management solutions when employee numbers grow substantially; initially focusing on eProcurement and e-Invoicing. Budgeting, employee administration, travel and expense management software is usually taken into account further down the line.

The issue with separating the two solutions and implementing them consecutively is the constraints that the existing system will impose. Instead of aligning functionality for optimal problem solving and productivity, one system is bound to functionality within the parameters of the existing system.

By thinking of your financial solutions as one complete unit, you will save your organisation valuable time and money through effective planning from the foundation up, beginning with ERP and Spend Management, giving your business a competitive edge.

a typical business cycle

Most companies purchase an entry-level accounting solution to handle the payment of invoices, while their key focus is on making sales and generating revenue. With growth, the entry-level system no longer meets the company's requirements; at this point managers start to consider ERP solutions, such projects can become costly and long-term undertakings.

Generally once an ERP is in place, spend management solutions become a priority. Alternatively the assumption is that the ERP solution includes sufficient invoicing and requisitioning functionality and additional licences can be purchased to gain access to those features. This, however, is not the case.

Many ERP systems offer some basic e-Invoicing and requisitioning but will not manage expenditure effectively. Many companies fall into this trap and are merely settling for inadequate systems, this by no means allays the financial control issues at hand. This is when the ERP system appears to be devoid of the required functionality and yet another project ensues; exposing the decisions that should have been made at the outset.

the upshot

From this we can conclude that ERP and Spend Management go hand-in-hand and can be explored and implemented simultaneously. Cut out the duplication of efforts by implementing both solutions as one streamlined project; together the systems complement and extend each other's functionality to achieve total financial management and efficiency. Cloud Spend Management solutions are rapidly deployed, low impact with high returns and approve the procure-to-pay process. Essentially the technology feeds accurate approved data into ERP systems, including the correct categories and GL codes.

Work towards automating your entire financial system. By streamlining ERP and Spend Management deployments from the outset, your business will stand in good stead to achieve complete financial control and business efficiency.

