You have to pay for business parking - but you don't have to pay twice

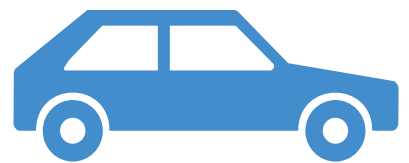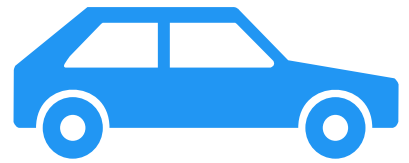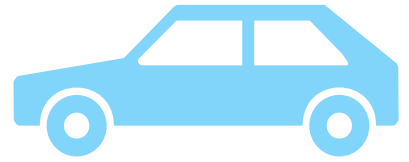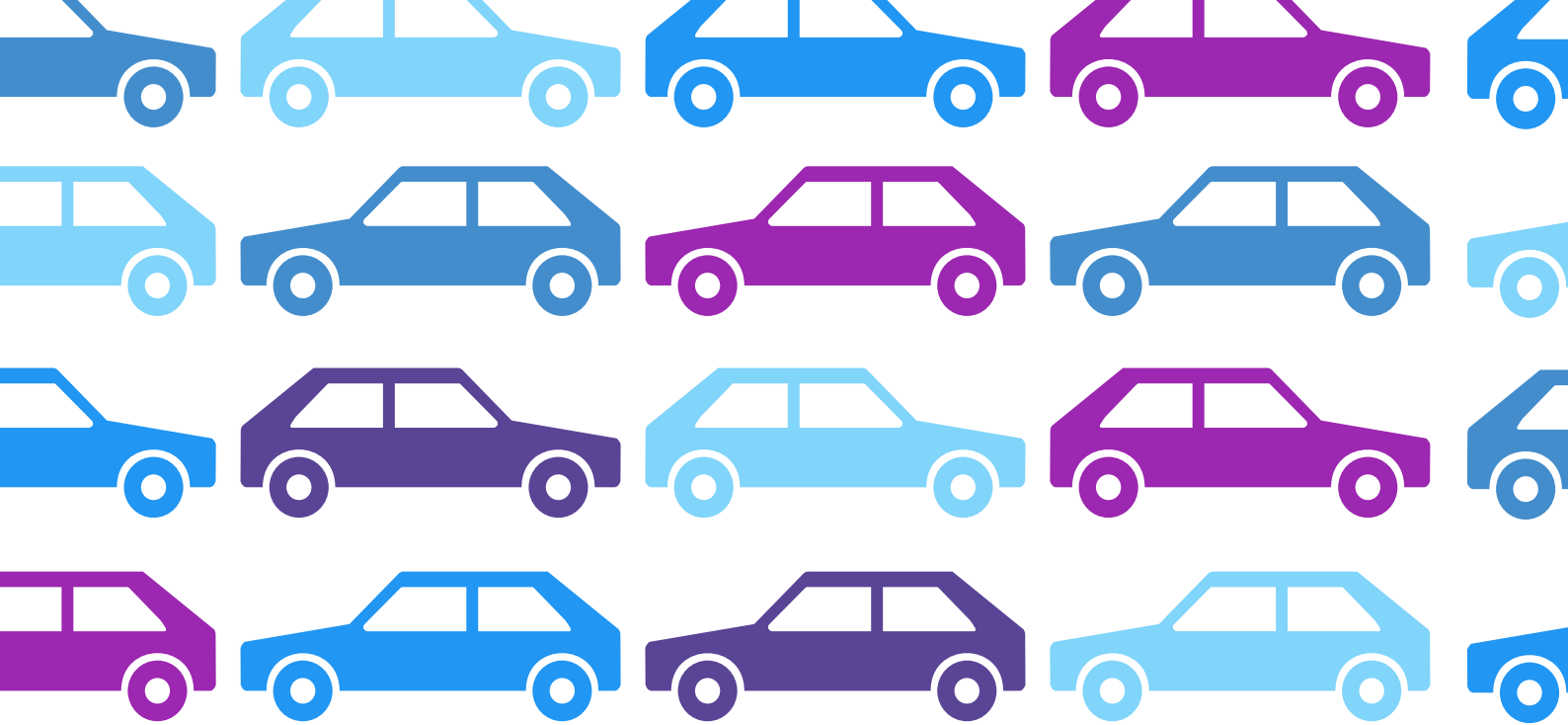Is processing expense claims for staff on the road, getting in the way of generating new business? This paper looks at solutions to improve expense process efficiency while making cost and time savings.
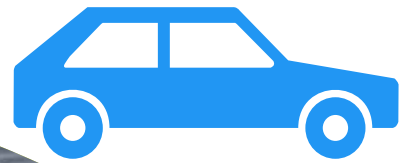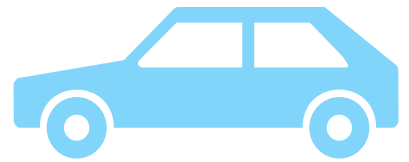
Business owners and their employees are, albeit through gritted teeth, often going to have to pay the costs of a mobile workforce. But the costs of the back-office processing of expenses claims can mount. Being aware of the "hidden costs" of those workers on the road can help to manage the expense.

We live in a world where many people are constantly exhorting us to 'work from home' wherever possible, to both help save the environment and to reduce congestion on the public transport and road networks.

But it remains the case that a large number of workers in the UK need to be 'out there', travelling for work purposes, often on a daily (or at least regular) basis. And, according to the Department for Transport's National Travel Survey, travel is most likely to be undertaken by car. Car travel accounted for 64% of trips and 78% of the distance travelled by people in England in 2015.

As a result, businesses have to manage the expenses that are accumulated on these travels.

For companies that rely on paper-based or corporate card-based systems for employee expenses it is important not to underestimate how much time and effort back-office staff have to spend keeping track of the movements and expenses of their colleagues out in the field. Nor should they underestimate the cost of these hours.

Research shows that that the average business cost to process a single expense report (without expense report software or a similar technology-led solution) is in the region of £18 [1].

For a business with even a small number of employees making monthly claims for their work expenses, the time taken for them to be approved, inputted to accounting systems, checked, allocated and paid can mount into the thousands of pounds – all cash that comes straight from the bottom line.

Furthermore, according to some sources, 63% [2] of small business owners spend more time on expense management than on generating new business.

At the same time, manual expenses make effective management reporting incredibly labour intensive. First of all, it is important for businesses to understand what their expense liability is in real-time as this enables better cash flow and working capital management. But also, a shift away from manual processes or corporate cards means that some kinds of expenditure can be more easily tracked, reported, analysed and therefore managed.

A one-stop payment product with more process automation can mean both staff and employer benefit financially.

[1] 2015 Travel and Expense Management Report
http://www.ariett.com/sites/default/files/2015TravelandExpenseManagementReport.pdf
[2] Average SME spends 13 days on expenses
http://buyingbusinesstravel.com/news/1818256-average-sme-spends-13-days-expenses

The increasing number of services that automate the payment process for employees, leading to less time accounting, is a direct result of these time measurement issues. And with electronic payments more prevalent than ever and business-specific payments solutions that limit the places payments may be made, much of the time and resource can be eliminated from the process.

At the same time, many company accounts managers will complain of the fact that non-automatic expense management is likely to lead to inaccuracies in HMRC reporting of VAT and P11D employee benefits at some stage.

Despite companies potentially over-investing dramatically in time to ensure that accounts are accurate at the end of a financial year, if HMRC feels there is a systemic problem or that misreporting is deliberate there may be closer scrutiny and the inconvenience of an audit. Not something that any company wants to live through.

The shift away from paper-based expenses or a reliance on corporate cards also has upsides for employees. They no longer have to pay for their travel costs up front, and then submit an expenses form before waiting a potentially lengthy period for reimbursement. Nor is there the laborious process of expenses submissions, which are both time-consuming and open to error.

Finally, the challenge of managing multiple suppliers for corporate cards, hotel accounts, travel providers and a vast range besides of service providers for travel needs shouldn't be underestimated. Accounts and facilities managers will often complain of the time they spend setting up and then managing these relationships – expressing a desire to have one point of contact and the flexibility of a single solution that can be adapted to different needs.

Being aware of the costs of processing, managing and settling expenses accumulated by those on the road should be a prompt to any company to consider a simpler way of tracking and handling them – both to maintain cost levels and to divert time saved to more aspects that will add greater value to the business as a whole.

Gateway is an integrated credit card based payment solution, helping businesses of all sizes save time and money on employee travel related costs.

Benefits include:

- single monthly invoicing – so you can save admin time
- multiple user cards per account – with spend detailed per card user and captured in single invoice
- a range of official partners who accept Gateway for rail, hotel, fuel and parking purchases

Find out how 'Gateway' can help your business save time and money.

Contact us for more information on our products and services.