



White Paper
Five tips to achieve unity
between budget holders
and finance teams



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It's an age-old tale for many businesses

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Many finance professionals and budget holders are content to shrug their shoulders and say, "that's just how it is" but when you consider the bigger picture and how your bottom line is being affected, it's clear to see that something needs to change.

This disconnect isn't down to the stereotyped personalities of finance professionals and budget holders clashing, it's down to the fundamentals of how they work together. Both teams need to come together for any purchases and approvals made in the business so it's inevitable that they will have accompanying roles to play in the process and these need to be clearly outlined to each other. Particularly when handling the serious nature of company spending, organisation and efficiency is key to ensuring no mistakes are made and the financial health of the business remains intact.

So why is this not the case? There are many factors in play that make it difficult for finance professionals and budget holders to work together for purchasing and approvals, but the important thing to remember is that neither one party is solely to blame. Both parties have the same goals when it comes to company spending: manage spending well. You would think given that they have the same goal in mind, it should be straightforward for them to work together. Unfortunately, not.

Despite having the same goal in mind, finance teams and budget holders have entirely different needs. For example, when submitting a purchase, the budget holder wants to record their spend (usually) in their spreadsheet against their budget. But finance doesn't care as much about how much the budget holder is spending, they just care that the budget holder can approve the invoice when it comes to paying. But the budget holder isn't always available having to get chased by an accounts payable clerk when you have bigger priorities can be tiresome, for both involved!

So, the questions remains; what can be done? In this white paper, we'll highlight five ways budget holder management can help to unify finance teams and budget holders in order to streamline purchasing and approvals processes.



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Go digital to avoid losing important information

1

From books to bank statements, almost everything previously produced in a paper format is making the move from physical to digital. So, it's pretty clear-cut to understand why paper is on its way out:

- ✓ It's expensive to produce
- ✓ It takes up more storage
- ✓ It's difficult to manage if you need to file it away for later
- ✓ It's easy to damage or misplace; and this is all before we address the environmental impact paper has on the planet!

But despite this, the world of finance still seems to be have a firm hold on using paper.

Suppliers still send invoices by post - usually considering the cost to do so as an overhead charge they can get back from you - and finance teams are all too happy to have a physical tangible format to add weight to the document. But as mentioned earlier, paper is not without its faults. In terms of a finance department, it's all too easy to lose approval documents and invoices simply by having them printed on paper and then there's the matter of how to file them away for later use. Storage of paper takes just as much time and money to manage the organisation of. It's also not easy to search through, which begs the question of what the point of saving it on file is anyway.

Ditching the paper to go digital is an inevitable prospect for many departments and it's easy to see how this simple change can help unify departments. By having all your data (historical and new) in electronic formats, such as PDF, it's easier to send, receive and keep filing away. Going paperless means eliminating instance of not being able to remember where you last sent an invoice for approval, and it also means it's much easier to store and find when a budget holder or procurement officer wants to view it later. In a nutshell, if nothing is ever lost, there's no reason for conflict between budget holders and finance teams.



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Automate workflows to save time



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There's no doubt you'll have heard the term "automation" uttered more and more in recent years, but trust us, there is a reason! To some, automation may seem like a threatening word, being introduced in processes to replace human efforts and save on resources. But this is not the case. Departments across sectors have turned to automation to streamline workflow and efficiency by taking previously manual, tedious task and automating them; and financial processes are no different!

Think of the most tedious, time-consuming tasks in your invoice, orders and approvals processes. The most common ones usually involve budget holders and finance team butting heads over transactions. Finance teams want budget holders to improve their invoices with little to no chasing required and budget holders want to know that their suppliers are being processes and paid on time. Understandably, this can leave either side feeling a sense of hostility towards the other, and this is one of the root causes of their disconnected working relationship.

But implementing automated workflows can put an end this. Finance teams needn't use the fear that automation will replace them as an excuse for not adopting it. Automation is simply another tool, like your accounting or ERP software, that helps you to do your job better. For budget holders, it also gives them a guarantee that their orders and approvals and being added to a workflow and processed meanings both teams have less reason to get at each others throats.

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Make data accessible to budget holders



We know there are many finance teams that are more than happy to file data once an order and invoice has been processed. It's called out of sight, out of mind. To finance teams, once an invoice has been paid for, there isn't much value in the accompanying documentation, other than to file it away in the event of a company audit. Of course, finance could access this data easily if they wanted to, especially if they have ERP software that gives visibility of all retrospective spending. But as there isn't much value in them needing to do so, they keep it filed away under lock and key.

What finance teams don't realise, is that this is just one of the issues causing them to have such a turbulent relationship with budget holders. After all, they may not see the value in historical data, but budget holders do.

As the ones spending corporate funds, budget holders should be working diligently to make sure they are spending wisely. To do this, they could spend time acquiring different quotes from different vendors but there isn't always time to do this. Instead it always seems quicker to spend money where they're familiar without checking to see if it's the best deal. If there was quicker more convenient way to see if there were opportunities to spend smarter, of course they would do it. The same goes for procurement, who are tasked specifically with sourcing the best deals for their company's needs.

Now imagine if budget holders and procurement officers had access to all that data hidden away in the finance department? They would easily be able to see who they have previously spent money with, what special rates they get from suppliers and who is reputable to trade with. By having all this data on one cloud-based platform, finance needn't worry that budget holders and procurement will be banging at their door to get into these files. They can easily have access to them. In short, one man's trash, is another man's treasure and in this case spending data should be treated as such.

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Get a holistic real-time view of spend



Having visibility of spend after it has occurred is almost a necessity for most finance departments – provided they have the documentation filed away to prove it. For budget holders however, it's equally as important to have a detailed view of forecasted and actual spend so they know where they are with their budgets. The most common way to do this is through spreadsheets but that's not to say it's the best way.

Spreadsheets require manual data entry, which means someone in each department needs to be responsible for the management and population of the data. This can be an issue for both departments as having a manual process to do this takes time and is at higher risk of errors. This is risky as if there is a misalignment with finance's report on what has been spent and what budget holders say has been spent, it won't be until month end when both parties will become privy to this. By then it's too late to do anything as the money has already been spent and that's without also remembering that a spreadsheet report is probably already two weeks out of date by the time it has been circulated across the business. What both teams need, is a real-time view of spend as and when it happens.

By hosting your purchase to process on one platform with real-time dashboards, both teams can see everything they need to know about spend as it happens. This means no two-week delay to realise something's not quite right and no overspending of budgets. With budget holders recording all their forecasted and actual spend in the same place, finance will also be able to intelligently forecast cash flow for the rest of the business. So, it's clear to see the value for both teams having a real-time view over out of date spreadsheets.

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Work as a team for a solution

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The last one may sound a bit cheesy, but stick with us! When looking for a solution to help re-build the issues these two teams have working together, they usually only focus on themselves. What can they do to work around the issue the other team is causing them? From OCR document scanning, to ERP software, these solutions almost always end up alienating one team, whilst benefiting the other. This attitude of only thinking within their departments and not about another is exactly the kind of attitude that makes this disconnect worse, not better.

Therefore, we encourage both teams to sit down and find out what they need from each other. Outlining the needs of both teams in the process before looking for a solution could save time and money for the business; especially if you make a large financial investment in a solution that doesn't fit the grade. The purchase to pay process may look and feel like bureaucracy developed by finance teams to control the corporate purse strings, and to budget holders may appear to feel disenfranchised by a process they feel they have nothing to do with, but this needn't be the case.

Realising that the purchase to pay process requires the input and support of both teams is important to helping them work together to streamline the process. Find a solution that addresses the needs of both teams to make the process even more efficient and in turn, benefit the overall financial health of the business. After all, you may be different departments, but in purchase to pay, you work as one team.

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