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Liberate finance.
Accomplish more.

EBOOK

How to tame your decentralised spend

Improve productivity and control
with a progressive finance mindset



Finance is changing

These are transformative times for finance leaders. Gone are the days when the main responsibility of a finance function was balancing the books. Today, you're playing a central role in shaping business strategy, by providing critical insights that drive productivity and growth.

That's no small challenge when you're managing the usual mountain of admin tasks, often while struggling with disconnected systems, limited spend visibility and out-of-date data. These pressures inhibit you from responding quickly to changing needs and fuel the stereotype of finance as a bottleneck.

A new approach

Traditionally, finance has been the sole control centre for company money, with all the authority but also all of the oversight and admin burden. To take your place as a strategic partner, a more progressive mindset is critical. By adopting a more decentralised and trust-based approach, you can free up time for growth-building initiatives and help everyone across the business accomplish more.

This guide explains how you can painlessly take control of your decentralised spending by devolving more decisions and entrusting employees with spending power, while you retain granular visibility and control.



74%

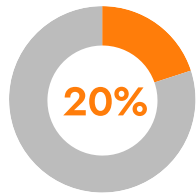
of finance leaders lack full visibility of spend across their team.

Source: Soldo 2024 "On managing Business Expenses" research among mid to large enterprises

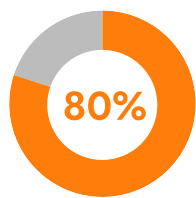


Centralised vs decentralised spend

Business spending falls broadly into two categories: centralised and decentralised spend.



Centralised spend is the big-ticket purchases that are funnelled through established and structured procurement processes. This expenditure is predictable, well documented and generally conducted with known vendors who have been through full due diligence procedures. It represents about 20% of transactions and is firmly on finance's radar.



Decentralised spend, on the other hand, is a lesser known quantity for finance. These are the various expenses employees must incur to do their jobs, usually paid from their own pockets or using company credit cards. You may have little visibility of what staff are buying, who they're buying it from and how much they're spending until the receipts come in. Decentralised spend comprises about 80% of transactions and consumes a disproportionate amount of finance teams' time at month-end.

Decentralised

Pervasive in the organisation.
Team members drive payment

80% of transactions

Centralised

Managed,
controlled & executed
by procurement

20% of transactions

Planned team spending

Purchasing that is part of an employee's day-to-day job that is budgeted for. But spending it doesn't fit within a structured procurement process



Ad Manager booking ad spend



Marketing Director paying for a small trade show booth



IT Manager purchasing a replacement laptop

Unpredictable team spending

Budgeted for purchasing that is part of an employee's day-to-day job. But the timing, need & amount are unpredictable. Yet it has to happen immediately to get the job done



Service Engineer buying a component for a repair



Facilities Manager replacing a lock



Care Worker urgently purchasing on behalf of a patient

Nomadic team spending

Employee spend related to T&E with its own specific rules & regulations



Sales Rep paying for client lunch



Truck Driver paying for food & lodging



Construction Worker paying for hotel & food



Types of decentralised spend

Decentralised spending varies by industry, typically there are three main types.



Planned team spending

Budgeted-for purchases that occur as part of your employees' day-to-day jobs, but don't fit within a structured procurement process. For example, an IT manager purchasing a replacement laptop or a marketing manager booking a digital advertising campaign.



Unpredictable team spending

Budgeted-for purchases whose timing and size are unpredictable, but must happen immediately. For example, an engineer buying a component to complete a repair, or a facilities manager calling in a locksmith to fix a door.



Nomadic team spending

The standard travel & entertainment expenses employees incur, which are usually covered by specific rules and policies. For example, a sales rep buying a client lunch, or a long-distance truck driver paying for accommodation.

The variety and unpredictability of decentralised spend makes it tough to control.

Because of this, many organisations have traditionally taken a reactive approach and simply waited till the end of the month to reconcile everything. But this is fraught with risk: your teams are overwhelmed with admin and you miss crucial real-time insights into your company's financial health.

From reactive to **proactive** management

Adopting a progressive finance strategy is the most efficient and painless way to take control of your company's decentralised spending. Instead of reactively managing expenses, your business benefits from a more proactive and trust-based approach in which spending decisions are devolved to workers within clear and structured limits.

At its heart is a systematic approach to company spending, using technology to automate admin tasks, pre-program spend rules and approval workflows, and monitor spend as it happens.

This requires three crucial steps:

1

2

3

1

Review budgeting responsibilities

Progressive finance is about building trust by giving the right spending power to the right people, at the right time. Think in advance about which user roles, teams and projects would benefit from their own budget. Consider how this aligns with your company's strategic goals and allocate resources accordingly. Map permissions to your organisational structure so that these are intuitive and clear for your colleagues. This will help drive agility and avoid creating new chaos.

2

Pre-program rules and workflows

Transparency and accountability are the cornerstones of a progressive finance approach.

Define expense policies and set rules for company card usage, making sure these are clear and easy to understand for all employees. Establish review and approval processes that give budget owners granular visibility of spending. Put enough controls in place to ensure staff use money appropriately, without slowing down their decision-making.

3

Delegate payments

When employees are empowered to make their own spending decisions, the whole business benefits. By giving people the autonomy to choose how funds are used, and the tools to access them without delay, you naturally increase their engagement and productivity. Take the stress out of payments by automating approval flows and issuing cards with pre-programmed limits, to ensure people don't have to pay out of their own pockets.

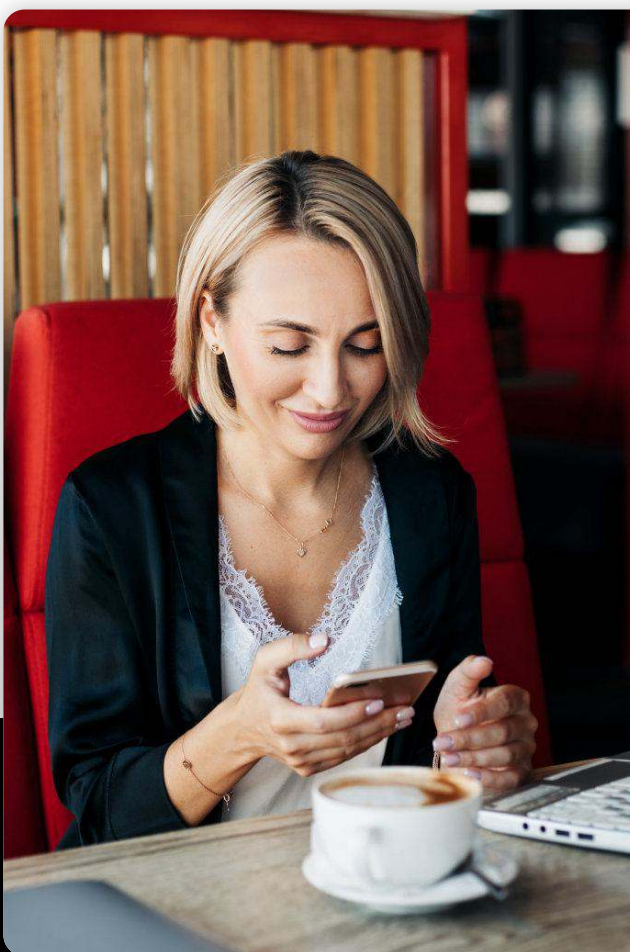
Improve clarity and control with Soldo

Soldo is the spend management platform that makes decentralised spend as orderly, efficient and easy to manage as centralised spend.

Simply set the spending rules to suit your business, and Soldo takes care of the rest. It combines a spend management platform with a user-friendly app and a choice of payment methods, allowing you to eliminate the inefficiencies of managing business spending.

Soldo automates routine tasks like expense categorisation and reconciliations, relieving your teams from endless admin. It empowers employees with payment cards and spending freedom, while you retain fine-grained control. It seamlessly integrates with your accounting software, eliminating manual input. And it helps you drive your organisation's growth by providing you with accurate insights into spend, as it happens.

The result? Higher productivity among your teams, fewer month-end surprises and valuable time for you to focus on being a strategic enabler to your business.



The scenario: a surprise business opportunity

Sales executive Alex has an unexpectedly promising conversation with a prospective client at a conference. She'd love to take this client to lunch to seal a deal – but hadn't budgeted for the unexpected expense.

The workaround

Alex's company expects her to pay expenses out of her own pocket and claim them back later. She dearly wants to continue this conversation, but can't afford an expensive business lunch this month – besides, she knows how long the company takes to reimburse expenses. The opportunity to talk is lost and the new business doesn't materialise.

How Soldo helps

Alex requests money via the Soldo platform and her request is immediately approved by finance. She uses a Soldo card to pay for the client's lunch. She knows exactly how much she's able to spend, and the finance team can track the transaction in real-time through Soldo's dashboard. The lunch goes with a swing and the new business is secured.



Ready to take control of your spend?

Join the 25,000+ businesses across Europe gaining control and clarity of decentralised spend. Eliminate month-end misery and focus on being the strategic enabler your business wants.

Discover a [Progressive Finance approach](#)

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