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EBOOK

Frictionless finance: the progressive approach

Give spending power to those best placed to
make decisions – all while staying in control



Purchasing goods and services should be an empowering activity for employees, who are being trusted to make decisions on behalf of their business. Granting autonomy over such spending allows staff to make quicker and more informed choices, while fostering a sense of value and engagement.

Traditionally, however, the balance of power over business spending has rested with the finance team. Although this preserves their control, it can also lead to tensions. High volumes of administrative tasks drain much of finance teams' time, while slow approval processes and a lack of clarity around budgets and spending policies often lead to conflict with colleagues. In a Soldo survey, over half (51%) of finance professionals said their processes created friction between them and the rest of the business*, with department heads being the most likely source of tension.

This ebook shows how a progressive finance mindset can help drive trust, agility and productivity by championing the devolution of spending decisions to colleagues, while ensuring finance teams retain granular control.

*Source: Soldo/Statista Survey
"The 2024 Progressive Finance Survey"



51%

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Source: Soldo/Statista Survey
"The 2024 Progressive Finance Survey"



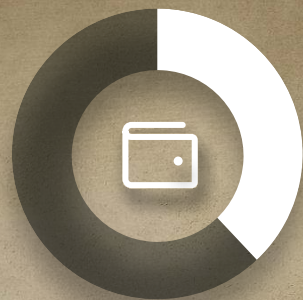
Why the status quo is damaging

Under the conventional way of managing business spending, it's almost as if finance teams have become comfortable with discomfort. Keeping control involves exercising constant oversight over budgets and spending across your organisation, with all the associated workload this creates. The challenge is compounded by fragmented visibility of spend data, impacting your ability to track budgets, monitor overspend and underspend, and move money in response to changing needs.

Keeping with the status quo is also disadvantaging department leads. Despite having significant budgets, they may have surprisingly little agility in how they manage and move company funds, leading to missed opportunities and sub-optimal resource allocation.

Employees, meanwhile, are often still expected to pay for expenses upfront and claim back money later. The more junior their role, the less likely they are to have a corporate card, putting a strain on those who can afford it least. Only 33% of frontline or shopfloor employees are allowed to use corporate cards, compared to 62% of team leads and 80% of department heads.*

*Source: Soldo/Statista Survey "The 2024 Progressive Finance Survey"



38%

of companies still expect employees to pay out of pocket for expenses

Source: Soldo/Statista Survey "The 2024 Progressive Finance Survey"



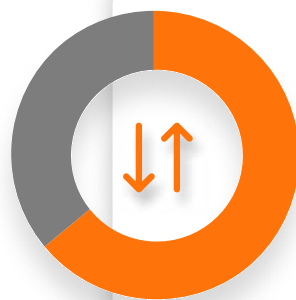
A vision of progressive finance

The answer to these challenges is to take a 'progressive finance' approach. Progressive finance teams have the real-time information they need to empower employees with more spending autonomy, all while retaining control. Making this work means following three key steps.

1 Share access to real-time spend data

Whereas traditional finance teams had data available only to them, progressive finance teams are able to share that data with business function teams and democratise decision-making. This empowers the people best suited to deciding where and when to spend budgets most effectively. Meanwhile, team leads can keep track in real time via a centralised spend management platform that integrates with your existing financial systems.

The benefit is clear: you can start to provide team leads with immediate visibility into their budget allocations, expenditures, and remaining funds. By having access to this spend data as it happens, team leads can quickly identify any risks of overspending or underspending, allowing them to take proactive steps to address these issues and take ownership of the outcomes. Crucially, this responsibility and autonomy help build trust and improve business agility. It's good for business and good for your people.



64%

of finance leaders say a major challenge facing them is the need to react to changing situations and circumstances.

Source: Soldo/Statista Survey "The 2024 Progressive Finance Survey"

Function team leads can be empowered to make strategic decisions by giving them the ability to reallocate funds within their budget based on current priorities. The spend management platform you use to facilitate this should allow for easy adjustments, enabling team leads to move money to areas where it will have the most impact.

Fostering collaboration between your team leads and the finance department is crucial. Your spend management platform serves as a single source of truth, where all teams can view the same financial data in real-time. This transparency improves communication and ensures that everyone is on the same page, reducing the likelihood of misunderstandings or misallocations.

Key actions



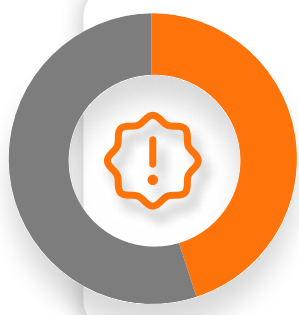
- Use a centralised platform for real-time budget visibility and proactive risk management.
- Enable easy fund reallocation to ensure efficient resource use and strategic alignment.
- Foster collaboration with a single source of truth, improving communication and decision-making.

2 Provide parameters of budget control to empower function teams

By establishing clear, predefined budgets, finance teams can set the stage for better spending management and prevent overspending across function teams. It's important to communicate these budgets to the relevant stakeholders, so everyone understands their financial boundaries and responsibilities.

Create specific limits on transactions and ensure that any spending above these limits triggers an automated approval process. By automating these approval flows, finance teams can improve agility and enable quick decision-making while keeping spending within predefined limits.

Retaining control over spending without micromanaging is key to avoiding month-end surprises. By setting clear parameters and leveraging automation, finance teams can maintain oversight without constant manual intervention. This prevents overspending, helping to keep nasty surprises to a minimum at month-end. It also improves relations between the finance department and other teams across the business. When function teams know they have autonomy to spend as needed, and see that finance is facilitating their work rather than hindering it, collaboration improves, leading to smoother operations and a more cohesive working environment.



45%

frequently experience issues at month end – including overspends and unforeseen spending.

Source: Soldo/Statista Survey
"The 2024 Progressive Finance Survey"



Key actions



- Automate approval flows to cut admin and increase agility.
- Clearly explain the new progressive approach to function teams. Don't talk in terms of limits, but about how teams have all-new autonomy to spend as needed.



3 Free employees from the pain of paying out of pocket

Finance teams should enable employees to access pre-approved funds that can be adjusted as needed. By providing these funds in advance, employees can make purchases without waiting for delays, or, worse, the stress of using personal finances. Allocating specific funds for common expense categories, such as fuel or subscriptions, further simplifies the process.

Offering user-friendly payment methods and instant receipt capture can significantly reduce the hassle associated with business expenses. Pre-programmed debit cards that link directly to your company's spend management system allows employees to make purchases quickly and easily.

These tools can also automate receipt capture, eliminating the need for clunky expense forms and reducing the risk of lost receipts. By streamlining the payment process and eliminating delays, progressive finance teams empower employees to focus on their work rather than worrying about expense management, ultimately increasing productivity and job satisfaction.

39%

say their business expenses workflow can slow down decision-making for functional/business teams.

Source: Soldo/Statista Survey
"The 2024 Progressive Finance Survey"

52%

of finance leaders would like to eliminate out-of-pocket expenses.

Source: Soldo/Statista Survey
"The 2024 Progressive Finance Survey"

Key actions



- Provide clear spending guidelines to prevent out-of-pocket expenses and reduce confusion.
- Offer pre-allocated, adjustable funds to simplify purchases and avoid reimbursement delays.
- Implement user-friendly payment methods and instant receipt capture to streamline expense management and boost productivity.

Empower your teams to take proactive control with Soldo

Soldo's spend management platform, app and payment cards can help you empower your finance and function teams and bring true decision-making agility to your organisation.



Cut down on admin

With automated month-end reconciliations



Eliminate out-of-pocket expenses

By issuing staff with pre-programmable, customisable payment cards



Stop overspend

By setting limits so employees can spend within budget



Improve convenience

With an employee-friendly app and instant receipt capture



Track spending in real-time

See real-time spend data and track expenditure against budget

[Learn more](#)



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