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By Brandon Roth.

For most small and midsize businesses (SMBs), tracking expenses is a necessary – and likely painful – task. Given recent economic fluctuations, it's understandable that many SMBs are looking for simple, efficient ways to better understand what is happening with their expenses. Cash flow is tight for many SMBs, and business owners need greater visibility into their cash flow to mitigate the impact of unexpected expenses.

Traditional expense management solutions, which only track expenses after the fact,

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Management: The Next Client Advisory Services (CAS) Opportunity for Accounting Firms,” found that while 72% of surveyed SMBs seek a proactive approach to expense management, only 34% of accounting firms offer these services. This is a clear, indicated need that is currently not being fully met.

What is Spend & Expense Management

Simply put, spend & expense management is the ability to view, control and manage an SMB's cash flow in real time, compared to legacy expense management solutions that only track expenses after the fact (think employee's self-reported expense report).

Retroactive expense reports are generally an arduous process, slowed down by tedious manual inputs. Traditional manual reports also do not give SMBs the real-time visibility into spend that they need to accurately predict cash flow. This lack of visibility can have a multitude of implications for accurate cash flow reporting, including an increased risk of not closing the books on time, to unexpected non-payroll spend.

Additionally, these manual reports are often riddled with errors. In fact, half of SMBs report that they struggle with inaccuracies in their current expense management solutions according to survey data.

By comparison, modern spend & expense management solutions can provide proactive insights based on real-time data. This type of real-time reporting aligns with what SMBs are looking for from their accountants: data shows that 69% of SMBs want new options to help budget and control spend and are interested in a more comprehensive approach to doing so.

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feel like a natural extension of your current offerings for clients. The data shows that SMBs, who have grown accustomed to the holistic and advisory based offerings of their accounting firms CAS practice, are seeking similar counsel on spend & expense management solutions.

Despite the need for expanded expense management solutions, less than half (41%) of SMBs said they already outsource expense management to their accounting firms. Many of these SMBs are already benefiting from the time saved through the implementation of new spend & expense management solutions. Key benefits include: reduced hours spent in-house managing expenses (64%); new controls put in place to reduce expense abuses and fraud (47%); and streamlined and improved spend & expense management processes (47%).

Additionally, a majority (51%) of SMB participants who outsource expense management said their accountant also recommended a card-based spend management technology, such as BILL Spend & Expense. These respondents called card-based spend management solutions a “game-changer” for their companies due to the time saved on approving budgets and creating guidelines for corporate cards.

Benefits for firms to offering spend & expense management services

Accounting firms will also benefit from including modern spend & expense management technologies as an extension of current CAS practice. The benefits vary depending on the firm but encompass a range of benefits including:

- **Simplified workflows:** Data shows that 79% of accounting firms say it is easier to close the books each month using spend management software, compared to 53% of those using traditional expense management software.
- **Deeper client relationships:** By providing additional touch points with clients throughout the year, firms who offer technology-enabled spend management

services are realizing a variety of benefits, including increased profits (63%) and

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benefits of offering spend & expense management for accounting firms—including [this blog](#) on how to set up a spend management service for success. Additionally, further [webinars](#) from CPA.com and firms offering modern spend management services explore how to leverage expense management technology to drive growth in your firm.

Given the success of CAS for many accounting firms, card-based spend & expense management services can offer them the next frontier of growth. Spend & expense management services continue to offer accounting firms more opportunities to create closer ties with clients and attract new business through more proactive advice.

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