

# Business spend management and embedded finance

 [weavr.io/blog/business-spend-management-and-embedded-finance](https://weavr.io/blog/business-spend-management-and-embedded-finance)

Historically the cast of the spend management story includes:



# Tech Firms

Offering spend management capabilities



**Card-based  
spend control**  
(new-gen)



**Cloud accounting  
platforms**  
(with payment flows)

Organisations in need of spend management

- The people overseeing spending (financial controllers, small business owners etc. )
- The people doing the spending (heads of departments, sales teams, etc.)

Fintechs trying to solve the spend management issue.

- Card-based spend control systems
- Financial ops platforms

**But spend management is not a solved problem.** It's becoming increasingly complex for modern businesses, as they wrestle with challenges like unchecked SaaS subscription sprawl, complex benefits and expenses schemes and keeping a lid on company card use.

One 2023 [report by Insights For Professionals](#) (IFP) found that 36% of senior managers are still extremely or very concerned about corporate spending.

[Another study carried out by Forrester](#) found almost 70% of leaders saying managing spend for a global distributed workforce is challenging with their current conditions. And 58% said ineffective programs are leading to increased operating costs, with wasted spend and missed optimisation opportunities.

And while fintechs and banks used to be the only ones with the power to improve the situation, **embedded finance is democratising the opportunity for non-financial SaaS companies**, such as:

- Cloud accounting
- Traditional expenses apps
- Business travel booking
- SaaS subscription management
- IT or service management
- FinOps / cloud cost control
- HR all in one products
- Employee benefits
- Direct to employer providers
- AP tooling
- Procurement tooling

## Innovation in spend control from non-fintech SaaS products

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# NOW



## Fintech Software

Pioneers for spend control



New-gen,  
card-based  
spend control  
systems



Cloud accounting  
and financial ops  
platforms with  
payment flows

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# NEXT

Rapidly expanding choice of spend control capabilities from non-fintech



SaaS subscription management tools

Business travel booking platforms

FinOps / cloud cost control stack

Expenses apps

HR super-apps

Employee rewards and benefits products

Accounts Payable, Receivable tooling

Industry-specific procurement / supply chain e.g. F&B, property management

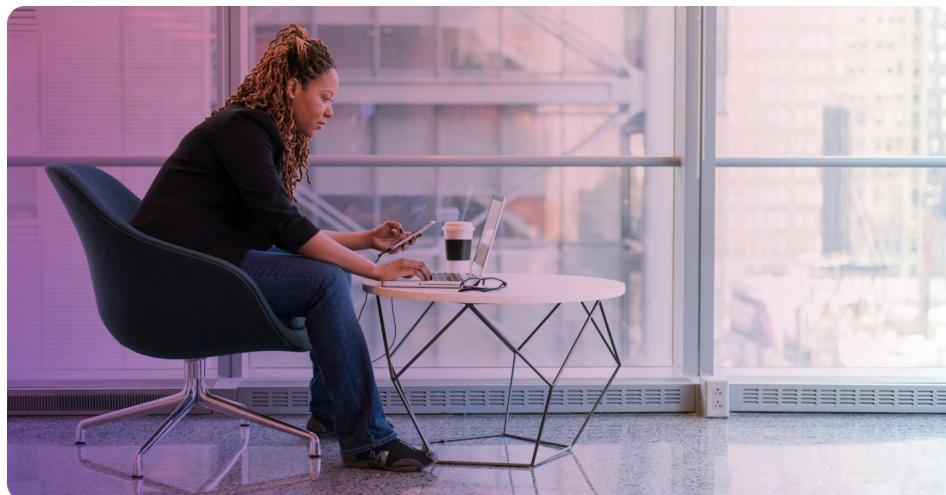
The cast has expanded, and there is now a role for SaaS innovators to play. Many of the tools companies already use, from accounts payable platforms to expenses management systems, touch on spend management. And by embedding financial features into their platforms, SaaS brands can give companies a better way to manage their spending without needing to seek out more tools.

**SaaS platforms, this is your quest, should you choose to accept it:** take your existing platform, embed financial features with spend controls, and give your users the autonomy, control and ease they've been trying to cope without.

## What is business spend management?

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In a nutshell, business spend management is about managing the expenses of an organisation – not just by tracking invoices and payments, but by understanding where cost savings can be made, where business spending needs can be met more efficiently, and why the company's cash flow looks the way it does.



To an increasing degree, spend management also means putting checks and processes in place to keep spending in the organisation on a leash, without curbing team members' autonomy to such a degree that they can no longer be productive.

What that looks like in practice can take a variety of forms. There might be high-level analysis of spending patterns across departments. It might involve reviewing vendors and looking for the best deals around. In larger enterprises, business spend management can often be about rooting out financial redundancies, like separate departments paying individually for the same piece of software.

But that's just the dictionary definition of business spend management. A key part of figuring out better ways to do spend management is understanding what it means for different stakeholders.

## How spend control evolves with company size

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	Startup or micro business	Small business	Medium-sized business	Larger corporations
<b>Who runs spend control</b>	Business owner, family	First finance appointees	Financial control operation in finance team	Dedicated, specialised financial controllers
<b>Control processes</b>	Informal, manual supervision	Basic policies, delegation of manual supervision	Documented business policies and processes, standardisation of tooling	Specialised tooling, safeguards, reporting; proactive and retrospective supervision

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## Spend management for small business owners

When it comes to small business owners or startup founders, “financial controller” is often just one of the many hats they wear each day. Their business doesn’t have enough size to warrant hiring a dedicated financial controller. For now, there’s potentially only one company card to keep an eye on, and one central budget.

It’s also possible that these founders don’t even think of spend management as something that they do. They know it’s important – “I have to keep an eye on spending and expenses, otherwise we’ll go bust” – but right now it’s just an informal fact of small business life, and one they wish was more convenient to deal with.



## Spend management for heads of finance

Once a business starts growing, financial control starts to become something too large for the founder to keep handling by themselves. More policies and signoff procedures are introduced, and now the company’s accounts need a dedicated financial eye on

them.

For this new head of finance or accounting, the task of monitoring and controlling expenses is really only one part of what spend management means. They're also thinking forward about what this small business is transitioning into, meaning they're looking for ways to standardise processes around spending and approval, and create a more formal foundation for the company's near future.

## Spend management for financial controllers

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Moving up to medium-sized businesses, this is where you have financial control as a distinct role or team in and of itself, rather than just a task on the plate of the head of accounting or finance.

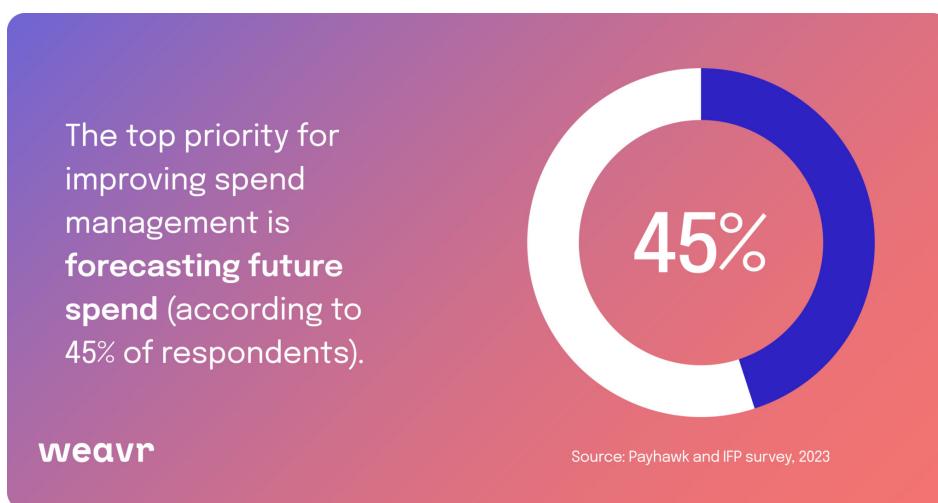
At this level, financial controllers have two main priorities. One is finding the time to properly supervise what needs their attention. The other is being able to integrate horizontally with the rest of the business – they have to be thinking about department managers, forecasting, business unit P&Ls, and so on. They might also be overseeing spend from across multiple offices or branches.

For them, spend management is a core part of their everyday role. They need tools that help them to better integrate with those various departments and budgets under their eye – that give them more power to track down the details behind each spend, while allowing greater autonomy to each department so that financial control doesn't just become about payment approvals.

## Spend management for CFOs in large organisations

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At the board level, business spend management is often about strategy. They're the highest rung on the financial decision-making ladder, and although spend management is part of that, their focus is more on planning and forecasting than policing what's been bought in the last 30 days.



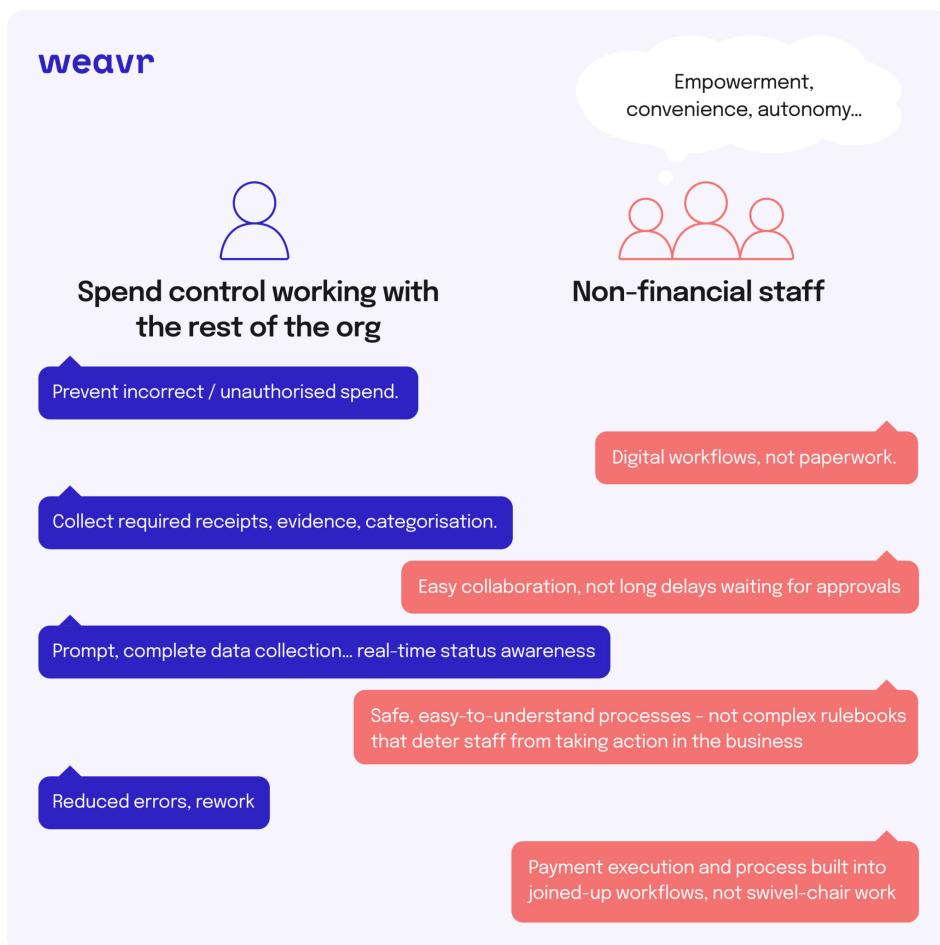
"Part of the tough job of the CFO is capturing the ambition of an organisation's growth wants and needs and putting that into a financial basket that makes sense, one that you can plan against and resource against," Kevin Price, CFO of Provi, told [PYMNTS](#)

To that end, they need the financial teams arrayed underneath them – whether that's financial control, bill payment or day-to-day procurement and supply chain management – to have a certain degree of independence.

In a way that means they need business spend management to become almost cultural. Because once everyone else in the company has healthier spending habits and is covered by greater accountability, the CFO can focus their attention more on the higher level decisions they need to take.

## Non-financial staff and spend control

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Spend management still matters to them, as they will have equipment, software and supplies to buy out of their department budget, and have to be accountable for those expenses to the financial control team. Traditionally, that's been a case of either asking approval from the team that pays the bills, or holding onto all of the receipts to say "we spent X on printing supplies, Y on this conference, Z on cloud subscriptions".

But spend management *could* mean an opportunity for greater autonomy for non-financial employees, if they're provided with the right accounting, budgeting and expenses tools. Ones that can allow them to spend at pre-approved vendors without chasing consent from higher up, for example. Or that automatically gives financial control the oversight they need without adding more paperwork burden onto the non-financial teams spending the money.

But more on that later...

## Why business spend management has become so important

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Business spend management has always been important – after all, if you don't manage your spending, you won't have a business for very long. But with companies facing difficult problems like SaaS sprawl, shadow IT and misuse of company cards, the need for more scrutiny over spend management is higher than ever.



### The SaaS sprawl problem

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SaaS is one of the cornerstones of how we do business today. But for many financial control teams, managing how much SaaS their company uses and pays for can be a nightmare.

If each department head has a company card, it's easy for them to sign up for free trials for SaaS platforms that soon become paid subscriptions. Before you know it, the organisation starts to get bogged down by all of its SaaS expense, but the picture of what's being paid where and why has become too tangled to see where costs can be cut.

### IT management and the growing scope of the SaaS sprawl problem

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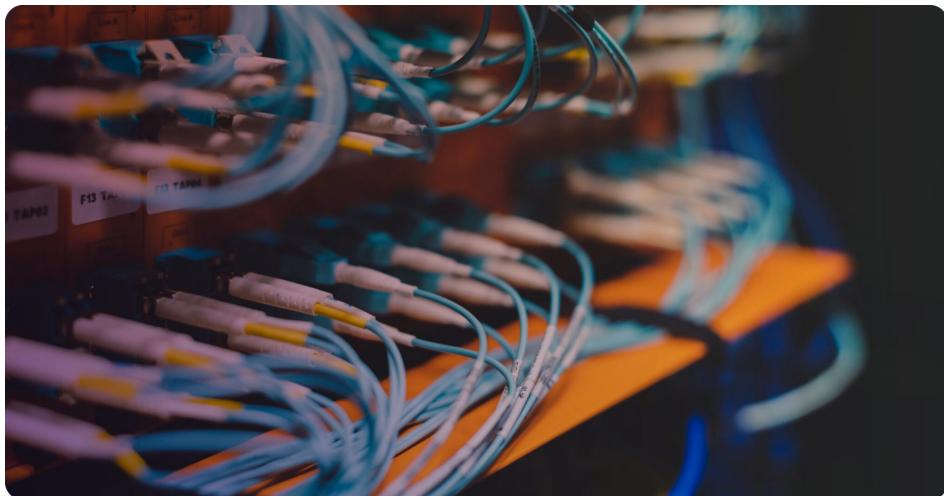
The larger the organisation, the bigger this problem can be. Once you have multiple departments and offices all buying SaaS platforms on company funds, it's very easy for SaaS spending to get out of hand. There might be duplicates of the same software

floating around, as well as paid-for platforms that no one's really using.



Many SaaS platforms are now aiming for product-led growth – they're not getting into organisations via the front door where official sign offs take place. They're landing and expanding via individual end-users, who are opening the back doors wide to all kinds of products.

From there it's a short step to cases of shadow IT – using software and equipment that hasn't been approved by the company's IT department – and all of the problems with internal consistency and cybersecurity that can cause.



## The company card problem

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Company cards are great in so many ways, especially compared to the petty cash of yore. Employees can make purchases using direct business funds, rather than paying out of their own pocket and claiming it back. They're not limited by how much cash they can carry. And financial controllers can see how much has been spent and where as soon as they see the card statement.

But as convenient as they are, they can also open the door to something of a wild, wild west of company spending. Once something's been bought on the card, there's not much the financial control team can do to un-spend that money. Culprits can be disciplined afterwards if the misuse was particularly egregious, but the purchase still happened.

## How does embedded finance fit with spend management?

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Embedded finance enters the picture in two ways. Firstly, as a practical, cost-effective way for SaaS brands to incorporate sophisticated spend management functionality into their platform. And secondly, as a means to deliver on the need for more efficiency, visibility and user autonomy in the realm of business spend management.

With embedded financial features, SaaS platforms can offer their end users several advantages:

**Increased control and visibility.** When features like card issuance are embedded within a platform, financial teams have the ability to set sophisticated, custom spending controls, such as locking cards to certain merchants, and they can monitor payments in real time rather than hearing about them at the end of the month.

**Streamlined payments and reconciliation.** Whether it's paying supplier invoices or reimbursing employees, users can issue payments directly from the SaaS tool. That means no need to copy payee details and amounts from one app to another and more chance for process automation – cutting down on both back office inefficiency and opportunities for manual error.

**Autonomy for non-financial employees.** When financial controllers have more tools for setting spending controls and monitoring payments, non-financial employees benefit too. They can simply be issued a company card to use for expenses or their department's budget and get on with spending their allowance, without having to understand confusing rules or quibble over receipts in 30 days' time.

If you want to dive deeper into what embedded payments within non-financial platforms means, take a look at our [ultimate guide to embedded finance](#).

## How different companies are tackling spend management

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Because business spend management can cover so many uses of a company's money, there isn't one kind of SaaS platform that can intersect with it. And much like how spend management has different meanings for different kinds of financial controllers, each of these SaaS tools will be meeting a subtly different set of spend management priorities.

### 1. Accounts payable

This includes: dedicated AP tools, as well as procurement tools and accounting platforms with AP features.

With large sums of money being invoiced, spend management in the AP world needs to include stringent controls. Financial teams need to know that the company's funds are only going to the right places – whether that's through only buying from approved vendors or simply triple- and quadruple-checking that payee details are correct before sending off any money.

But at the same time, there needs to be a way to balance that with efficiency. If manual quality control checks slow down payments, they risk damaging supplier relationships and incurring late fees. But if that payment functionality can be embedded into AP platforms and automated, financial teams can have more control over the flow of company money without adding to the time it takes to get suppliers paid.

Read more about [embedded finance for accounts payable platforms](#).

## 2. Expenses management

This includes: cloud accounting platforms, business travel booking and traditional expenses apps.

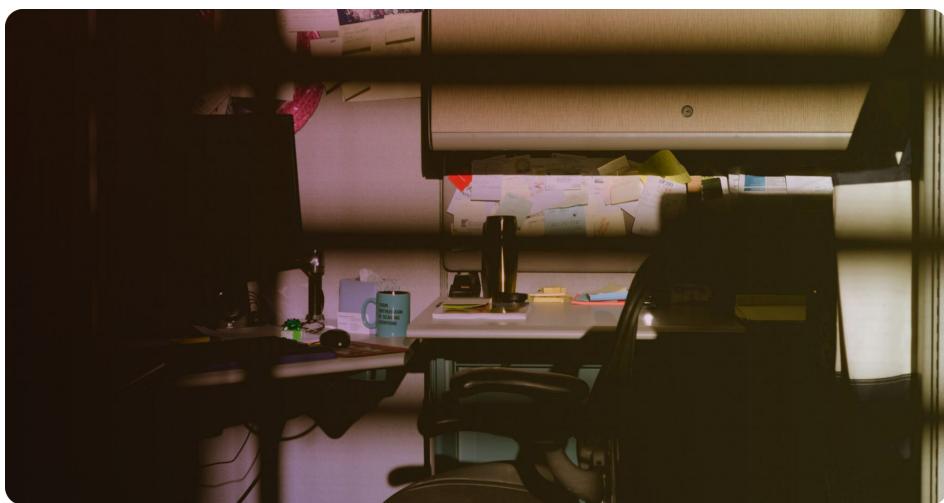
Expenses management and business spend management go hand in hand. Financial controllers and teams need to be able to effectively monitor what goes on with employee expenses, to see how much is leaving the company account and for what, and to hold certain employees accountable if they're misusing the system.

But that can't come at the cost of autonomy for employees covering their expenses. By offering corporate cards locked to specific approved vendors, financial teams can enshrine spending rules in the cards themselves, while giving employees the ability to easily and responsibly spend without just being managed.

Read more about [embedded finance for expenses management](#).

## 3. SaaS subscription management

This includes: FinOps tools, IT assets and service management, and platforms for combating shadow IT.



With SaaS subscriptions, visibility is a core part of spend management. The nature of subscriptions and SaaS sprawls makes it easy for vast amounts of money to start trickling out of companies, while tracking down exactly where each part of the overall cost is coming from can be a detective feat.

For subscription management tools, introducing more spend management features has to come with the ability to follow those often tangled threads. That's not just about seeing who's spending what and holding them accountable – although that is an important part of it. It's also about giving controllers and CFOs more scope to see where financial efficiency is taking place, where savings can be made and where shadow IT can be rooted out.

### Spotlight on: FinOps

Financial control of cloud costs has become such a challenge that it's become its own full-time discipline.

Organisations now rely so heavily on the cloud for so many facets of their operations that it's possible to spend an inordinate amount of money on AWS or its kind without knowing the source. If organisations were mansions, every tap in the place would be turned on, the flood would be rising, and finances would be flowing out.

The right platform, embedded with financial features, could centralise this spending. It could involve a different virtual card for different pieces of cloud infrastructure, and these cards could have virtual budgets and spend controls with hard stops, so that cloud hosts can't overcharge the organisation.

With new AI tools burning even more GPU time, this is only going to become a larger and more ambitious issue. Cloud cost management platforms have a chance to get ahead of the challenge now, embedding financial features which ensure the rise of AI and cloud doesn't also mean the rise of bankruptcy.

Read more about [embedded finance for FinOps](#).

#### **4. Employee benefits**

This includes: employee benefits management, all-in-one HR products and direct-to-employee benefit goods and services providers

Employee benefits might not look at first like a classic area for spend management – after all, it's not exactly the company's money that employees are spending when they redeem their benefits. But there is an element of spend management that goes on here.



The key question is how to give employees more autonomy and convenience when it comes to spending the benefits allowed to them, but without giving them so much freedom that they can blow that allowance on purchases outside of the approved benefits package. And if that doesn't sound like spend management, what does?

There's a financial efficiency aspect to this as well. If financial teams and CFOs have more visibility on how employees are spending their benefits, they can better see if any benefits are going unused or if there are areas where investing in different benefits packages might be a better strategy for retention and engagement.

Read more about [embedded finance for employee benefits](#).

## What's next for spend management – and why non-financial SaaS will take the lead

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As we've already discussed, the biggest priorities when it comes to business spend management are the need for increased payment visibility and reliable spending controls for financial teams, balanced with greater autonomy and convenient access to company funds for the employees doing the spending. The future of spend management will ultimately be shaped by those needs, and by the intuitive digital tools that can deliver on them.

We're already seeing the steps towards this. Take the rise of commercial cards in financial control, for example. In the old world companies relied on rules and rule enforcement to control what money went out of the business. If an employee had a company card, the onus was on them to use it responsibly or on the business to do something after the fact if they didn't.

But with commercial cards – both physical and digital – those rules are enshrined within the card itself. Cards can be locked to specific vendors or kinds of purchases, or have spend limits imposed over a certain period of time. Anything outside of those limits is automatically declined, so the rules are clear to all and don't need human intervention to enforce.

With commercial cards, employees have the ability to spend their department budgets or pay for expenses as conveniently as any consumer purchase, without needing to chase approval or clarification first. Meanwhile, financial teams can rest assured that this greater autonomy for employees doesn't come at the cost of weakening spend management controls.



## Why non-financial SaaS will lead the next big leap

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Whether it's giving financial officers more tools to monitor and control company spending or employees more access to their budgets, convenience will be a key component in the next generation of spend management – and that's why non-financial SaaS is best placed to take the lead.

Let's be clear first. We're not suggesting that non-financial SaaS platforms are about to start taking on banks and fintechs by developing their own commercial card systems – that's what embedded finance and BaaS are here for. But by embedding those kinds of financial features into their platforms, they have a unique opportunity to not just close the spend management loop for their end users, but delight them while doing so.

What we're talking about is a landscape of essential SaaS like accounting, subscription management and procurement tools offering companies more value through spend management. Those companies don't need to add dedicated spend management software from a fintech or a bank to their existing SaaS tapestry – it's already there, integrated with the platforms they already use.

### The three components of a successful card control system

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If you're thinking about adding card issuance to your platform as part of your spend management features, there are three questions to ask about potential providers:

1. Can you issue cards to your end users independent of a bank or traditional financial institution?
2. Do you have sophisticated spending controls in your hands to keep the system safe, dependable and locked down?
3. Can those spending features be fully integrated within your platform or will users have to switch between separate systems?

If you have all three in place, you'll have a formidable formula. You'll be able to issue end users with cards both digital and physical under your own branding rather than a bank's. You'll be able to implement custom controls and restrictions on those cards that tailor them for specific use cases. And you'll be offering your users an end-to-end experience that's completely contained within your platform.

Most fintechs can provide the first two parts of that puzzle, but it's the third part that proves the trickiest to manage. Most standalone spend management tools are just that – standalone – and while they might communicate with other SaaS platforms, that's not the same as being fully integrated within them.

Consider a platform for business travel booking, for example. That process involves a long series of steps and actions from various different kinds of users. You have financial teams setting up travel budgets and issuing cards, employees using those cards for bookings and attaching receipts afterwards, and financial controllers monitoring the spending and extracting data for reports.

## **Company travel: spend control**

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# Business trip timeline

Main booking costs covered in platform, standard processes

A



Flight booked in advance

B



Hotel booked in advance

Other trip expenses commonly NOT covered within same platform\*

1



Visa and health paperwork costs

2

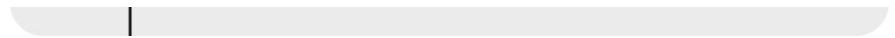


Airport parking & lounge booking

3



Mileage and road charges





\*Additional / inconsistent business processes  
to handle control and reimbursement

In an ideal world, every one of those people would be able to do their part from within the tool itself.

But with a separate card issuing system, employees would have to log into that first to get the details for their card, then copy the details across into the booking system in order to use it. Once they upload their receipts, the financial controller would have to compare those numbers with the ones in the card issuing system to make sure it all matches.

If the card issuing system can be embedded within the travel booking system, however, it effectively becomes invisible. No one has to log in and out of multiple systems in order to complete one workflow – they can just enjoy the financial features of the platform without ever thinking about using a financial app.

## **What's next for spend management and embedded finance?**

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The more integral SaaS becomes to today's businesses, the more sense it will make for those platforms to start closing the loop where they intersect with spend management. Embedded finance will be a core part of this, and it's part of the reason why becoming an embedder has moved up the priority list for B2B SaaS developers.

If you want to read more of our research on the rise of embedded finance within SaaS platforms, [take a look at our white paper](#). Or if you want to get a clearer picture of what the embedded finance journey can look like, we have a [buyer's guide](#) just for you.

Whether your offering is an application, marketplace or platform, if you're looking to embed finance into your business, set up a meeting with one of our experts in your industry and request a demo today using the form below, they can help with spend management platforms and embedded finance: