



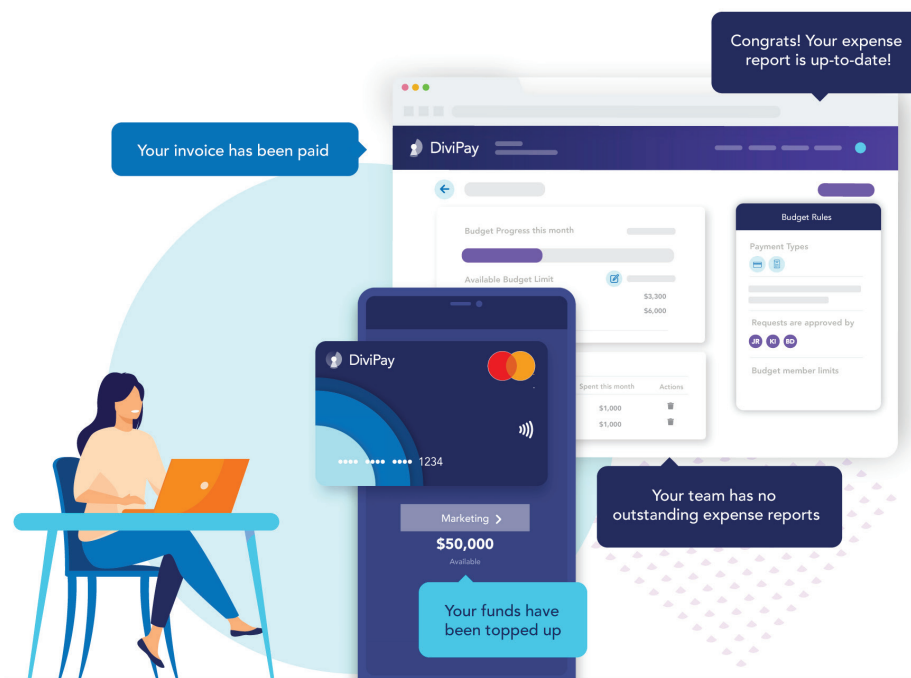
DiviPay

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# The ultimate guide to reducing operational expenses in 2021

Your operational expenses can be one of the biggest cash outflows from your business. The more you can get in control of these expenses, the more ability you have to rein in these costs, improve your financial efficiency and boost the company's cash flow position.

To help you, we've created the ultimate guide to reducing operational expenses. We'll show you how to identify ways of reducing costs without compromising sales and growth targets. By implementing these tips today, you'll be able to maximise the return on each dollar and reduce cost burdens that are having a negative impact on your bottom line.



# Your one-minute summary: getting in control of operational expenses

Having a one-stop-shop for all your spend management and expenses admin puts you in the driving seat. Using virtual corporate cards, automated bill payments and pre-agreed subscription payments, you can quickly get a complete real-time overview of the whole company's spending – and using these tools, start to reduce your expenses.

## Proactive ideas for reducing your operational costs include:



**1.** Conduct a supplier review and negotiate more competitive pricing – agreeing the most competitive terms and prices with your suppliers helps to cut your operational costs and increase your profit margins.



**2.** Reduce your office space, boost your productivity – there's less need for expensive office space now that remote and hybrid working are a reality. Downsize, reduce your lease costs and use this cash elsewhere.



**3.** Squeeze more from your marketing budgets – review your digital and offline marketing to check for wasteful spending and re-focus on channels and campaigns that deliver a higher return on investment (ROI).



**4.** Slice through unnecessary discretionary spending – discretionary spending is on the rise, and there's less oversight of employees' spending. Put better rules, card limits and budget restraints in place.



**5.** Stop unnecessary recurring supply orders – with fewer people in the office, there's less need for food, drink and stationery. Reduce the size of recurring orders, or cancel them completely, to cut this cost back.



**6.** Become more connected online and reduce your business travel – video meetings and online communication are now the norm. Cut down on interstate flights and long business mileage claims by going digital.



**7.** Introduce working from home allowances – when staff work from home this saves the company money. But your homeworkers shouldn't be out of pocket. A working-from-home allowance covers their costs and acts as a perk – to attract and retain your key talent.

Let's take a deeper dive into the proactive ways your business can reduce its operational expenses – with practical tips for using DiviPay to get in control of your spend management.

1.

## Conduct a supplier review and negotiate more competitive pricing

Existing long-term suppliers have a significant advantage over new competitors. Their invoice arrives each month and the pricing is rarely questioned, due to the duration of the relationship and the trust placed in this supply partner.

But, over the years, pricing changes and even the most competitive suppliers can take advantage of your consistent loyalty to their brand by steadily increasing their price. Now's the perfect time to conduct a supplier review on all your existing suppliers. A comprehensive review helps you ensure that you're still receiving the level of value offered when the relationship began, regardless of how long ago that occurred.

### Questions to Consider:

- When was your last supplier audit?
- Are your existing suppliers still delivering the value that they provided on day one?

2.

## Reduce your office space, boost your productivity

Throughout 2020-21, the pandemic exposed the significant burden of commercial office space on operational budgets. Offices remained empty and unused while staff worked remotely, with overall productivity remaining the same or even increasing.

In the pre-Covid world, having a large commercial office space was considered a necessary expense for housing and retaining your employees – that assumption is now being challenged by the practical efficiency of digital tools and cloud-based systems. Many businesses are now reconsidering their need for large, expensive, open-plan offices in favour of smaller properties, reduced floor space or an entirely home-based workforce.

### Questions to Consider:

- Is that large commercial space still serving the needs of your business?
- Would ongoing flexible working arrangements reduce your operational expenditure?

3.

## Squeeze more from your marketing budgets

The importance of effective marketing campaigns can't be overstated, and the return on investment (ROI) can be measured in years of consistent, sales and marketing-driven growth. Yet, many businesses have adopted a 'set and forget' approach to their marketing, a move that's resulting in their business losing tens of thousands in wasted marketing spend.

Digital pay-per-click campaigns need to be constantly monitored to ensure they're still providing value for money. Even if the overall spend remains consistent, the impact can steadily decrease, delivering a poor ROI. On top of this, traditional offline marketing campaigns may no longer be serving the needs of your business or your current customer base – with the majority of marketing interactions now taking place online.

### Questions to Consider:

- How are your digital campaigns performing today?
- Is your offline marketing spend still delivering results that match your current growth and audience?

4.

## Slice through unnecessary discretionary spending

Many businesses have found that spending on discretionary items like entertainment has decreased significantly in recent times, but without impacting on sales or growth targets. However, at the same time, organisations have noticed an increase in expenditure on other more discretionary areas, from stationery through to subscriptions.

Employees are spending less time in the office, and that lack of physical presence is contributing to new categories of expenses and increased spending that's flying under the radar. New digital tools, like **DiviPay**, are helping businesses analyse company-wide expenditure and understand the costs that are contributing to achieving growth targets, versus those that are just an unnecessary cost burden. With managers and approvers now having limited oversight of spending by remote workers, a different approach is needed to make sure that spending aligns with your existing guidelines and expense policies.

### Questions to Consider:

- Are unnecessary subscriptions and expenses placing a burden on your business?
- Do you have the right systems in place to identify how expenditure is occurring company-wide?

## 5.

# Stop unnecessary recurring supply orders

To keep fridges, bathrooms, and meeting rooms fully stocked, it's been common practice for office managers to set up recurring orders for the most essential items. But the reduced employee attendance in many offices is resulting in supply cupboards that are literally overflowing with excess consumables.

With many companies already operating a more flexible hybrid working model, now's the ideal time to reevaluate any recurring orders. This gives you the opportunity to reduce the quantities that are being delivered to match the number of team members in your office, and to evaluate whether some recurring supply orders can be cancelled completely.

### Questions to Consider:

- When was the last time that you carried out an audit on recurring supplies?
- Does your spending on recurring supplies match the decline in workers that are physically present in your office?



6.

## Become more connected online and reduce your business travel

In the past, flying interstate or overseas for internal or customer meetings was considered a necessary operational expense. But the mass adoption of video conferencing platforms, like Zoom or Microsoft Teams, is allowing businesses to modify their expense policies and limit travel to essential meetings or events that provide a high return on investment.

Many industry events, conferences, and trade shows now offer an attractive online alternative to physical attendance, providing businesses with a compelling reason to reconsider travel. Virtual meetings have gained widespread acceptance, and the previous stigma attached to these types of events has all but disappeared. Reducing your unnecessary travel helps to free up funds – funds that can then be invested back into growth or diversification into new markets or new products.

### Questions to Consider:

- Is physical attendance at industry events, conferences, and trade shows still necessary for your team?
- Have you identified which travel delivers the highest return on investment?

7.

## Introduce working from home allowances

You can achieve significant cost savings by moving some (or all) of your team to working-from-home arrangements. But doing this shifts the cost burden from the company and onto employees. While this is excellent news for your operational budgets and spend management, many organisations have recognised that significant cost savings can still be achieved while providing employees with compensation for these new costs.

Ultimately, you don't want your home-working employees to end up out of pocket when it comes to paying higher utility, phone, broadband and living costs. Reducing your operating expenses shouldn't compromise your employees' wellbeing or the company's talent retention. Working-from-home allowances deliver a flexible alternative that can ensure that your team has the resources they need to continue working from home.

### Questions to Consider:

- Are you providing your team with the resources they need to continue working from home indefinitely?
- Can you reduce operational expenses while compensating team members?



## Your perfect expenses partner

**Here's why DiviPay is the perfect partner to help your business understand your team's spending and reduce operational expenses**

DiviPay's spend management platform helps your finance team to streamline payments and understand exactly how your operational budget is being spent.

Our smart corporate cards operate virtually from the DiviPay app on your employee's phone. And our automated bill payments, online expense approvals and recurring subscription tools take the pain out of consolidating and managing your company-wide expenses.

When it comes to operational expenses, we understand the challenges you may be facing and the impact that poor spend management can have on your bottom line. Our new approach to payments and expense management is helping Australian businesses gain unprecedented control of their finances – by moving expenses to the digital realm.



# Expense management redesigned, automated and analysed

When you sign up to the DiviPay platform, you'll have access to all the key tools and reporting you need to reduce your expenses. Get in control and see the positive impact on your spend management and underlying cash flow position.



**Smart corporate cards** are changing the way the expenses are managed. With each employee using their own unique virtual cards, direct from the DiviPay app, you have unprecedented access to your team's expense data and associated cost information.



**Automated bill payments** are also changing the payment landscape, allowing you to drag and drop an invoice or email it directly from your inbox to the DiviPay platform. The system automatically extracts data from invoices (removing the need for time-consuming manual data entry and eliminating human errors) and then sends the bill to the relevant approver for payment. It's automated, fast and effective.



**Real-time transactional data** is available as soon as payments occur and can be automatically exported to your accounting software. Team members quickly reconcile their expenses in the field, removing the need for time-consuming manual data entry and scanning of receipts. Faster reconciliation saves thousands of hours and allows team members to get back to doing their jobs and delivering growth.

# How smart corporate cards are helping reduce operational expenses

1. Finance teams or managers create a smart corporate card in seconds with any budget. Funds are restricted to specific categories or merchants, so you can be sure that your spending aligns with the intended purpose for the card and that any potential misuse is eliminated.
2. Once created, smart corporate cards are sent to your team members to install on their smartphone using the DiviPay app. Cards are virtual, easy to set up and are ready for use immediately.
3. When your team members make a purchase, they can quickly reconcile the transaction on their smartphone in the field – cutting out the head office admin.
4. Your finance teams have complete visibility of all transactional data as expenses are incurred, providing real-time information and metrics and allowing early intervention if an issue with the expense is flagged up.
5. Expense data is automatically exported to existing accounting software, saving finance teams thousands of hours every month.



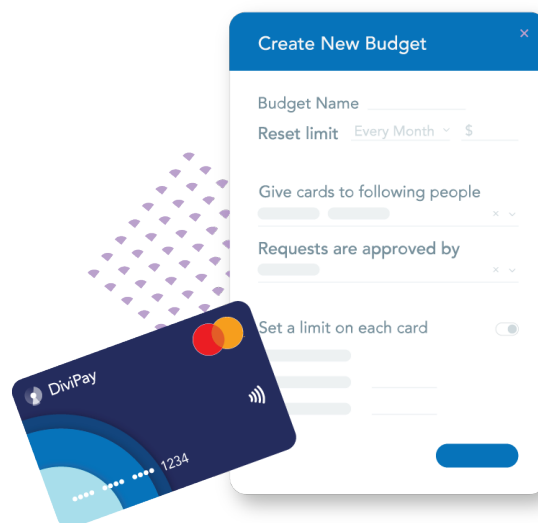
# Get in control of your operational expenses

To get a good return from your spend management, you need to get proactive with your strategy, your tactics and your planning. Letting expenses 'tick over in the background' could result in you losing thousands of dollars in unnecessary costs, mismanaged credit cards and overspent budgets. The key to turning these fortunes around is to put your finance team back in the driving seat – and this is where the practical tips in this guide will help to change your expenses outlook and start plugging the holes in your expenses bucket.

In a world that's run predominantly in the digital domain, there's no reason why your expenses shouldn't be managed digitally too – and DiviPay is the perfect platform for moving your operational expenses out of the desktop age and into the online world of cloud, smartphone apps and real-time syncing of expense data.

If you're looking to revolutionise the effectiveness of your spend management, our 700+ satisfied customers will vouch for the fact that DiviPay is the platform to opt for.

Get in control of your expenses and [switch to DiviPay](#)





## Get in touch

Got a query? Or want to know more about the **DiviPay** platform? Drop us an email.

Email us at: [info@divipay.com](mailto:info@divipay.com)

[www.divipay.com](http://www.divipay.com)