

T&E Management: Get the Right Tools

Ashok Vashist explains how to effectively manage employee transportation expenses

Being the Chief Financial Officer of an enterprise is not an easy task. Apart from looking after the company's overall financial dealings, the CFO is also responsible for preparing and maintaining accurate financial reports. While managing hundreds or even thousands of bills, financial accounts, and expenses over a typical financial year, one thing that can truly makes a difference is the effective management of employee transportation expenses, or T&E.

T&E expense management is usually an extremely time-consuming drill that relies on manual processes. Due to the nature of the job, most CFOs are exceptionally good with numbers, but human capacity has its limits. According to a survey by UK-based FSN Publishing, most CFOs find their traditional accounting roles mentally draining. Additionally, 52 per cent of CFOs say that they spend too much time on transaction processing, and 42 per cent say that they are burdened with management accounting. 32 per cent cite statutory reporting as a time-consuming process.

If these facts are any indication, CFOs certainly need better tools to effectively manage the various financial aspects of the organisation, including T&E spends. This can be achieved in various ways:

- **Effective routing and rostering:** This is the backbone of any employee transportation system, so improving its overall efficiency can be critically important. A

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robust system allows the CFO to effectively determine the daily route and schedule of each employee transportation vehicle, and to prepare trip assignment sheets that can be

given to each vehicle driver for future reference. Doing so can maximise the utilisation of assets, reduce rerouting time when new employees come on board, and optimise the use of 'on road' time.

- **Re-engineering the transportation model:** This can help manage the organisation's overall transportation expenses. Just as vehicles tend to deteriorate and need replacement after a certain period of time, periodically upgrading the transportation model as a whole can help manage costs.
- **Comprehensive employee transportation management**



technology: These days, with technology forming a key pillar for most companies, it is vital to invest in comprehensive technologies that can optimise various business operations and enable stronger process management in areas like employee transportation. What's more, by leveraging technology, CFOs will have access to a centralised transport management system that can yield expense insights for the company as a whole on a regular basis.

- **Partnering with transport/commuting service providers:** The huge demand for transport management technologies has given rise to managed service providers, who have disrupted the market with their unique products and services. Some even provide end-to-end corporate mobility solutions, with a specialisation in ground transportation, and several firms have developed sustainable products and services that can play a vital role in reducing

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CO₂ emissions and traffic congestion. Collaborating with such organisations can be of immense benefit in managing T&E expenses.

- **Expense visibility:** The first step to effective transportation management lies in its visibility in financial accounts. A study conducted by Aberdeen Group suggested that in over 51 per

cent of organisations, a lack of visibility into spend is one of the top challenges CFOs face in T&E management. Being privy to important expense-related information should be the top priority. Moreover, access to such information can enable greater transparency within the organisation, which contributes to building trust and compliance at every level.

- **Controlling 'overspending' at source:** Under heavy work pressure, people tend to seek ways to get more rest and recreation time. However, there are numerous instances where employees exploit such benefits beyond the permitted limits. The consequence is huge employee transportation expenditures that get billed to the company. While human nature cannot be controlled, there are ways around the problem that can benefit everyone involved. Some companies offer 'Bleisure' leaves – a combination of business leaves with some extra days to indulge in leisure activities. Not only can this help control overspending at its source, but it also makes for a healthier work environment.

Employee transportation cost is a non-core, high-cost activity that requires periodic rationalisation, and it is the CFO's responsibility to manage this effectively. This might, at times, entail bringing in outside expertise and technology – something that can improve the organisation's overall operational efficiency, as well its T&E spend management. For CFOs, an added boon is that this can be achieved without them having to burn themselves out checking numbers. ■



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