

This Free E-Book is brought to you by Natural-Aging.com.

100% Effective Natural Hormone Treatment
Menopause, Andropause And Other Hormone Imbalances
Impair Healthy Healing In People Over The Age Of 30!

How To Save Millions Simply By Reducing The Cost Of Spending

By Peter Granger

Despite widespread agreement that effective expense management is critical to business success, there's still one aspect of expense management that tends to be handled badly. And it's costing many businesses millions each year! Ironically, it's a cost that can be drastically reduced (all but eliminated) overnight.

I'm talking about the processing costs associated with purchases. They're called "transactional processing costs"; they're not the cost of the purchase itself, but the cost of the transaction.

The Dollar-Value of Transactional Processing Costs

The end-to-end cost of processing high volume, low value purchases (such as travel, entertainment, contract labor hire, training, employee claims, stationery, publications, books, kitchen supplies, etc.) can be exorbitant. In fact, in many cases, it's higher than the purchase cost itself (even with the efficiencies delivered by an ERP application). The reason for this is that the total cost-to-transact includes many associated activities such as processing, administration, and bank fees, to name just three. In a typical business, 90% of purchases are low value; they represent less than 10% of total company purchase spend. But because the cost of each transaction is normally much the same regardless of the purchase price, in reality, these low value purchases cost far more than the big purchases. Consequently, the majority of available company resources (e.g. employee time, effort, and money) may be dedicated to managing the low-value, high-volume transactions that constitute a relatively small percentage of overall company expenditure.

How to Reduce Transactional Processing Costs

An increasing number of businesses have taken steps to address this issue, and have enjoyed substantial operational savings and direct bottom-line improvements. They've significantly improved their operational efficiency and, in many cases, reduced their transactional processing costs by more than 90% per transaction. This represents substantial cost savings when considering the volume of transactions most companies process each year.

How To Save Millions Simply By Reducing The Cost Of Spending

So how did they do it? What is the opportunity for those companies that still employ traditional methods?

Today, many businesses have found a straightforward, effective and efficient answer to this question. They employ a simple solution that combines the use of a traditional credit card with expense management software.

How does this work in practice?

The Process: Your employees use a corporate credit card to procure goods and services. The electronic transaction is sent to their individual PDA or PC (via any network or internet connection). The employee confirms the transaction and charge with the click of a button, and a fully coded transaction is then posted to your chart of accounts. You then make a single payment to the credit card provider for all purchases made using the card during the month. Everything is managed automatically

in real time, including all of the controls, business rules, and management notifications that ensure purchases are approved and comply with corporate policy.

The Result: You're able to consolidate thousands of payments into a single transaction. With the supporting systems, you can analyze expenses and implement controls on a real-time basis.

Case Study

A company processes around 50,000 payment transactions per year, of which 80% (40,000) are low-value/high-volume non strategic expenses. By implementing a ProMaster expense management system, they are able to save \$56 per transaction, delivering a total cost saving of \$2.24m per year (40,000 x \$56.00 = \$2.24m). Admittedly, this includes both 'hard' and 'soft' savings, but the business case is real, and is proven to deliver results in all industry sectors including ROI within six months.

Conclusion

For years now, companies have been using credit cards as a corporate payment tool for travel and entertainment costs. The extension of the concept into general business procurement has been made possible more recently by the release of new products from card issuers and the development of sophisticated expense management software systems that provide immediacy of control. Today the concept is a key addition to corporate improvement project portfolios, covering all non-strategic low value spends and potentially far more.

Peter Granger is the CEO of Inlogik Pty Ltd. Inlogik owns and distributes ProMaster, an Expense Management Solution used by over 250 major corporations in 40 countries. See

<http://www.inlogik.com>

How To Clear Your Credit Card Debts

By Peter Kenny

These days there are so many ways to let credit get out of control that you will probably be constantly aware of the dangers of over spending. So many people have access to far more credit than they think they need or can afford, and it is a constant challenge not to let it get out of hand and fall into the trap of spending it all. For most people, credit cards are probably the most dangerous element of this situation and the one they will keep tabs on most closely. If you can get your credit card debts under control then you will have gone a good way to getting your finances and especially your spending under control. This is vital as credit card debt and other similar short term debts are one of the first places future lenders will look when assessing your credit worthiness for future borrowing.

There are a few very simple ways to go about keeping credit card debts under control. They are really just common sense but it is useful to recap over them as many people fall into the trap of thinking that there is some sort of magical short cut to clearing your credit card debts. Sadly this is simply not the case, and despite all the amazing deals on the market, such as zero per cent balance transfers, and loyalty rewards, the only way to clear your self of your credit card debts is to simply pay them all back.

The first thing you should do is cut back on your credit card use. You will have to stop spending so much so that your repayments can start to go back to reducing your balance rather than just keeping it where it is. If you think you will have trouble cutting back on your spending, then perhaps you should think about removing your credit cards from your wallet or purse, and leaving them at home. An even more drastic step is to cut them up.

You should also make sure you are making more than the minimum repayments. Making minimum repayments will never clear the debt, or at least it will take you a very very long time. What you should do is make as much above the minimum payment as you can afford, concentrating most of your repayments on the cards with the highest interest rates.

If you are having real difficulty meeting repayments, then you should perhaps consider contacting the credit card company and telling them of the situation and asking them if they can do anything to help you.

Peter Kenny is a writer for creditcards-gb For additional articles and an extensive resource for everything about credit cards, please visit us at

<http://www.creditcards-gb.co.uk>

and

<http://www.creditcards2go4.com>



This Free E-Book has been brought to you by Natural-Aging.com.

100% Effective Natural Hormone Treatment
Menopause, Andropause And Other Hormone Imbalances
Impair Healthy Healing In People Over The Age Of 30!