How accounting firms can monetize spend and expense management services

Introduction

[Recent research](#) found that 72% of small and midsize businesses (SMBs) would like a proactive approach to spend and expense management. This includes matching anticipated expenses to budgets before the money is spent. However, only 34% of accounting firms offer spend and expense management services.

Growth-oriented accounting firms recognize opportunities like this. It's a chance to meet clients' needs while proving yet again their role as trusted advisors.

Modern spend and expense management combines technology and integrated corporate cards to flip traditional approaches on their head.

How can your firm adopt and monetize spend and expense management? This white paper will explore ideas and real-world guidance to get you started.

"How can you make yourself more valuable? Clients love to have a good feel of their finances, and if you can simplify it for them with spend management, you will succeed."

Jody Grunden, CEO and co-founder of Summit CPA Group, a division of Anders CPAs + Advisors

The business case for spend and expense management services

The foundation of monetizing spend and expense management services is creating a business case for them. To do this, it helps to clarify the role spend and expense management plays, how it benefits firms, and the technology that supports it.

What is spend and expense management?

Spend and expense management is the ability to view, control, and manage a business's cash flow in real-time and in one centralized location. It provides actionable insights to key financial decision makers. It also offers a proactive approach to manage expenses and company spend by tying expenses to corporate cards and reporting on costs and budgets in real time.

It is often delivered as part of client advisory services (CAS). It helps clients control spend and gives you insights from real-time expense data for forecasting, planning, and business-related decisions.

How do spend and expense management services benefit accounting firms?

CPA.com and BILL surveyed 763 businesses and 368 accounting firms on spend management services. The survey report, titled "From Expense Tracking to Spend Management: The Next Client Advisory Services (CAS) Opportunity for Accounting Firms," provided some compelling results for firms, including:

1. **Stronger results**—Accounting firms offering spend and expense management services report greater efficiencies and higher profits, according to the survey results.

2. **An SMB demand**—As mentioned in the introduction, 72% of SMBs said they are interested in a proactive approach to spend and expense management.

3. **An open field**—Spend and expense management services represent an emerging trend for accounting firms, with only 34% offering it—meaning a need exists and the competition is relatively low. This could also be a valuable differentiator for CAS practices.

4. **Clients will help your firm grow**—Nearly three out of 4 SMBs who outsource expense management and use spend management software say they are interested in exploring additional services with their firms. Of that same group, 71% say they are actively referring their accounting firms to other companies and colleagues.

How does spend and expense management technology work?

With spend and expense management technology, firms can enhance efficiency, insight, and the delivery of their services. How? It authorizes purchases based on budgets and guidelines, and captures expenses in real-time. Here are some of the fundamentals of card-based spend and expense management technology.

Corporate cards

Corporate cards[1] tie to spend and expense management technology and enforce guidelines before a dime is spent. You or your client can attach expense limitations to each card, including how much can be spent, what items can be bought, and which budgets, projects, and departments expenses are allocated to.

Cash-back rewards

Spend and expense management corporate cards are tied to your clients' companies, not individual card holders. Purchases made with the corporate cards are eligible to earn cash-back rewards[2], with incentives increasing for common spend areas like online advertising.

Expenses

A spend and expense management mobile app prompts employees to upload a receipt each time they make a purchase. Employees can request more funds via the mobile app or even Slack, and funds can be available in minutes when approved.

Real-time insight into spend

Each expense appears in real-time on a dashboard, precoded and documented. It makes it easier to track overall budget performance and cash flow while also evaluating past performance and future trends based on spend history.

More efficiencies

Capturing spend in real time can eliminate expense reports altogether, saving you and your client time and hands-on work. The software also integrates with leading accounting systems including QuickBooks Online, Sage Intacct, and Oracle NetSuite, and helps accelerate month-end close.

97%
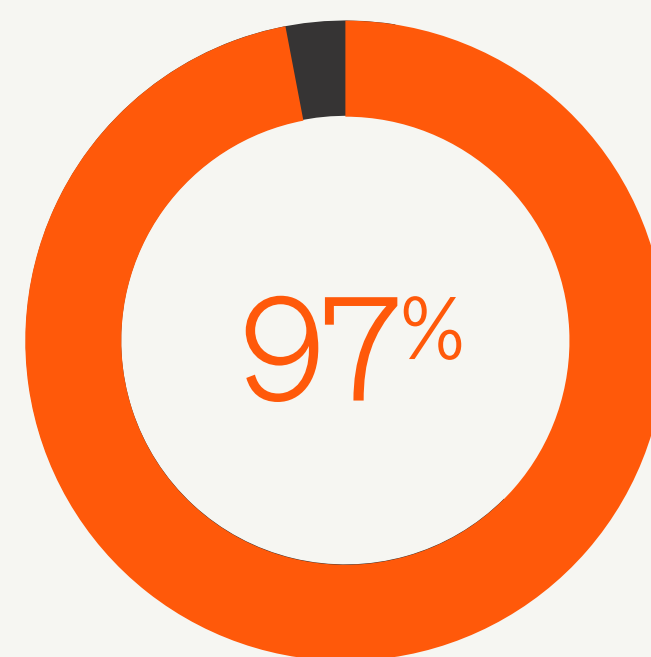
97% of SMBs outsourcing expense management to an accounting firm and using card-based spend management technology agree that it ensures they control spend and stay within budget.

Scope and charges for spend and expense management services

According to the research referenced earlier, here's what level of service SMBs are interested in and general pricing provided by accounting firm participants.

Scope

Businesses were asked what type of spend and expense management services would be helpful. The results show an interest for tactical, strategic, and technical levels from accounting firms.

What types of spend and expense management services are SMBs interested in?

39%

Basic—overseeing expense tracking, reimbursements, category coding, month-end closes, data integration into general ledger.

38%

Strategic—basic services plus budgeting, forecasting, cash flow analysis, and guidance around best practices in spend and expense management.

16%

Technology consulting—helping SMBs identify, implement, and optimize spend and expense management software and processes.

💡 Did you know...?

Firms that are able to offer a full range of standardized spend and expense management services—from selecting software to advising on forecasts and budgets —may see that they are well positioned to offer this as **a high-growth CAS offering.**

Charges

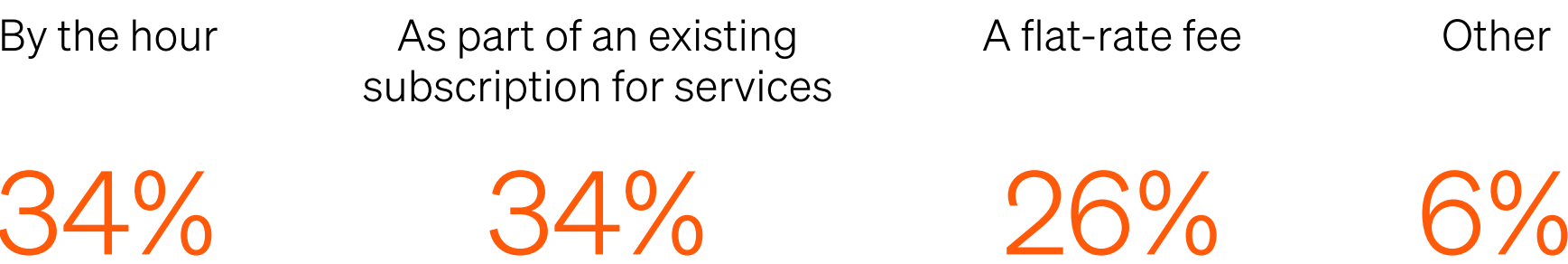Accounting firms also shared how and what they charge for spend and expense management services.

According to the survey report: "Some firms don't charge for spend and expense management as a standalone service. However, it's there in the background making their advisory services better and saving them time and money. Some firms charge for it as part of a broader offering like technology consulting. Others charge for it as a standalone service."

The research found that spend and expense management services command a variety of price points, as designated by accounting firm survey respondents. 35% said they do not track spend and expense management services revenue separately, suggesting it falls into the parameters of a broader offering like CAS. In this context, the monetization strategy might align with CAS success components such as revenue growth and client satisfaction. The remaining prices range from up to $5,000+ a month, with a bulk settling between $1,000 to $3,000 a month per client.

What does your firm charge for spend and expense management services?

Up to $1,000	$1,001 to $3,000	Up to $3,001 to $5,000	$5,000+	We don't track revenue separately	Not sure	Other
29%	11%	5%	2%	35%	17%	1%

How does your firm charge for spend and expense management services?

By the hour	As part of an existing subscription for services	A flat-rate fee	Other
34%	34%	26%	6%

Accounting firm advice on packaging spend and expense management services

Packaging services together can lead to better results when it comes to monetization. Here, accounting firms offering spend and expense management services weigh in on 3 different approaches using BILL Spend & Expense.

Package option #1

- One-time implementation fee

- Hourly consulting fee for assistance as needed

- Ideal for: Those who don't want to dedicate a full-time employee to spend and expense management services yet.

breakwater
accounting + advisory corp®

Breakwater Accounting + Advisory Corp. offers BILL Spend & Expense with a one-time implementation fee. Because it saves the firm so much time, they don't feel the need to charge much more than that. Occasionally if a client's expenses are more complex and require a bit more hands-on work in the software to help, they will add a very small monthly fee in addition to the implementation charge. (As shared by Amy Marshall, Director of Workflow Solutions)

☼̇ Did you know...?

You and your clients can use the BILL Spend & Expense solution at no charge, making it that much easier to monetize your services.

LescaultWalderman
Accounting

Currently Lescault & Walderman bill hourly, so with BILL Spend & Expense, they are able to reduce their time around the tactical expense management tasks and lower their cost to the client. By reducing the time spent here, they can service more clients and keep revenue steady. But they are moving toward a fixed fee model that won't price their spend management services separately. Instead, they will be able to charge a fixed fee for their valuable advisory services, of which spend management is a part, and not for the manual busywork usually associated with expense management. (As shared by Matthew Lescault, Founder and President)

Package option #2

- One-time implementation fee

- Flat regular payments

- Ideal for: when you offer spend management as part of a premium tier within CAS services

Summit CPA Group has no long-term contracts with their clients, and they offer weekly billing for services. To support this model, they created a pricing tool that they use when onboarding new clients, and BILL Spend & Expense's no-contract platform was an easy fit into the offering. One of the line items they can add to any package as a flat weekly fee is expense and spend management services. That fee scales up or down based on the size of the company (taking into account revenue as well as number of employees). For an average 50-person company, they charge $80 per week for expense/spend management—reconciliation as well as advisory services. (As shared by Jody Grunden, Partner and Founder, Head of Summit CPA Group and Jake Grim, CPA, Director of Technology)

Ignite Spot has two steps to pricing BILL Spend & Expense for their clients: a set-up fee and an ongoing fee associated with overseeing budgets and spend management. They start by pricing it as a set-up service since it takes time for their team to get up to speed on the process changes and train them on how they want each client to use the platform. Then, they add in budgets and spend management as a part of the monthly control process for the client, and it becomes part of the overall monthly fee. (as shared by Dan Luthi, Partner)

Package option #3

- No charge

- Service and technology reduces costs for the delivery of CAS offerings

- Ideal for: when a firm is growing its CAS service and/or wanting to streamline service delivery to clients

RLJ offers a strategic growth package, which includes BILL Spend & Expense and other apps. As far as the spend management advisory, they don't yet have that designed as a separate service offering. It just gets added in with what they do currently. However, some customers might not value services unless they pay for them, so they are considering adding this as a stand-alone service offering. (As shared by Caleb L. Jenkins, EA, CQP, Leader of Client Accounting Services)

Spend management is priced on a case-by-case basis as the Squire & Company team gets to know a client and understand their needs. When a client asks the firm to help process reimbursements, Squire is quick to point out that if they just implement BILL Spend & Expense, they will save that time and money. In these cases, the solution is included as part of a fixed fee, and it adds value for the client because, "No one likes expenses and reimbursements, but when it's all on your phone with BILL Spend & Expense, and there is this cool technology, there is a lot more buy-in. And they really like that!" (As shared by Megan Bronson, Advisory Partner)

At Chaney & Associates, spend and expense management isn't priced as a separate service, but instead it's part of a fixed fee for accounting and advisory services. For them, spend management and using BILL Spend & Expense is just a warm up before bigger-picture advisory opportunities like budget planning, which is even more important to their clients, which tend to be nonprofits, churches, and faith-based groups. Because it is free to use, BILL Spend & Expense enables Chaney & Associates to quote a price for their overall services to their clients and honor that price. (As shared by Steve Chaney, Founder and Advisory Partner)

⦿ Did you know…?

Spend and expense management services can open more revenue streams for accounting firms. Clients may express interest in compatible services, such as budget planning, training, technology consulting, bill pay, and AR.

Scalability—the runway for monetization

Scalability ensures that your service delivery can meet client demand. It provides a framework so that the service can be deployed and supported from introduction to high growth. Many firms have already gone through scalability exercises and have a precedent to replicate it for spend and expense management services. With this in mind, here's a refresher checklist.

Scalability checklist

⊘ Delivery decisions

Think through the ideal way for your firm to deliver this service. Whether it's hands-on or from an advisory capacity, this decision will lay the foundation for what resources you'll need now and as the demand grows.

⊘ Efficiency checks

Efficiency allows you to maximize the output of internal resources and talent without taxing them. Along with establishing standards and processes, simple steps to support efficiency include adopting spend management automation and integration with general ledgers and accounting technologies like bill pay. This helps minimize data entry, errors, and the use of outdated information.

⊘ Set goals and check often

Set goals for when you want to achieve profitability and what that looks like. Measuring results will help you determine if you need to reevaluate how you support and deliver services.

⊘ Tech performance

Your spend and expense management services must be able to grow along with the demand for services (and beyond). Are there limits to users or additional fees based on the number of licenses or subscribers that might impact growth? Also, is the software easy to use?

⊘ Establish standards

It's important to test, establish, and document processes and procedures like workflows and expectations. This includes establishing best practices for clients, such as technology used, onboarding, and training. These standards will allow the service to be replicated consistently no matter who delivers it.

⊘ Client convenience

Your spend and expense management services should ease manual work from client processes like chasing down receipts or processing expense reports. The services and technology should also give clients the ability to self-service as needed (for example, setting spend guidelines, issuing and disabling cards as needed, and accessing a dashboard of real-time spend and budget performance). This empowers your client and reduces time spent on entry-level activities, preserving time so you can focus on delivery.

"If a client doesn't want to switch to BILL Spend & Expense, it's probably not worth it to work with them. You can't step over dollars to pick up pennies. With real-time numbers and closing the books weekly, the administrative burden and salary that are offloaded will save you more than [rewards] points ever will."

Steve Chaney, Founder and Advisory Partner, Chaney & Associates

Training—the key to refining scalability and skills

Scalability helps you prepare for growth. Training ensures that your team can support growth, both from a technology and delivery point of view. With BILL Spend & Expense, it doesn't have to be cost- or time-intensive since it's intuitive to use and your team can get up-to-speed in a short amount of time.

Remember: training opens opportunities to create more profitability. A team that understands the technology and benefits for them and clients will be more likely to recommend the service. For example, here is how 4 accounting firms grew internal support and skills for spend management services when using BILL Spend & Expense.

Turning to BILL experts to further optimize service delivery

When **Breakwater Accounting + Advisory Corp.** first started using BILL Spend & Expense for clients, they had the BILL team come in and train their staff regularly on not only the software, but also on tips on how to pitch and implement it with clients.

At **Squire & Company**, the NetSuite implementation team members are the resident experts on BILL Spend & Expense because they handle the integrated applications for clients and are a key part to onboarding new clients. Their outsourced accounting team has staff trained to help keep BILL Spend & Expense maintained for their clients once they've been onboarded, but for the most part the firm is able to just implement the solution and let the client take it from there. BILL's support team is also always available for ongoing questions and concerns, so the staff always feel supported if questions arise.

While training employees is an important component of spend and expense management success, the training should also extend to clients. After all, the more they understand the benefits of the service and its technology, the more apt they will be to appreciate it and refer their network to your firm. Your team should have a standardized training process for clients that helps them onboard to the service and technology and keeps them updated on new features. And due to the technology training and services delivery, staff members on the front line will be well equipped to help clients with any questions.

Using BILL Spend & Expense for your firm

Ignite Spot's team uses BILL Spend & Expense for recurring expenses like software subscriptions and can immediately send their employees money whenever needed. Plus, employees have the added benefit of uploading receipts even when traveling. This makes it easier when pitching BILL Spend & Expense to clients since they have experience using it themselves and can speak to how user-friendly it is.

Lescault & Walderman uses BILL Spend & Expense internally. Overall, they've been very impressed. Because staff enjoy using the solution so much, it's easier for them to recommend it to clients and get them started. They can also answer a lot of questions that might arise from clients about how BILL Spend & Expense operates from a user standpoint.

☀ Did you know...?

When it comes to scaling and monetizing your spend management services, don't forget to leverage your technology provider. BILL will help onboard you and your clients, saving you time while helping to optimize the technology and processes needed to scale.

Next steps

To learn more about spend and expense management, and how to capitalize on it as a service offering, here are additional resources:

- Explore research in From Expense Tracking to Spend Management: The Next Client Advisory Services (CAS) Opportunity for Accounting Firms.
- Read A Guide to Spend Management and Your CAS Practice.
- Join the BILL Accountant Partner Program, delivered in partnership with CPA.com. The program is designed to provide support and value for BILL partners at every step of the relationship.
- Access an on-demand demo of BILL Spend & Expense to see how it can help your firm build a spend and expense management revenue stream.

About CPA.com

CPA.com brings innovative solutions to the accounting profession, either in partnership with leading providers or directly through its own development. The company has established itself as a thought leader on emerging technologies and as the trusted business advisor to practitioners in the US, with a growing global focus. CPA.com is a subsidiary of the American Institute of CPAs (AICPA) and part of the Association of International Certified Professional Accountants (AICPA & CIMA), the most influential body of accounting and financial professionals worldwide.

CPA.com serves as a catalyst in the development of virtual CFO/controller services by firms and is now shifting its focus to similar innovations in tax and audit practices, with an emphasis on automation, artificial intelligence and the adoption of blockchain technology.
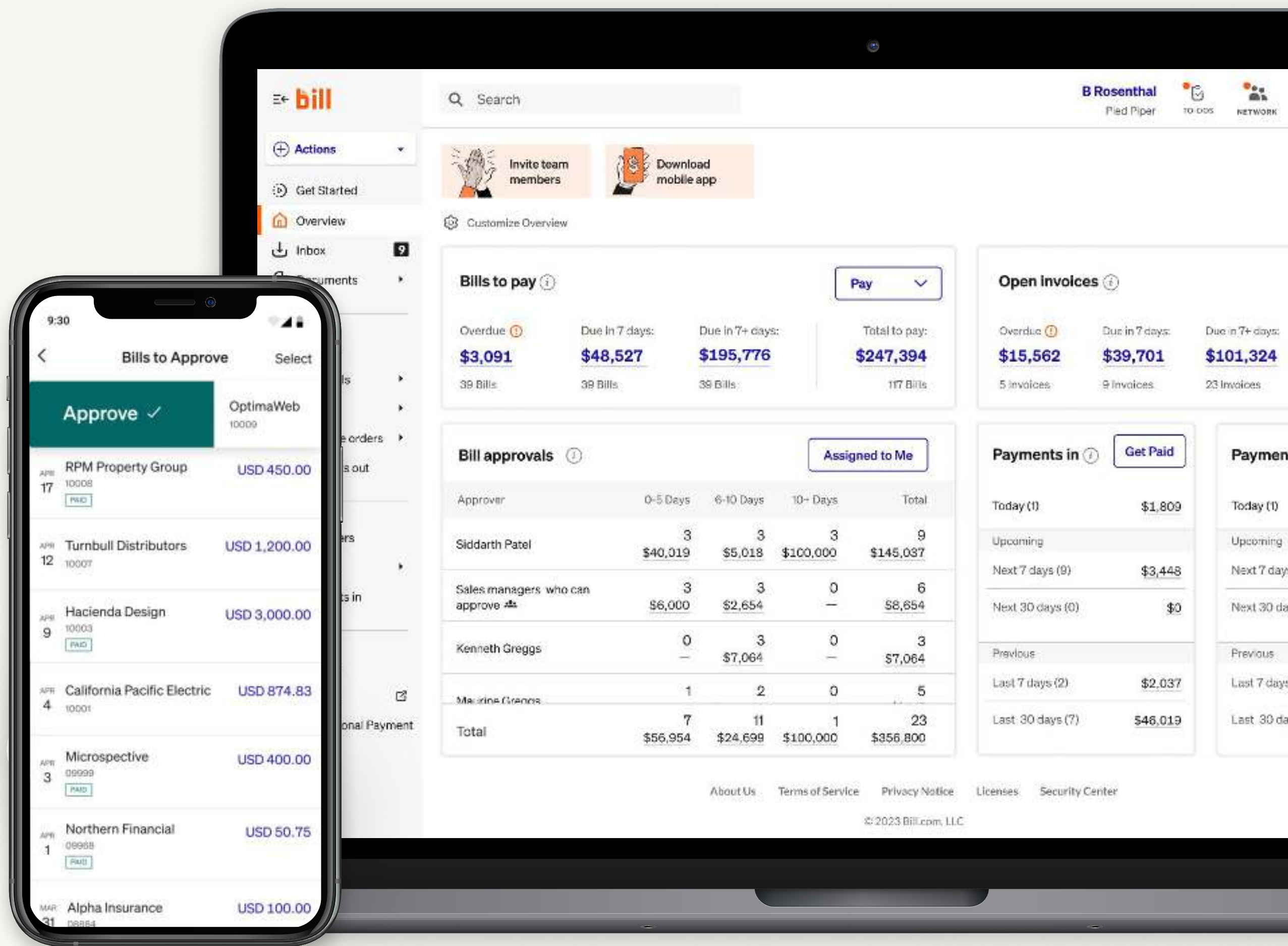
About BILL Spend & Expense

BILL Spend & Expense gives small and midsize businesses the credit* they need and helps them save time and money by automating expense reports, budgets, and reimbursement processing—all in one place. Our free software and corporate card[1] combination provides real-time insight into employee spending and better fraud protection with virtual cards.

With BILL Spend & Expense, you can:

- **Automate expense reports:** Expenses are ready to upload immediately, saving you time—no need to reconcile credit card statements with your expense management system.

- **Improve employee spend management:** Take control of your business budgets, and say goodbye to the "spend now, ask forgiveness later" mentality.

- **Manage payments and subscriptions:** Create a separate card for each subscription, set a limit on each card, and quickly freeze at any time. That's fraud and overcharge protection in one amazing package.

- **Track out-of-pocket expenses and reimbursement requests:** With mobile receipt upload and push notifications for approvals, you can pay back employees in a snap.

About BILL

BILL (NYSE: BILL) is a leader in financial automation software for small and midsize businesses (SMBs). As a champion of SMBs, we are dedicated to automating the future of finance so businesses can thrive. Hundreds of thousands of businesses trust BILL solutions to manage financial workflows, including payables, receivables, and spend and expense management. With BILL, businesses are connected to a network of millions of members, so they can pay or get paid faster. Through our automated solutions, we help SMBs simplify and control their finances, so they can confidently manage their businesses, and succeed on their terms. BILL is a trusted partner of leading U.S. financial institutions, accounting firms, and accounting software providers. BILL is headquartered in San Jose, California. For more information, visit bill.com.

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