

Expense On Demand Case Study



Tesco Maintenance Limited

Tesco Cuts the Cost of Employee Expenses



Tesco Maintenance Ltd (TML) is a wholly owned subsidiary of Tesco plc, responsible for the maintenance of more than 1500 Tesco stores across the UK. The company has in excess of 900 employees, approximately 800 of which are mobile while the rest work at the head office in Milton Keynes.

In January 2007, Tim Watsham was appointed to head up the finance function of the new company, establishing a new finance team and building a control and reporting framework to ensure business stability.

"TML was allowed to run as an autonomous unit within the Tesco organisation" explains Watsham, "and subsequently I was able to select systems best suited to the operational environment and most likely to encourage best practice."

Rapid growth



In a very short space of time, Watsham implemented new systems for HR, Travel and Expense, Electronic Purchase Orders and Contractor Self-Billing as well as SunSystems in the back office. "It was vital that we automated our systems as soon as possible" continues Watsham "we were forecasting rapid growth and I did not have the head count to operate manual systems." In fact, TML grew turnover to £90m in the first year, and is forecasted to reach £105M in 2008/9 with only eight heads in the Finance department! For expense management, Watsham turned to Expense On Demand.

"Automating employee expense claims was a no-brainer for us" states Watsham, "we have a workforce distributed across the country making claims on a regular basis. We recognised Expense On Demand as a quick win, a way for us to rapidly take control of a process that was clumsy, very time consuming and open to manipulation."

Previously, TML inherited the paper based system implemented by Maintenance One, whereby forms were completed manually and delivered, together with receipts, to a line manager for approval. The forms were then forwarded to Finance for coding and checking before being sent to the budget holders for authorisation to pay. Once authorised, the forms were returned to Finance for payment.

Key Facts

Tesco

- TML (a subsidiary of Tesco) responsible for maintaining 1500 Tesco stores.
- Employs 900 people.
- TML running as autonomous unit in Tesco.

The challenge

- Needed to automate systems.
- Distributed workforce.
- Large growth figures necessitated rapid action.

The solution

- Expense On Demand chosen for flexibility and financial reporting.
- Quick and easy solution.
- Sophisticated functionality in particular the handling of mileage claims and associated tax treatments.

The result

- The implementation was smooth and immediately effective.
- Real time management reports.
- Processing work load has been greatly reduced.

Watsham was concerned that it was taking too long to settle claims in this way, he had enough on his plate without the added complication of disgruntled employees. Also, the integrity of the information being collected was questionable, and he was struggling to enforce compliance of the company's expenses policy.

Drawing on previous experience of electronic expense management tools, Watsham selected Expense On Demand to provide the solution. "I liked Expense On Demand for a number of reasons" he said, "the system is really quick and easy to use and that's so important when you have to convince users to change. Also, the functionality available to us is extremely sophisticated, particularly the way it handles mileage claims and associated tax treatments".

Immediate results



"I delegated the implementation project to my Management Accountant" Watsham continues, "after a couple of days consultancy the guys from Expense On Demand went away and configured the system for us.

We then tested it for a few days before going live. The entire process went very smoothly, just three weeks from beginning to end, and we were able to realise benefits almost immediately."

Clearly, web based expense systems rely on the assumption that all users have access to the Internet. Whereas generally this is the case, a small minority of the field-based users at TML did not have PCs at home. To resolve this problem, Watsham issued laptops to his Service Managers to provide a shared access point in each geographical region. Problem solved.

To file a claim, staff simply and complete the claim form presented. Options are selected from drop down menus and fields are pre-populated whenever possible. Each line of a claim may be charged separately to a different project or cost code and duplicates are detected automatically.

"One of my other hats at TML is Fleet Manager of approximately 600 vehicles and so I was particularly interested in the vehicle management functionality Expense On Demand offers" says Watsham. "The ability to monitor the carbon footprint of the fleet by individual vehicle is great and the automated VAT calculation is invaluable." Mileage claims being verified and reporting was also key to us. Mileage verification had the effect of reducing mileage claims by around 18% often equating to a saving of hundreds of thousands of pounds per annum.

Finance resource halved



Since claim forms arrive in Finance fully coded and approved, the processing workload is dramatically reduced. In fact, a reduction of at least 50% is the norm with some companies reporting reductions in excess of 70% "When I started at EMS we were processing two expense runs per month because the approval process was so protracted. Now we do just one and we have halved the finance resource associated with expenses" says Watsham.

Testimonial

Tim Watsham, Head of Finance

"Expense On Demand has been a success story for us right from the start....it saves us a lot of time in Finance, which means we have more time to focus on delivering our business objectives. We now have control over employee expenses and we know pretty accurately what our cash commitments are at any one time. And because we have complete visibility of every single claim, issues with compliance are now a thing of the past."

About Expense On Demand

Expense On Demand is a hosted software solution for managing and tracking employee expenses and time sheets. Using a web browser, employees complete electronic forms that then follow an automated process for online approval and payment.

Hundreds of thousands of people use Expense On Demand in over 70 countries around the world. It saves organisations time and money, eliminating errors associated with manual entry and enforcing local expense policies, tax rules and corporate governance procedures.

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