

## Commercial Credit Card Can Save Companies Time, Money – and Trouble

Written by Cary Yates  
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Is your accounts payable department inundated with paper invoices and expense reports? Are employees spending hours reconciling petty cash requests? Are your employees frustrated filling out time-consuming expense reports and purchase orders?

Are you looking for ways to streamline processes, save money, consolidate suppliers and maximize your investment in the Enterprise Resource Planning (ERP) system that runs your accounts payable, receivables and human resources processing?

A commercial card may be the answer.

Imagine a world where your employees carry a single “commercial” card to pay for everything – from travel and entertainment to supplies and fleet expenditures. No need for multiple credit cards. No more cash advances.

Commercial cards are a convenient way to streamline purchasing and expense-management processes while eliminating time-consuming, manual three-way matching and improving spending controls and supplier management.

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Further, you can lower costs by eliminating redundant processes and providing employees with the power to make company purchases. In fact, research indicates that using a commercial card can reduce invoice processing costs by 50 percent.

For their part, employees welcome using a single commercial card to manage expenses, rather than using two or three other credit cards, each with its own set of rules. Many commercial card programs provide online statement reconciliation and allow for entry of out-of-pocket expenses, so employees no longer need to spend time filling out paper-intensive expense reports.

Employees also appreciate no longer having to use their personal credit cards to juggle company and personal purchases. With the growing popularity of e-procurement, purchasing supplies and equipment over the Internet, a single commercial credit card also makes it easy for employees to conduct secure, convenient transactions.

Consolidated reporting, available through most commercial card programs, provides a clear picture of all employee expenses, created from a single source of information. A consolidated, customized report helps companies better monitor expenses and make better, more informed purchasing and vendor decisions. Consolidated information about vendors also can be valuable when negotiating supplier discounts. According to a study by Deloitte Touche, strategic sourcing can result in savings from 15 to 20 percent.

Commercial credit card companies often can deliver their reports through the Internet, your company's intranet or through specialized desktop-reporting software, so you can further streamline electronic reporting, and transaction data can easily be integrated into your accounts payable or ERP system.

Many commercial credit cards can be tailored to each employee's individual purchasing needs, giving them authority and autonomy to pay for travel, equipment and supplies, and fleet expenditures – under the usage guidelines you specify. You can determine the kind of expenses the card accepts and establish purchase limits for employee cards.

Most commercial credit cards also offer built-in liability coverage to protect your company from

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unauthorized employee use of the card.

Finally, your company's commercial card will most likely find acceptance anywhere in the world your company does business. Most commercial card suppliers offer cards backed by such well-known brands as Visa or MasterCard.

Internationally known and accepted firms complete your company's transactions, wherever your business takes you or your employees. And in an era of increasingly global business, a commercial card backed by an international brand can save you time, money – and trouble.

Cary Yates is the market growth & development manager for the Wells Fargo in Houston.

### Sidebar

Tips about commercial cards

What kinds of goods and services can be purchased with a commercial card?

Facility and equipment maintenance

Computer software, peripherals and supplies

Airline tickets, hotel and restaurant expenses

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Central and branch-office supplies

Sales, marketing and promotional expenses

Trade show and meeting expenses

Plant management and equipment services

Field-office expenses

Contracting services

Commercial cards typically come with controls that can help ensure that employees don't buy unauthorized

Dollar limit per transaction

Daily spending limit

Monthly spending limit

Limited number of transactions (per day or per month)

Limit to specific suppliers, merchants or vendors

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How can a commercial card save your company money?

Reduced paperwork and errors

Reduced (or eliminated) internal processing

Improved purchasing operation efficiency

Improved negotiation position with key suppliers and vendors