More Bread for Less Dough

How online food ordering and billing can eliminate the hidden costs of feeding the office.

seamless

Whether you have a formal food program or only cater occasional meetings, the true cost of providing food for the office is much larger than simply the cost of the food. The additional hidden costs stem from the fact that for most companies, food ordering is still a manual process. It usually involves ordering over the phone or faxing in orders, processing multiple invoices from individual restaurants and caterers, and requiring employees to save receipts and submit expense reports. This type of manual process involves multiple people from several departments. It is error-prone, highly time- intensive and provides little to no ability to prevent abuse. Online ordering and billing services can help address each of these issues and eliminate the costs associated with them, helping companies realize significant costs savings.

Hidden Cost #1:

The total amount of money spent on food in your office (it's more than you think)

Most companies have no idea how much food ordering takes place in their offices. If you asked ten executives to estimate how much money is spent on a food on a daily, monthly, or yearly basis, each would give wildly different answers and all would likely underestimate. The fact that most companies do not have a holistic view of their food spend actually costs the company money and robs them of the opportunity to make informed decisions around that spend. Consider these very common scenarios:

- The marketing team orders bagels for their weekly status meeting.

- An administrative assistant orders lunch for the executive team.

- A sales manager orders catering for a big client meeting.

- Five employees staying late order and expense dinner.

All of these meals are ordered from different restaurants, all have different payment terms, the person ordering tips according to his or her own personal inclination. If there is no one looking at the aggregated spend, no one can make a strategic decision about maximizing those dollars. No one can determine the need for company-wide food policies. No one can flag potential abuse. A fully-electronic and automated system offers companies a holistic, real-time view of food spend. Armed with this information,budget managers are empowered to define and enforce food policies, identify operational improvements and spend more efficiently.

Online food ordering can help consolidate and automate the food ordering and billing process to significantly reduce the total cost of a meal program for any company.

Hidden Cost #2:

The time it takes to process invoices and expense reports costs more than the food

It's important to consider that when buying food, you aren't just paying for the food. You are paying for the time it takes to order the food, process invoices, save receipts, fill out expense reports and reimburse employees. House accounts and company credit cards can help, but they still require a lot of time and energy to ensure things run smoothly and accurately. Sterling Commerce found that manually-processed invoices cost, on average, $30 per invoice to process, while fully-automated invoices average only $3.50 per invoice to process. Moving away from manual invoicing to an electronic method can save a company up to 90 percent. The same study found that if there are any errors, such as a lost invoice or inaccurate information, it can cost as much $53 to rectify. That $10 lunch could end up costing the company close $100. Online food ordering supports electronic invoicing and goes further by eliminating the need for employee expense reports.

That $10 lunch could end up costing the company close to $100

Hidden Cost #3:

The "cross-your-fingers and hope they stick to a budget" meal

Individual meal budgets are arguably the most important factor when it comes to keeping costs down. Typically, companies set a budget for certain meals, and expect employees to stick to their allocated budget, which is exactly where things start to get complicated. Most companies have different budgets depending on an employee's title or role within the company. If employees go over their budget they are supposed to absorb those costs. But the honor system is nearly impossible to track and enforce. The only way to ensure budgets are working is to manually comb through hundreds or even thousands of receipts and expense reports, and double check them against some master list of employee budget amounts. Still, most companies will look the other way when an employee spends $21.25 with a $20.00 budget. After all, $1.25 isn't going to break the bank. So while most companies focus on the big-ticket expenses like hotels and flights, food often goes unnoticed. A dollar here and a dollar there by every employee ordering food each day can quickly and unexpectedly add up to a very large line item you didn't plan for. By moving to an online ordering system, your company can implement budgets at checkout and rest assured that employees are sticking to them. Most online ordering services enforce the budget at the point of ordering, but allow overages to go on personal credit cards. So employees hungry for steak can get it, but the company only foots the bill for the pre-approved budget amount.

Hidden Cost #4:

The "meal delivered to their house should have been delivered to the office" meal

Most companies only pay for dinner if it's a "working dinner." To ensure this happens many companies set rules that dictate when and where employees can order. For example, if an employee works past 7:00PM, you can order dinner to the office. These rules can be hard to enforce, giving some unethical employees the opportunity to order dinner at home, save the receipt, and then submit it as an expense for working late. Or they may order dinner to the office at 6:00PM, and say it came at 7:00PM. Unfortunately, this is common. According to Association of Certified Fraud Examiners, employee fraud now totals over $600 billion in the US, and roughly 68 percent of employees partake in some form of unethical behavior. If a company relies on manual tracking and paper invoices, there is no way to catch and stop this type of abuse. This is only one of many security and abuse cases happening at most companies. Online ordering services enable you to implement multi-level rules around food ordering, offering greater security and control. Time and location-based rules can be enforced at checkout, eliminating this type of abuse and fraud.

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Hidden Cost #5:

The costs of the meal that should have been billed out to a client, but wasn't

Many companies, particularly in the professional services industry, bill clients for employee meals. There is a significant amount of manual bookkeeping done to ensure meals are properly accounted for and that clients are billed accurately and on time. Employees need to keep expense reports, save receipts and accurately track client codes, project numbers or deal codes. If house accounts are being used, companies need to rely on the food provider to accurately capture that information and bill on time. That is certainly not a core competency for most food providers. Complicating matters further are expense reports submitted long after the final bill has been delivered to the client. Most companies absorb these costs rather than send an additional bill. This is costly – and 100 percent avoidable. Online food ordering and billing services enable you to capture all billing information, including those client codes and project numbers, before an order is ever placed. That way, when it comes time to send the final bill, you can be sure all billable meals are accounted for, accurately and on time. In fact, a study by Sterling Commerce found that by simply moving away from paper expense reports could reduce errors like lost invoices or inaccurate information by up to 37 percent.

The internet saves the day...again!

A manual, fragmented, and chaotic system for ordering food can end up costing a company more than the actual food they order. Errors, abuse, and time wasting procedures are often unnoticed, but extremely costly. Online food ordering can help consolidate and automate the food ordering and billing processes to significantly reduce the total cost of a meal program for any company.