

What's the ROI?

A 12-point checklist for assessing the potential of a new business & accounting system

*How investing in the future
can reduce costs now!*



Building the business case for a new business & accounting system

In the present climate, investing in a new financial system may seem a strange way to conserve your budget. However, looked at in a different light, it can be one of the best decisions you'll ever make in improving efficiency and reducing your costs. With advanced levels of automation and integration, it could provide greater support than your present system to help your organisation increase productivity and gain greater business insight.

The implications of doing nothing

Certainly, no organisation can afford to stand still at the moment. For private companies, fierce competition and rising costs, not least rapidly escalating fuel charges, are eating away at margins and profit levels. Meanwhile in the not-for-profit sector, the squeeze on budgets and funding is often accompanied by rising demand for services.

In this white paper, we consider the business case for investing in a new system that will provide day-to-day financials and business management information. We show how such a system would increase efficiency and reduce costs, such as those associated with administration, data entry and paper-based processes. We describe its ability to act as a 'guard-dog' on your business, alerting you to the first sign of your key performance indicators coming adrift, so that you can quickly take action to keep your business on track.

Taken as a whole, the white paper provides a checklist of 12 points that should be considered when choosing a new business & accounting system. It is important to note that these points are not mutually exclusive. It is possible to achieve all the benefits outlined in a single business solution without having to compromise.

"The system has delivered a significant return on our investment both financially and due to increased productivity. We have saved at least 0.8 full-time employees which equates to £40k. I also calculate from efficiencies achieved that there is a further £20k worth of savings yet to be made."

The National Society for Epilepsy

Your 12-point checklist for assessing the potential of a new business & accounting system

Point 1 – support for reducing revenue leakage

Today's advanced business & accounting software can offer your organisation every support to gain comprehensive control and visibility of costs, from start to finish.

If your organisation runs projects, being able to account accurately can make or break your viability. Your software should enable your teams to track costs closely so that projects stay within budget and make the expected profit. It should also relieve staff of the time-consuming but vital task of ensuring that costs are correctly and promptly billed. With this information gathered in one place, you'll be able to analyse where time has been spent, on which activities and by which members of staff.

"By allocating all income and costs to a project, we get much better visibility and control over job profitability. Our system highlights all costs to projects and this information enables us to cost future jobs more accurately, and review project profitability during development to highlight if projects are likely to cost more than planned."

Fast Web Media – digital media company specialising in online design, marketing and search engine optimisation



Point 2 – better cash flow monitoring and cost control

A system that can provide tight financial control and which is easy for users to adopt will quickly become the backbone of your business.

It can bring wide-ranging automation to routine processes, provide your teams with exceptional support, and help you to manage your customers/clients and suppliers effectively and for mutual benefit.

Can your current system provide all the following facilities to help you to gain a true picture of what's happening in your business? If not, more modern and advanced technology could provide stronger support:

- Does the General Ledger provide your users with access to management information at a glance for any specified period or year, by cost centre, department, or a combination of different parameters?
- Can you quickly gain an overview with top-level information and then drill down to the originating transaction entries? An instant 'sideways' Object-Drill should be able to display all information related to that transaction.
- Does it give you complete choice in configuring different views of the data, so that users at all levels can see a tailored view of exactly the information they wish to review (and no more): actual figures, future balances, committed costs?
- Can you easily compare the performance of sales teams and individuals, different branches and product lines to gain the complete picture on your performance business-wide?

Please note that an IRIS white paper, **Showing cash who's boss**, offers techniques and tips to help your business maintain a healthy cash flow.



Point 3 – time is money: integration and automation aid efficiency

Integration is key: if you use an integrated system, where data has to be entered just once and then can be used across the entire system, you will save many laborious hours. Input errors are minimised, too: with less data entry, there are fewer opportunities to get it wrong!

Having an integrated system will help to optimise productivity on fundamental business processes, such as order processing, works order processing and sales & purchase order processing. For instance, think of the time saved by being able to create works orders directly from sales orders, and the benefit of a powerful back-to-back feature, where purchase orders for any missing components are automatically created and stock issued once received.

Automation, too, makes a world of difference: today's productivity-enhancing tools and short-cuts can help to automate many routine tasks, freeing often expensive resources to focus on higher value work and more strategic activities.

Furthermore, time spent hunting for information on your customers and suppliers is time wasted. It can also lead to a delay in responding to customers' queries or placing an important order with the right supplier. Powerful search and reporting facilities will release time for higher value activities.

Facilities and tools, such as the following, could all help you to improve productivity:

- Having immediate access to any customer account information, with all relevant documents, including original orders, payments and scanned invoices
- Having a fast, convenient search tool for finding customers or suppliers, searching by company name, contact, address or postcode
- A list-scanning feature, so you can open up other windows, such as the account details, and see them update simultaneously as you move up and down the trader list
- Being able to view how invoices and payments have been matched, with options to allocate/un-allocate/re-allocate transactions within the ledger

As well as having instant information during the day-to-day course of operations, timely reporting is key to maintaining tight control of your business. You need a management reporting capability that lets you extract data and present it in meaningful formats within seconds. Any time lag means the information could be out of date by the time it reaches your desktop. Your users need to spend less time designing reports and more time analysing the data they contain.

A configurable reporting dashboard will present essential information in a familiar environment. The Microsoft Outlook Dynamic Dashboard is an insightful tool that delivers financial data, key performance indicator updates and operational reports all to one familiar, central environment: the Microsoft Outlook desktop. Does your current system or any you are considering provide this?

Point 4 – stay alert to changing business circumstances

Nothing stands still for a second in today's operating environment.

You can expect a modern business & accounting system to automate the delivery of information so that you are free to focus on the task in hand, knowing that proactive business alerts will reliably notify you immediately if anything of significance occurs, as well as reporting on all your key performance indicators.

Your system should be able to flag up issues automatically by email and SMS text message to the desktop, laptop or PDA of key staff and authorised external stakeholders, whenever and wherever they are 'on duty'.

Point 5 – help your teams sell more

Imagine if your business & accounting system could act as a switched-on, savvy assistant to your telesales team, with professional telesales functionality to help them maximise every contact with the customer.

Your system could support them in increasing the volume of sales from your regular customer base, while improving service, by being able to view other relevant stock items and complementary products during customer transactions. Being able to easily schedule outgoing calls, understand your customers' buying preferences, and promote seasonal offers would make your team more effective.

If your company has a trade and/or retail element, trade counter functionality can support you in offering fast, efficient service to your both account and cash customers.

"The Telesales module saved us time immediately. Automatically listing a customer's previous purchases is impressive to the customer and saves staff trying to second guess their needs. The ability to produce quotes quickly and email them directly, convert quotes to orders and then create back-to-back purchase orders in seconds is invaluable."

Clayman Supplies Ltd – specialist suppliers of ceramic materials and equipment to the education, hobby and semi-professional market

Point 6 – cost-effectively build and retain customer loyalty

Having ease of access to information on potential and existing customers is critical to sustained business success.

If you can also draw on sophisticated CRM (customer relationship management) functionality, you can more closely manage the sales pipeline to nudge the prospect along the buying spectrum and, over time, mould them into a loyal customer. Does your current system fully support this?

CRM helps you to utilise everything you know, about your customers and your prospects, to become 100% focused on their needs and requirements. Quite simply, you remove the need for them to look elsewhere.

CRM creates a wealth of information to maximise sales opportunities, maintain excellent customer service, and gain the critical edge over your competitors. You are able to analyse the information you acquire to measure return on investment for particular products, territories and marketing campaigns, focusing right down to the level of cost per individual lead.

Point 7 – keep a lid on expenses

Another vital ingredient in improving your cash flow is managing outgoings, such as employee expenses.

These can take up a large proportion of your business spend. However, you need to automate every stage from recording an expense to – where applicable – billing the customer, so that monitoring expenses doesn't itself become a significant overhead and an administrative burden on your staff.

You also need to ensure consistency across departments and address any anomalies. Do some departments have disproportionately high outgoings that cannot be easily explained away? Spotting trends through the improved reporting your new system could provide will enable you to nip excessive spending in the bud before it becomes entrenched behaviour.

For project-based businesses, if employees can easily log every billable penny when working on site or travelling, your invoice will accurately capture their expenses, so nothing is overlooked.

Our Common sense on expenses whitepaper examines aspects of expense control that will help you to contain costs, without increasing the administration burden on your finance department.

“The implementation of a web-based system enables us to track and manage time and expense by project from one global database. We have reduced the time taken to track billable expense details and the time spent by management reviewing and improving employee time and expense sheets.”

Omnicare Clinical Research – global provider of clinical research services

Point 8 – streamline your purchasing processes

Review the ways in which a new system could help to streamline your working relationships with your extended network of partners and suppliers.

Communications with suppliers will become more efficient and cheaper, too, if you can use paperless technology as a convenient and streamlined way to move purchases smoothly along to authorisation, while maintaining a complete audit trail.

‘Going paperless’ will also minimise the cost of buying, storing and managing paper and purchasing postage. If you are concerned about the environment, you’ll be pleased to know that it also shrinks your carbon footprint.

You’ll improve these relationships by introducing flexible order processing that can be tailored to suit the needs of trading partners. Preferences for each supplier include options for delivery, invoice consolidation or even the design and content of the documentation.

Your key decision-makers can then approve and authorise transactions via email at the touch of a button, from any location. Apart from quickly progressing authorisations, this means authorisers themselves are not tied to the office or inundated with a backlog of requests as soon as they return to their desk.

“Employees can create an order and send it to a manager for authorisation electronically, reducing the volume of paper in the office. The purchase order will electronically re-route to another manager for authorisation if the first manager is unavailable. This makes the authorisation process much quicker and easier.”

Halo Leisure Trust – a charitable trust formed to run Herefordshire’s leisure facilities

Point 9 – smooth your cash flow by billing promptly

Similarly, paperless invoicing will improve your cash flow by automating and accelerating the distribution of billing-related communications such as invoices, statements and reminders, while once again minimising administrative effort and costs.

Importantly, you will save time and streamline communications with your customers by being able to securely send all of your accounting documents and reports in a read-only format, by fax or email, at the click of a button. You can also maintain an audit trail that avoids any excuses for non-payment of the “It must have got lost in the post” variety.

Point 10 – strengthen financial control through improved budget & forecast accuracy

Powerful reporting has never been so easy.

Modern technology will link the rich financial management data held within your business & accounting system dynamically to Microsoft Excel to enable you to create live financial management reports instantly, in a familiar and user-friendly format.

“At the press of a button, I can analyse all the quotes and orders we have on our books and we can use filters within Microsoft Excel to look at information relating to jobs and customers instantly. We can download lists of all our customers, stock or jobs straight into a spreadsheet for further analysis. The ability to do this so effortlessly is invaluable.”

Landford Stone – supplier & installer of marble and granite worktops in the south of England

“Rapid access to information is essential if an organisation is to react quickly to business opportunities or potential problems, such as overspend. By automating the flow of information, Wilton Estate has achieved the improvements in budgetary control and performance monitoring required to sustain business success.”

Wilton Estate – a stately home open to the public

Point 11 – increase your agility with unified business intelligence

We've discussed being able to delve down into every detail of your business to keep a firm grip on income and expenditure.

However, there are times when it is more appropriate to step back and view the big picture of current conditions within your business, before analysing the underlying transactions and root causes of any anomalies.

Having this 'macro view' can transform your business, as managers gain unprecedented insight into which aspects of your business – products lines, services, territories, branches, customers – are the most and least profitable.

Having consistently fast access to relevant and accurate information is essential to your agility and long-term success. Implementing business intelligence will equip your decision-makers with solid, easily understood information that then helps your organisation to respond with agility to changing market conditions.

"The Trust has a number of departmental managers who all need financial information presented and analysed in different ways. The software can handle this diversity easily, providing managers with real-time reporting information as they need it."

Keystone Development Trust – a development trust delivering projects and services responsive to local community needs

Point 12 – comply with regulatory requirements

Some sectors face the additional burden of increasingly stringent legislation and/or industry regulation.

Here again, your business & accounting system should be able to ease the workload involved in compliance, with regular updates from the solution provider to help you to keep pace with the changing legislative landscape.

Commitment accounting will help organisations in the local government, education and public sectors to keep budgets on track throughout the year by tracking and managing all budgetary commitments simply and securely and providing over-budget checks at order entry stage.

The construction and allied industries in NZ and Australia have their own complex tax requirements. So your software should be able to accommodate any special conditions around tax for your subcontractors, easily and effectively, and provide wider support in managing payments to contractors, automating subcontractor processing from invoice entry to checking subcontractor details and online submissions.

A system that evolves with your business

Look at your options for avoiding unnecessary expenditure: how can you buy just what you need to increase business efficiency today, while retaining the possibility to grow and scale up the system as your business expands and diversifies?

IRIS Exchequer offers this flexibility to support your organisation now and in the future. You can start today with core financial software and a dual-currency version. Add commercial, costing, business intelligence and CRM modules as and when you need them, and, if your business is not yet global but goes that way in the future, you can then easily move up to a multi-currency version.

"IRIS Exchequer has met our objectives and through its intelligent business and accounting software we have achieved our targets. It is a very flexible accounting system, giving us easy access to all the information we need from tracking revenue to receivables."

Pole Star Global – tracking, security and asset management systems for marine, aeronautical and land applications

IRIS Accounting & Business Solutions

IRIS Enterprise Software is an award-winning provider of accounting, ERP and business solutions to New Zealand business.

Employing over 200 highly skilled staff and with annual revenues of c\$50m, the division boasts a comprehensive portfolio of accounting and business software for medium to corporate sized organisations. IRIS Accounting & Business Solutions has an excellent reputation for the quality of both its products and its class leading customer service. Its customer retention rate of 95% plus, year-on-year, is amongst the highest in the industry.

The business and finance product portfolio comprises of the multi award-winning IRIS Exchequer solution, rated best mid-range software for Business by the Institute of Chartered Accountants in England and Wales (ICAEW) and winner of the title of 'Financial Software Provider of the Year' in the Real Finance/CBI FDs' Excellence Awards 2005, 2006, 2008 & 2011, IRIS Exchequer Online, IRIS Accounts Office and IRIS Chorus. The division also specialises in Project Management and Professional Service Automation (PSA) solutions with its IRIS PROJECTminder and IRIS SharpOWL products.

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