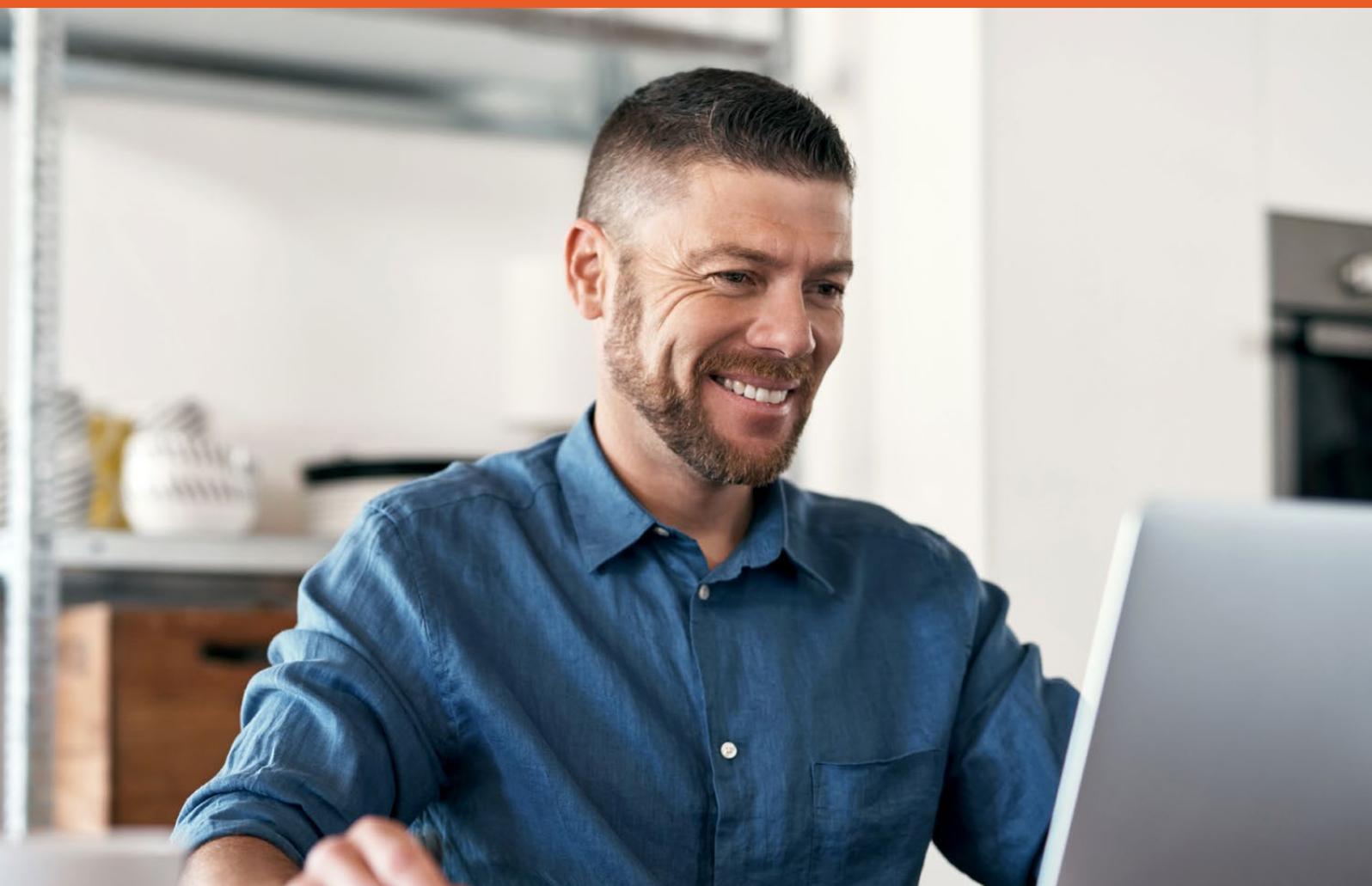# The iplicit
Finance
Transformation
C A S E B O O K

Practical methods and procedures
from the experiences of iplicit users

accounting**WEB** | iplicit

Contents

Introduction

As we have seen in so many other areas of business during the past two years, the Covid-19 pandemic accelerated the adoption of a new generation of cloud-based finance systems.

As finance teams moved to remote and hybrid working, existing paper and spreadsheet processes could not cope. The need for more immediate visibility on sales and cash positions exposed the gaps between siloed databases and the inadequacy of spreadsheet-based systems integration.

Since the latter half of 2021, AccountingWEB's quarterly insight survey programme has identified growing intent among larger organisations to invest in new accounting software. First-hand feedback from iplicit users confirms these independent market observations. A prevailing theme was how legacy systems were not able to manage the transition to hybrid working. Many of these installations also suffered from weak integration with other data sources that made it difficult for managers to get visibility over all their operations and financial commitments.

This finance transformation handbook is structured around the issues those managers faced and explains how they went about fixing the blockages and bottlenecks that were not being handled adequately by existing systems.
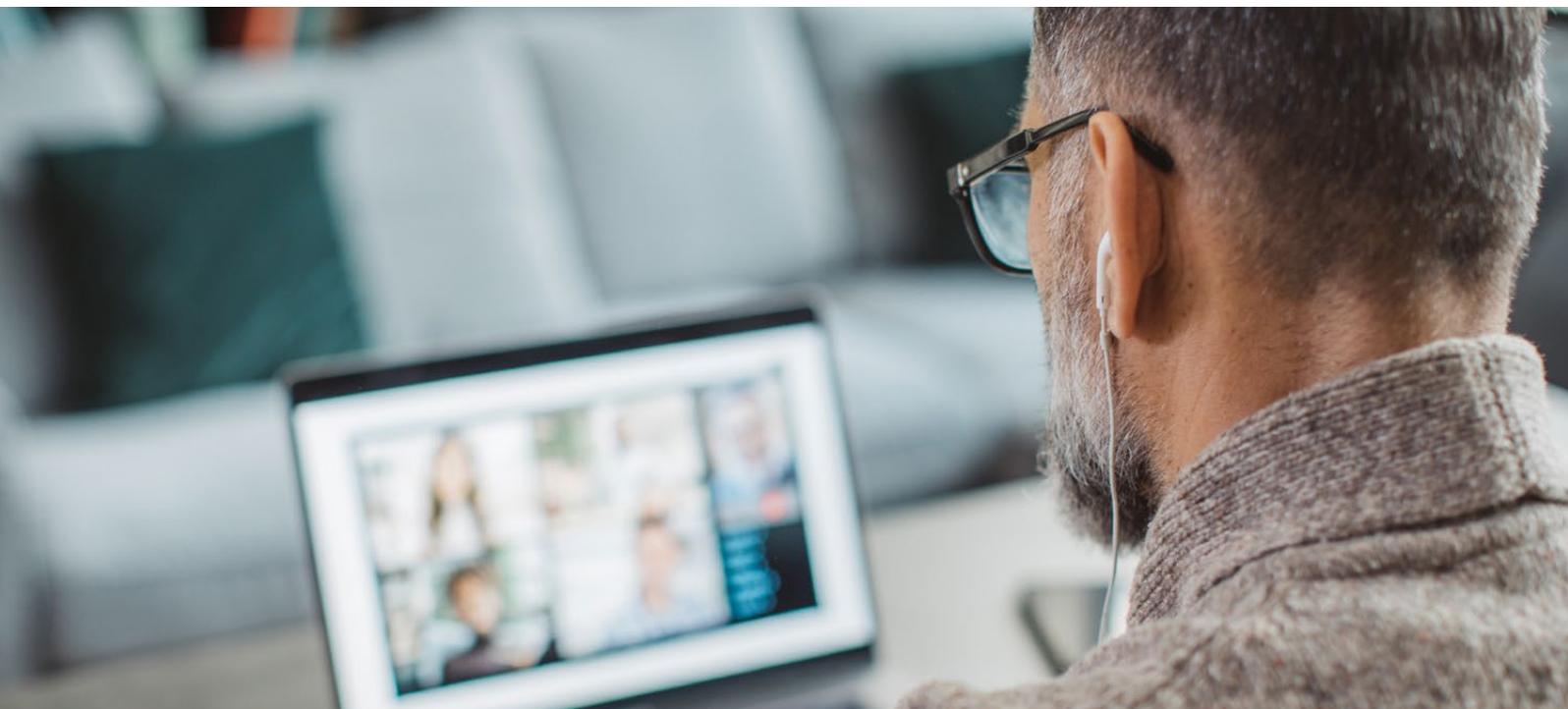
Part 1:
Structural and system challenges

Hybrid working

Managing the transition to hybrid operations is a common feature for many finance transformation projects. The difficulties of working remotely exposed some of the underlying weak points of ageing, on-premise systems.

Chartered engineers BaileyGomm started considering new finance systems after shifting away from office-based working to a hybrid approach. While a "dependence on filing cabinets" was a factor, financial controller Laura Orchard faced other challenges with the high volume of transactions she needed to process, particularly for purchase orders and timesheets. Huge amounts of data had to be rekeyed to accommodate multiple resources spanning up to 50 projects at a time, she said. And two different finance systems and "hundreds of spreadsheets" were needed to try and keep track.

The resulting data silos included charge out rates in one spreadsheet and time billed in another, with invoices raised in Excel and other documents raised in Microsoft Word. There was a high propensity for error from manual input and no means of tracking. Moving to iplicit eliminated both issues and gave the organisation a system that could handle not just project costing, but also timesheet submissions, billing and supporting on-site employees with a mobile app.
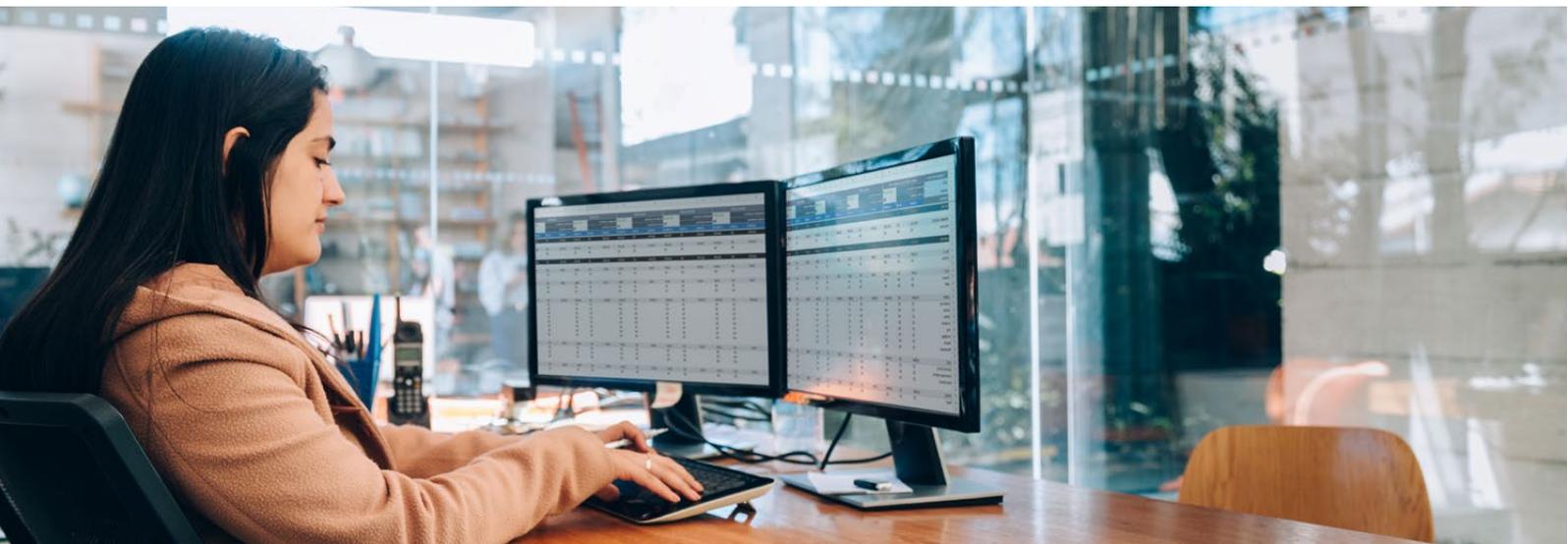
Project costing

MJ Flood supplies copiers, digital technology, office furniture and interiors to businesses across Ireland. With hundreds of thousands of discrete items involved in different projects, partial supplies were a recurring problem that posed difficulties for those trying to manage project costs on a collection of Excel spreadsheets.

The paper-based manual workflow effectively disconnected the project team from finance, according to MJ Flood Finance Manager Tara Moran. "Maintaining an accurate work-in-progress figure was immensely challenging and time-consuming," she said.

"With our old system, to get information out of it wasn't just a click of a button; we'd have to go in and run different reports and do VLOOKUPS from one report to another to get everything together in the format we required. With iplicit, I can just click a button and it goes into Excel, stick it into a pivot table and I have what I want."

"**Historically there have been times when an invoice date has been missed because we were relying on manual reminders to know when to raise invoices.**"

Jon Anton
CONSULTING DIRECTOR, EPM BUS SOLUTIONS

Expanding data volumes

For transport software and audit business EPM Bus Solutions, the hardware upgrade costs for its antiquated finance system were the starting point. But that wasn't the only shortcoming the finance team wanted to address. True cloud access for hybrid workers and integration with other cloud systems in the organisation were on the agenda, along with the need to process higher transaction volumes.

The company invoices its software services on a recurring periodic basis, explained consulting director Jon Anton. "Historically there have been times when an invoice date has been missed because we were relying on manual reminders to know when to raise invoices," he said.

"Because we have a high volume of transactions, one of the biggest struggles with the previous accounting software was bank reconciliation. It was always very time-consuming to reconcile the bank with the old way of working. At month end, we were often a little out and would have to work through the detail manually to find the discrepancy. Or I'd be left having to tidy up the loose ends by putting through some journal entries."

"The hardware upgrade costs for its antiquated finance system were the starting point. But that wasn't the only shortcoming the finance team wanted to address."

Part 2:
Visibility and reporting challenges

Consolidation and audit issues

With 13 legal entities running 13 separate copies of Sage 50, the finance team at A-One Insurance Group faced a six-week slog with two staff re-keying data between systems to compile the annual accounts.

Their plight will be familiar to many other group accountants who have stuck with disconnected and decentralised accounting software through the years. The false economies of running so many systems extend beyond the questionable cost savings. With long waits for reporting, managers cannot access timely information that could help them make better decisions.

This scenario is what greeted Sandra Tcheumeni Boschet when she joined the charity Health Poverty Action as Head of Finance and Administration. At the time, she was supporting multiple copies and versions of QuickBooks and Sun Accounts in different territories. Strengthening internal controls and facilitating internal audits was one of her top priorities.

"It was extremely difficult to have a clear understanding of finances, across all entities, in real-time," she said. "Dealing with multiple systems meant that sometimes you would discover issues much later than would be ideal, because there wasn't a single view that could be accessed centrally." Foreign exchange issues were an added complexity.

Having replaced the patchwork of desktop systems with a cloud-based iplicit system, she reported: "We are saving six weeks consolidating the various project balance sheets. It's essential that we have transparency and can report back to donors on how and where their funds have been spent. With our old system, each donor report would take three weeks to produce. With iplicit, if all data has been entered correctly, a report can be done in less than two days."

"Dealing with multiple systems meant that sometimes you would discover issues much later than would be ideal, because there wasn't a single view that could be accessed centrally."

Sandra Tcheumeni Boschet
HEAD OF FINANCE AND ADMINISTRATION, HEALTH POVERTY ACTION

Enhanced reporting and KPI dashboards

The dashboard capability in iplicit was an added benefit for Health Poverty Action, reported Sandra Tcheumeni Boschet. Having the international reporting hierarchy built into the system and reflected in online dashboards means that finance managers can review reporting "by entity and for the entire group, at the touch of a button, with a high level of confidence that the information is always accurate and in real-time," she said.

Managing cashflows across multiple project teams was a major issue for refurbishment specialists du Boulay Contracts, but after upgrading to iplicit, financial controller Kate Bialek can run quick reports on the latest invoices or single supplier invoices to identify any variations instantly. "From a cashflow perspective, it's creating a lot of positive change in the routines as to how we used to do things," she said.

Since upgrading the finance system, du Boulay has become part of a PLC and now reports monthly rather than quarterly. "Preparing balance sheets and P&L accounts would never have been possible on a monthly basis with the old system," said Bialek. "With our old system, we would have to allow three weeks for report preparation whereas with iplicit, we can now do everything inside a week."

> **"Timesheet invoicing probably had the biggest impact on us; it was life-changing. With the old system, this used to be a week-long process, every month. Now it takes just half a day."**

Laura Orchard
FINANCIAL CONTROLLER, BAILEYGOMM

Timesheet workflow improvements

The limitations of manual finance workflows recur in many conversations with finance managers. As a specialist digital recruitment agency, London-based Profiles Creative supports a significant number of freelance workers who submit weekly timesheets. "We were running a separate finance system alongside a timesheet portal, but the two weren't unified," said financial controller Lee Cook.

With an average of 180 timesheets coming into the portal per week, one member of staff typically spent more than three days downloading timesheets, creating invoices in Excel and importing them to QuickBooks.

Upgrading to an integrated iplicit system took a lot of the time and error out of this manual workflow and introduced an element of automation that allows the finance team to set up reminders and authorisations to contact staff with outstanding actions. The upgrade also led to "far more timely and accurate" reporting, Cook added. "Timesheet invoicing probably had the biggest impact on us; it was life-changing!" said Laura Orchard at BaileyGomm. "This is a task that used to be a week-long process, every month, with the old system – now it takes just half a day with iplicit."

Integrated timesheets and sales invoicing benefited virtually every member of staff at EPM Bus Solutions, according to Jon Anton, but built-in expense management and HR-related functions were also "really enticing additions to a core finance offering", he said.

Part 3:
The case for finance transformation

Fear of the unknown

Finance teams limping along with over-stretched, time-expired desktop software or underpowered, disconnected small business accounting apps are only too aware of the efficiency and cost burdens they carry.

There are numerous reasons used to justify sticking with familiar finance tools, most commonly based around concerns about the level of investment required and the disruption and effort involved in overhauling finance systems. Lyndon Stickley, CEO at iplicit understands the concerns of many boards about the costs involved. In his view, however, the inertia and fear of change, that's evident in many organisations, is often based on historic experiences of changing finance systems rather than a clear understanding of what's possible with a modern-day true cloud solution.

"We typically encounter two types of user - the first type is those who have entry-level software with multiple additional apps 'bolted on'. Then each cluster is multiplied by the number of legal entities," he said.

> "To many, it feels like they have to undertake open heart surgery - we show them how it's now just a keyhole procedure."

Lyndon Stickley
CEO, IPLICIT

"For a group with 5 legal entities, anywhere from 20 to 30 apps, in total, was not uncommon for some of our larger customers. It not only becomes expensive and difficult to manage and support so many of these applications, but they still can't get a consolidated overview or any group-wide information in real-time.

"The second type of organisation we often encounter is one that is trapped with a legacy system that's been used for years. It sort of does the job, as long as it's supported by the 76 spreadsheets and 15 manual processes that hold it together. Often, the fear of change in these finance departments is not only based upon the perceived disruption they would face but also on how to handle data migration and archiving, to enable the old system to be shut down.

"The experiences of iplicit users show that it is possible to implement a modern, cloud-based financial management system without breaking the bank or the spirit of the finance department. To many, it feels like they have to undertake open heart surgery - we show them how it's now just a keyhole procedure."

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"Changing any type of technology infrastructure within a business is like painting a house. It seems pretty easy to slap a new coat of paint on top of the old one. But the real longevity lies in the preparation"

Gary Mumford
MANAGING DIRECTOR, INSIGHT ASSOCIATES

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Implementation tips
From frontline finance managers

The finance managers who have shared their experiences in this paper have all been through their own cloud transformations and offered practical tips to help peers who are reviewing their systems. We would like to thank them for their generosity and pass on some of their wise advice:

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Spend your time preparing:

"Changing any type of technology infrastructure within a business is like painting a house. On the face of it, it seems pretty easy to slap a new coat of paint on top of the old one. But the real longevity in the job lies in the preparation; rubbing down the wood, removing all the old paint, filling in the holes beforehand, priming an undercoat… then, not only when the paint goes on, does it go on easily, but it also lasts. Think through what you want to achieve. Understand what the new system is capable of and how you might make best use of it. And make sure it isn't rushed."

– Gary Mumford

Clarify what kind of reports you want from the new system:

"I wish we'd given more consideration to this. We should have spent more time discussing what we actually needed with the end-users."

– Tara Moran

Bring the staff along with you from the beginning:

"We put a big emphasis on testing – lots and lots of testing – then training, until everyone was happy with it."

– Sandra Tcheumeni Boschet

Start with a clean slate at year end:

"If it's possible, it's a really good time to make a switch. It gave us a clean cut-off and it was also a good opportunity to do a clean-up on the accounts. We were able to remove suppliers and customers that we no longer deal with, we tidied up the nominal ledger and improved our account structure as part of the migration process. We also ensured our closing balances had been reviewed and cleared up before the migration, so we had a very clean starting point on the new system."

– Tara Moran

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Don't compromise your requirements:

"I found that vendors would try to talk me out of some aspects of my requirements list because their system couldn't do it. Have honest conversations with each supplier and if their system can't do what you need, then understand why not and whether there are alternative ways of achieving the same goal. In having these conversations, you will also get to experience how supportive and understanding each supplier may be in the future."

– Laura Orchard

Build a good project team:

"Find a really good system accountant to work with - somebody who's got a good understanding of accounting as opposed to just an IT person. Having a system accountant really made the difference for me because we could bounce ideas a lot. We discussed risks worth taking but from an accounting perspective as well as IT."

– Sandra Tcheumeni Boschet

Go deep into product demos:

"Don't just accept a presentation or a quick look at the software interface. Talk to people who use the systems you are considering too; there is no substitute to listening to others who are living with the system every day."

– Laura Orchard

Diagnostic questionnaire
Where does it hurt?

If you're looking to transform your finance systems, here are the questions we think you need to ask. The team at iplicit would be delighted to help you find the best possible solution for your business.

Capacity

How many transactions do you handle each month?

Is your accounting system coping with these volumes (and transaction types)?

Is manual intervention required at any point in your accounting data flow?

Which tasks eat up most of your finance team's time?

How are bank reconciliations managed?

Workflow and integration

How many different business apps do you run, and what do they do?

What other data sources does the finance system need to access?

Do you use spreadsheets to carry out any of your financial processes?

How are expenses and payments managed?

Consolidation

Do you support multiple departments or entities? If so, describe your consolidation process.

How long does it take to produce a set of management reports?

If you are subject to audit, has your auditor raised any internal control or process issues with you in the past?

Can you describe your budgeting process? How long does it take?

Reporting

How quickly can you get an accurate summary of your current cash position?

Are you able to support directors and line managers with accurate, timely reports?

How much time would it save if you didn't have to deal with their ad hoc queries?

About iplicit:

iplicit is intelligent, powerful and intuitive true cloud accounting software for frustrated users of old legacy on-premise and fake cloud systems.

Its user base of SMEs and nonprofit organisations is expanding rapidly. Launched in January 2019, iplicit now has customers in 52 countries and already has over 7,500 users on its platform on a daily basis. It is on track to onboard 60,000 users by 2025.

The software integrates with other cloud applications and provides users with real-time reporting capabilities, automated data migration, rapid implementation, and a public API to break down data silos.

In February 2022, iplicit was voted AccountingWEB's best Enterprise Accounting/ERP 2021. In 2021, iplicit was named Accounting Excellence Mid-Market & Enterprise Accounting Software of the Year 2020. And so far, this year we have been named a finalist in the 2022 Accounting Excellence Awards for Product Innovation.

For more information, visit our website:

www.iplicit.com

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