

Issue 3

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WELCOME AND INTRODUCTION

Welcome to Issue 3 of The Electron. In this issue a new focus for The Institution is presented, namely the application of electronics to the specific areas of accounting and human resources.

In both of these areas there is an increasing trend toward the application of electronic technology to improve efficiency, and for this reason it can be regarded very much as an up and coming application area for the electronics professional.

This particular application area is represented by the Softworld Exhibition, which this year was held at London's Olympia 2 Exhibition Centre on 13th and 14th October. At this event there was, most notably, a strong emphasis on the so-called 'Paperless Office' which is now becoming close to being a reality for many organisations, and some of these developments are reported below, along with a case study from Copy IT Digital Solutions. In this respect The Institution of Electronics would particularly like to thank COA Solutions, Version One Document Management and Imaging, and Access Consulting Software Solutions for their positive contribution. First, however, a report is presented of the Annual Luncheon of The Foundation for Science and Technology, at which The Institution of Electronics has been represented for some years. This was held at The House of Lords on Friday 9th October.

FOUNDATION FOR SCIENCE AND TECHNOLOGY ANNUAL LUNCHEON

The speaker at this year's event was Mr. Kenneth Diddle, Director of Legal Services and Compliance for The Charities Commission, who spoke about 'The Charities Act 2006 and its Impact on the Work of The Charities Commission'.

The Charities Act was noted for its long period of gestation, having taken from 2001 to 2006 to reach the statute books, with a joint commission of both Houses of Parliament which straddled the period of a general election. As with most charities bills, it started in the House of Lords.

In order to comply with the Act key performance indicators were agreed with the Treasury, with the Act defining for the first time in English law, how a charity should be defined. In particular the Act stipulates that a charity must be for the public benefit and act for the public benefit. A consequence of this is that all charities are now required by law to report on public benefit in their annual accounts.

The Charities Commission is a small body with a budget of around £30 million. Last year it had around 25,000 advisory cases, investigated 200 cases and registered 5,400 new charities.

The speaker was asked if there was any convergence with The Charities Commission for Scotland, and replied that there was not, as Scotland had its own regulatory regime, for example on the solution of accounts.

Another question concerned the role of case officers, who frequently are not in a position to answer questions, for example if incorporating a limited liability company, when it is desirable to know whether objects are indeed charitable. The speaker emphasised that as a professional institution they have to look after the public interest. He said:

“Most members think we’re there to provide benefits for them rather than for the public. Members’ benefits have got to be ancillary to the public benefit”.

The event attracted an audience of 57, which was noted to be its highest attendance to date.

PAPERLESS HUMAN RESOURCES

Paperless human resources are not as difficult to achieve as one might think according to COA Solutions. At Softworld they were demonstrating Human Capital Management (H.C.M.) integrated paperless office functionality for the electronic creation, distribution and storage of H.R. documents such as contracts, disciplinary records, salary details, accreditations, pension records and health and safety documents. By producing, circulating and retrieving these documents and having each document automatically attached to the relevant employee record in the H.C.M. system, the H.R. department can improve efficiency, cut costs and ensure regulatory compliance.

Mark Thompson, Managing Director of COA Solutions says:

“A paperless organisation is an efficient organisation and so it is vital for businesses to move from manual processes to automated, paperless procedures. Organisations that use COA Solutions’ integrated paperless functionality across both the finance and H.R. functions streamline efficiencies, cut costs, aid compliance, and eliminate paper waste”.

Amongst the steps that an organisation can take towards creating a paperless environment are the following:

(i). Implement eH.R.

This uses the H.C.M. Portal from COA Solutions to reduce administration costs and improve efficiency. Its dynamic information flow allows for the streamlining of processes which frees up valuable time whilst increasing employee productivity and improving communication across the organisation.

(ii). Introduce ePayslips

An electronic payslip system eliminates time-consuming manual processes. This can save many payroll working days a year and significantly cut the costs associated with paper, printing and postage whilst reducing the environmental impact.

Annalie Briers, H.R. Manager for GAC commented:

“With electronic payslips, we can enjoy huge time and efficiency savings. It took just three weeks from placing the order to installing the new system and we received a return on our investment within just twelve months”.

(iii). Apply Document Management

An efficient document management and document imaging system not only offers a real step towards the holy grail of the paperless office, but also delivers much greater control, reduced costs and better customer service.

John Farquhar, Senior Financial Accountant for the N.H.S. Mental Health Trust, Mersey Care, stated:

“The problem of lost and misfiled documents has been eradicated, and for the first time users can view the same document at the same time. This is more important than ever as our H.R., Management Accounting and Payroll departments are located on different sites 16 miles apart”.

In his presentation at Softworld, Sales Manager for COA Solutions, Chris Box highlighted some of the drivers behind the paperless office as follows:

- Manual filing methods can be expensive.
- Office space is at a premium.
- Chasing paper is inefficient.
- Storing ex-employee files off-site is expensive.
- Servicing employee requests as a manual process is labour intensive and expensive.

Further considerations include objectives to reduce paper consumption, the use and procurement of resources such as toner in printers and photocopiers, and postage costs, which, for an average cost of £1 per employee per month in a company with 500 employees will total £6,000 per year. In these recessionary times savings in these areas through the use of electronic technology will clearly mount up. The speaker highlighted the fact that in his experience cost savings of the order of £25,000 a year were quite achievable.

A.H.D.B. TO SAVE £50,000 A YEAR WITH DATA CAPTURE SOFTWARE

The Agriculture and Horticulture Development Board (A.H.D.B.), a recently established non-departmental public body serving the agriculture and horticulture sectors, is expecting cost savings in excess of £50,000 per annum as a result of implementing intelligent data capture software. The software, DbCapture, from Version One, will help to speed up the processing of 60,000 purchase invoices and levy return forms each year and reduce manual entry by up to 80 per cent.

The Version One software integrates with the A.H.D.B.'s ERP suite from global business and financial software provider Agresso so that the A.H.D.B. can automatically capture and verify data from scanned purchase invoices using advanced optical character recognition (O.C.R.). Any data discrepancies will be automatically highlighted for the attention of the user. The captured data will then be uploaded to Agresso 5.5 significantly reducing manual data entry, cutting data entry errors and improving purchase invoice processing efficiency.

Shaun Tillery, Financial Controller for the A.H.D.B., says:

“We previously had about ten staff manually re-keying all purchase invoice data from over 5,000 suppliers within our legacy levy board finance teams, which is very inefficient. DbCapture will save us the equivalent of one employee's time which will allow us to redeploy this resource to concentrate on more value-adding activities. The integration of Version One with Agresso will result in more efficient handling of documentation and the swifter approval of purchase invoices. We also expect to improve communication with our suppliers and free up document storage space through a reduction in paper use whilst supporting our Government-led environmental programme”.

The A.H.D.B. became operational on 1st. April 2008 and serves the six sectors of Pig Meat in England (BPEX), Beef and Lamb in England (EBLEX), Commercial Horticulture in England (HDC), Milk in Great Britain (Dairy Co), Potatoes in Great Britain (Potato Council), and Cereals and Oilseeds in the U.K. (HGCA). The A.H.D.B. strives to provide to the agriculture and horticulture sectors cost-effective relevant services which support these sectors' long-term sustainability.

The 'paperless office' technology from Version One can be integrated into all major ERP and accounting systems and has a typical return on investment of six months.

FIELD STUDIES COUNCIL TO SAVE £100,000 A YEAR BY AUTOMATING PURCHASE-TO-PAY

The Field Studies Council (F.S.C.), a leading educational charity with 17 sites situated across the U.K., is anticipating cost savings in excess of £100,000 a year from the automation of its purchase-to-pay cycle.

By using Version One's systems, which were recommended by the F.S.C.'s Sage software provider, Datel Computing, the 25,000 purchase invoices that the F.S.C. receives each year are now scanned at its U.K.-wide centres and emailed through to head office. These invoices are tagged to the appropriate record in the Sage accounting system and electronically stored. They can then be retrieved by authorised

users at all F.S.C. sites directly from Sage or by using Version One's web browser DbWebQuery. DbCapture then enables the data on all invoices to be automatically captured and verified before being uploaded to Sage, significantly reducing manual data entry. Once the invoices have been scanned, approvers are automatically emailed a link to the imaged invoices allowing them to approve, reject or query them with the click of a mouse. Once approved, the F.S.C. makes payment using Version One's BACS-iP automated payments system.

Previously invoices would arrive at 17 different centres and staff could often photocopy a single invoice several times before posting it to the head office for payment. Much time was also spent re-keying information into the Sage system and, with an inadequate audit trail; sometimes the same invoice would be paid twice.

Richard Walker, Director of Finance for the F.S.C. comments:

"F.S.C.'s purchase-to-pay inefficiencies meant that it used to take a phenomenal amount of time just to process a small petty cash claim. Its paper based processes were also proving expensive with F.S.C. incurring significant costs as a result of printing, photocopying and posting paper in addition to the costs of making cheque payments.

Version One's systems provide us with remarkable time savings and we expect to see even greater efficiencies moving forward. We anticipate up to £100,000 cost savings in the first year of using the systems. In fact, moving from cheques to BACS-iP payments reduces our costs from 60 pence to 32 pence per transaction. We have also significantly cut manual data entry with a 90 per cent reduction in manual data entry of invoice information within the first three weeks of using DbCapture. Since implementing Version One we have dramatically cut paper consumption and no longer have to print, photocopy and post paper, which is helping to mitigate F.S.C.'s negative environmental impact".

Having instant access to imaged documents has improved the management of F.S.C.'s finances including eliminating the risk of paying the same invoice twice. Furthermore, as F.S.C. is now paying its invoices in a timelier manner supplier relationships have also improved.

The F.S.C. was established in 1943 and provides informative and enjoyable opportunities for people of all ages and abilities to discover, explore, be inspired by, and understand the natural environment through its network of 17 educational centres, international outreach training projects, research programmes, information and publication services, and wide range of fascinating professional training and leisure services.

VERSION ONE LAUNCHES DOCUMENT MANAGEMENT NEWS SERVICE

Version One have recently launched a document management and imaging news portal (www.documentmanagementnews.com) to provide breaking electronic document management (E.D.M.) news and discussion. This will feature daily news

from leading I.T. journalists, including Computer Weekly and Computing contributor Antony Savvas.

Commenting on the launch, General Manager of Version One, Julian Buck, said:

“We identified a gap in the market for a fresh news site dedicated to document management so that people involved in this industry can find out the latest breaking news and discuss E.D.M. with other site members. We intend this site to become a document management authority whilst remaining as independent from Version One as possible, although obviously we will be taking a keen interest in the topics discussed”.

Anyone who is interested in joining the documentmanagementnews.com forum discussions and receiving regular news updates is invited to register at <http://www.documentmanagementnews.com/component/user/register.html>

ISS UK IMPLEMENTS ELECTRONIC WORKFLOW

ISS UK, one of the country's largest commercial providers of facility services, is implementing an electronic workflow system from COA Solutions to electronically process and manage over 1,000 employee expense claims each month. This eBIS system, which will replace time-consuming paper based expense claim management processes, will enable ISS UK to maintain greater control over expenses as well as project management costs whilst at the same time supporting its green agenda.

EBIS, which is a sophisticated workflow engine, enables the electronic processing of all expense claims. Initially 800 ISS UK staff will be able to quickly and easily submit their claims directly from their P.C.s, saving considerable time whilst providing much greater visibility of expenses payable. Staff will also be able to track the progress of their expense claims 24 hours a day, 7 days a week and will receive electronic remittance advices confirming payment thereby helping to reduce queries.

Mark Brown, I.T. Director for ISS UK states:

“We have thousands of workers throughout our business who manually complete and post paper expense claims for approval. Over one thousand expense claims are received every month. This information then has to be manually entered into our finance system, which is extremely time-consuming and inevitably some claims go missing which sparks one long paper chase.

With eBIS we will be able to analyse employee expense claims more effectively, providing us with improved granularity from an audit perspective and greater financial control, which is vital in the current economic climate. The need to re-key data will be eliminated which will free up staff time and ensure that expenses are processed with greater speed and accuracy. The substantial reduction in paper will also support our goal of becoming a paperless organisation, supporting our environmental agenda”.

ISS UK is also looking to adopt COA Solutions' data capture system (using Version One technology) alongside eBIS to speed up the capture of purchase invoice information from scanned invoices and so reduce manual data entry by 80 per cent.

Founded in 1901, ISS is one of the world's largest commercial providers of facility services, employing over 470,000 staff. They have operations in 50 countries and have over 200,000 business-to-business customers worldwide. ISS UK has 230 UK offices and customer sites which are divided into three operating divisions (ISS Facility Services Limited, ISS Mediclean Limited, and ISS Damage Control) employing around 44,000 staff.

The ISS network of operating divisions provides high quality facility services designed to maintain the fabric and appearance of buildings. ISS provides facilities management, cleaning and hygiene services, maintenance and building services, catering, security and landscaping. They also provide a wide range of tailor-made services to organisations throughout the public and private sectors. Since the Millennium ISS has acquired more than 600 companies to become one of the global leaders in facility services.

UNIVERSITY OF ABERDEEN EXPELS EXCEL SPREADSHEETS

The University of Aberdeen is implementing a budgeting and forecasting system from COA Solutions in place of Excel spreadsheets. This Collaborative Planning solution aims to improve budgeting efficiency whilst maintaining control over costs. It will provide authorised finance staff at the University with the ability to easily create and update budgets and forecasts and report on these budgets in real-time. It will also help the University to more effectively manage cash flow, improve its ability to monitor payroll costs (which account for 60 per cent of the University's total costs) and enhance variance analysis.

Sue Richardson, Head of Financial Planning and Budgeting at the University of Aberdeen comments:

"We currently maintain our budgeting and forecasting information on Excel spreadsheets, which is time-consuming and restrictive, especially when we need to analyse the data. A more integrated approach will help us to forecast more effectively.

Collective Planning will save us significant amounts of time by eliminating the time-consuming production and consolidation of disjointed Excel spreadsheets, enabling the finance team to concentrate on more value-added activities. The system will also enable us to more accurately forecast spend, provide us with a clearer link between actuals, forecasts and budgets and allow us to interrogate this information in greater detail whilst helping us to remain on target".

GLOUCESTER CITY COUNCIL USES ePROCUREMENT TO CUT TIME TO PROCURE GOODS BY 75 PER CENT

Gloucester City Council has integrated an eProcurement system from COA Solutions with @UK's eMarketplace in order to cut the time that it takes to procure an item from 20 minutes to just five.

The eProcurement system, which is tightly integrated into the Council's existing COA Solutions financial management system, enables the automation of a range of procure-to-pay processes, whilst @UK's eMarketplace, which is a web-based application, facilitates electronic trade between one or more Local Authorities and many supplier organisations.

Authorised Council users now 'punch out' into the @UK eMarketplace where they can automatically select their goods and services from a wide range of suppliers without manually keying-in information, significantly saving time and improving efficiency. Once a basket of goods has been selected for purchase, the specific contact details of the person who raised the order are added to the system, providing instant traceability and accountability. Instead of having to pay at the supplier's checkout, the order is brought back into COA Solutions' eProcurement system and the goods are matched with the general ledger codes before being sent to a Council officer for approval. Once approved, the order is then raised and sent electronically via the @UK eMarketplace to the chosen supplier where it is seamlessly converted into an electronic invoice and instantly committed to the Council's COA Solutions financial management system.

Systems Administrator for Gloucester City Council, Sarah Tilling, states:

"We used to maintain an in-house catalogue to monitor the costs of goods and services from suppliers. As you can imagine, this was extremely labour intensive and prone to error. We also had to manually key-in information when placing an order, which was another inefficient use of our time. It previously used to take us around 20 minutes to manually order a dozen stationery items whereas now we can do this in just five minutes with a few mouse clicks".

UNIVERSITY OF BRADFORD USES ELECTRONIC SOLUTIONS TO IMPROVE FINANCIAL CONTROL

The University of Bradford's financial management system used to be outdated, manually intensive and only able to be used by people within the finance department. Recently, however, a financial management system (F.M.S.) from COA Solutions has been implemented with integrated budgeting, planning, electronic procurement and business intelligence functionality. With this the University has streamlined its financial processes making key financial information, including departmental budgets, instantly accessible to authorised staff, improving financial transparency throughout the University.

The electronic procurement functionality will enable authorised personnel at the University to electronically procure goods and the integrated purchasing card reconciliation solution will manage and reconcile corporate purchasing card charges throughout the entire purchasing lifecycle. Used in conjunction with the integrated employee expense management functionality, which allows employees to quickly and easily submit their expense claims for electronic approval, the University will be

provided with a robust solution to streamline financial transactions and enable greater financial control.

Using the integrated document imaging functionality (which uses Version One's technology) 30,000 purchase invoices each year, as well as external grant documents, research papers and project paperwork will be scanned and stored electronically. These imaged documents will be retrieved directly from authorised users' PCs, eliminating the manual filing, retrieval and photocopying of paper documents. Cutting paper use will also support the University's Ecoversity environmental programme which aims to embed the principles of sustainable development.

Angela Fletcher, Financial Project Manager for The University of Bradford, says:

“Authorised staff will be able to easily amend and manage their own budgets in real-time without having to rely on finance to do this for them, saving considerable amounts of time. Our ultimate aim is for staff to take ownership over their own finances and have a greater understanding of their budgets, resulting in better informed business decisions.

Having instant access to imaged purchase invoices will improve efficiency and ensure tighter control over costs. No longer having to print out and store so much paper will also free up document storage space. Importantly, the reduction in paper use will support our environmental strategy, ensuring we remain one of the top ten greenest universities in the U.K.”.

CASE STUDY: COPY IT DIGITAL SOLUTIONS

Formed in 2001 Copy IT Digital Solutions Limited is one of the largest and longest established independent photocopier dealerships serving East Anglia. They have a head office in Norwich and offices in Cambridge and Ipswich. Customers include Greene King, Port of Felixstowe and May Gurney.

As a business they sell and service photocopiers, printers and fax machines. They have eleven service technicians with jobs being allocated appropriately according to skill sets and locations. They have 25 employees in total and a turnover of around £3 million.

The company had been using a Microsoft Access-based solution for their accounts, stock and service, but following a re-evaluation of their finance and system requirements, decided to look at a more integrated service management solution.

Two of their main requirements were meter billing and stock. Meter billing allows them to record the number of copies made by a machine and they then charge their customers accordingly. They also needed a good diary function as well as integrated accounts.

An electronic solution from Access includes a call scheduling module whereby jobs and calls are allocated to the eleven service technicians who can then look at their list of calls via a daily and weekly calendar view. Using different colour indicators, Copy

IT can quickly differentiate between different types of jobs and scheduled activities. In the back office the call centre module allows the team to record calls, toner requests and support calls, and to manage the despatch and closure of calls.

Technician van stock data enables Copy IT to monitor all parts usage within the system and ensure that technicians' stocks are replenished efficiently. This is achieved by setting minimum and maximum re-order levels against each location in both vans and stores. Service Manager then analyses the stock position of each van, checks the current physical level in stores and any outstanding orders due in. The same process assesses all outstanding service calls that require that part to create a suggested re-order list. This means that the creation of purchase orders to maintain stock levels is completely automated, as default suppliers are set up against parts along with pricing information.

Once stock is available in stores, Service Manager will then produce a list of replenishment transfers from central stores for each van, effectively providing a pick list for the van. This will confirm the replenishment level for the van along with calls which are waiting for the parts in question. The stock movements are then processed by the software.

Stephen Tate, Company Secretary and Accountant, states:

“It has revolutionised the way we work. Stock re-ordering within the system has certainly been the biggest improvement we've seen. Previously re-ordering stock was a time-consuming process and we had to manually calculate stock to re-order. The system now works this out immediately, and has simplified the whole stocking process, removing the need to hold excessive levels of stock in the warehouse”.

CONTACT INFORMATION

Readers of The Electron who are interested in the features that have been included in this issue may wish to visit the following websites:

www.coasolutions.com

www.versionone.co.uk

www.theaccessgroup.com

CALLING ALL ELECTRONICS PROFESSIONALS IN FINANCE AND H.R.

If you are an electronics professional currently working in the field of accounting and finance or human resources and would be interested in joining an Institution that will facilitate the exchange of ideas between electronics professionals in different fields of application then The Institution of Electronics would be pleased to hear from you.

The Institution of Electronics has membership grades to suit most levels of education and experience and offers an independent voice for all electronics practitioners in both hardware and software applications.

Anyone interested is invited to contact the Institution's Membership Officer, Tim Hatch on 0151 608 4236, or visit info@institutionofelectronics.org.uk