

# WHITE PAPER



## REDUCING COMPLEXITY WITH WEB-BASED ACCOUNTING

MAKE THE MOST OF IN-BUILT BUSINESS INTELLIGENCE,  
REPORTING AND TWO-WAY EXCEL INTEGRATION

## 1.0 OVERVIEW

Today's finance department is very different from its predecessors – even those of five years ago. It now exists to support the business by providing information to aid effective investment decisions and corporate governance, as well as to monitor, analyse and influence best practice management.

As a result, there are a number of unique challenges facing the modern finance professional: not least is ensuring the efficient and cost effective acquisition, analysis and presentation of core data is done on-demand.

This whitepaper examines those challenges and how the latest web-based accounting software can help finance professionals surmount them and provide the exact information as deemed necessary by the organisation as a whole.

## 2.0 COLLECTING THE DATA

There has been a step-change in how data is collected by the finance department. Rather than being reliant on paper, information is now often collected in spreadsheets or extracted from standalone or remote data silos. A key objective should be to ensure the smooth, standardisation of information flow across the organisation, from source to financial statement.

Achieving such a goal can be dramatically simplified by using one of the latest web-based accounting solutions, many of which provide a flexible document capture facility as the main means of entering data into the system, either on-screen or via a highly configurable web-services integration tool (or API). Such inherent flexibility means that systems can be configured to satisfy a wide variety of bespoke requirements, retrieving data from a variety of roles, functions, locations and applications.

Rather than re-keying data from a purchase order or a sales invoice, it should be possible to configure systems to capture information directly from an original source document, pass it through an approval process and, if necessary, print a hard copy before releasing it to the ledger.

Using a comprehensive mapping definition, complex rules can be used to determine how information is treated between an original document and the final accounting entries. For example, the user may wish to specify how information is mapped to the credit and debit lines – such as debiting the customer account with the gross amount, and crediting the appropriate sales and tax accounts in a particular manner.

At all stages, the behaviour and impact of debits and credits can therefore be automatically governed by the system reducing errors and speeding up processing time, and at the same time key analysis added, validated and stored to provide further business relevance.

Memorised or scheduled documents can be used to define transactions that are to be generated on a regular basis. The frequency would typically be of a particular time frame between weekly to annual, for example, monthly payroll, quarterly service bills and annual contracts. Such scheduled documents simplify data entry, support the production of meaningful cash flow analysis and further reduce data entry errors.

### Who's responsible for the quality of the data?

It's not efficient to have operational personnel spending excessive amounts of time collecting and collating data merely to provide information to support the effective administration of any business. Such "business intelligence" should be able to be harvested through every day processes, captured at source, such as the sales team, buying department or in the field, removing the need for members of staff to identify, find, organise and present key performance metrics.

In web-based applications such as Aqilla, all data can be captured within a document which reflects the way most organisations operate. For example, one cash receipt document can summarise cash receipts from multiple customers in a single step; a simple-to-use weekly time-sheet can be used by all staff members and can address multiple projects and activities; invoices can be free form or relate to catalogue items, and a payroll summary could link to the detail captured in the payroll system.

Straightforward document status management is also essential, enabling a flexible approach to the processing and authorisation of any item using rules set by the finance team.

All data can also be entered into the system electronically using a web service. Such an approach supports the entry and amendment of all source documents, the updating of status information, as well as the entry and amendment of static reference data.



*"While we are in the early days of using Aqilla, it is already delivering greater flexibility and has improved our overseas communication substantially. We looked at four possible cloud-based systems and chose Aqilla as it was the only on-line system to do precisely what we wanted it to – it just does what it should."*

## 3.0 CREATING INFORMATION FROM DATA

Very often, large amounts of data are provided to the business at the expense of reliable, relevant information. Making sense of huge volumes of transactional data is only going to be of use to small percentage of the organisation. In addition, forcing staff to use complex and cumbersome business intelligence software, which they may struggle to understand and prefer to avoid using, drives down efficiency.

There are a large number of instances where data is extracted, re-formatted, tabled, graphed and delivered to audiences using systems which, in the main, users don't even bother to open or log-in to find out why or what is relevant to them. This is because they do not know how to or they do not see it as part of their day to day responsibilities. In addition, the data often contains information which, whilst accurate, is of no contextual relevance to their role. Companies have spent millions developing such systems but the returns often fall well short of any expectations of improving margins, efficiency or productivity.

One way to reverse this situation is to provide users with tools that are easily accessible from anywhere; familiar, flexible and adaptable (designed to scale from simple straightforward operation by the occasional user to the sophisticated and complex analytical needs of a 'power' user). One commonplace tool is Microsoft Excel. If a financial and business management application can provide proper two-way integration with such everyday and ubiquitous tools, the situation can be improved considerably.

Of course, with an online accounting solution such as Aqilla, all data can be maintained in either the application via the web, or locally in Microsoft Excel. Making and saving any change in either the core business system or Excel means that the data is always available in real-time and accurate in nature.

Full enquiries can be replicated within a worksheet – Including predefined selections for example to select by account name or period range identifiers. This negates the need to export data – a practice which at once renders the information instantaneously out of date, introduces the risks associated with version control and adds to a possibly overly complex security issue that can lead to questions around access and availability. Such vulnerabilities can be eradicated by removing spreadsheets altogether but that is not practical in a world where users and managers require instant access to easy-to-use data that they can work with. Ensuring any spreadsheets link directly to the data (as opposed to a being an off-line copy) can add real value, save lots of time and reduce errors in reporting.

Data linked directly to the database ensures information is always as accurate and up-to-date as the core finance system. Documents and journals can even be prepared and managed externally using the same approach and then imported into the ledger.

Such on-line or linked data also has an additional benefit to a business in terms of data security. Very often, any access to the data requires a secure login using certificated and / or encrypted connection (e.g. <https://>) or other web security service. As a result, it is impossible to access the data without the correct user ID and password.

If data is required off-line, Aqilla enquiries can of course be exported to high quality PDFs, CSV files and Microsoft Excel worksheets (or OpenOffice, Google Docs etc.). Worksheets can be opened directly or saved for later.

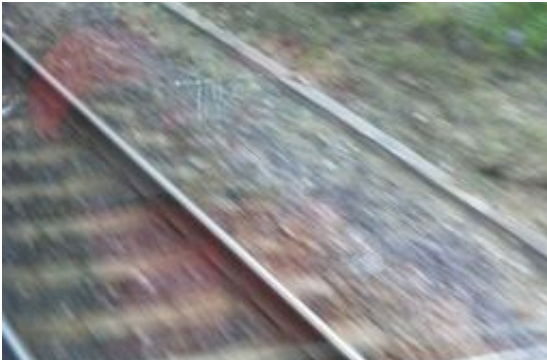
### **How do you integrate business systems?**

One way that web-based applications surpass more traditional systems is through the use of web services APIs, especially through the use of the Microsoft Excel 'Add-in' described above. With this installed, the user may very simply analyse live data, update reference data or import transactional data from an Excel worksheet.

In all cases data can be imported into Excel, restructured if necessary to meet the requirement of the web-based application's document formats and submitted for validation and posting.

Information may also be collected from a whole range of other third party external systems. For example, payroll costs supplied from the payroll system, purchase invoices from the document management system, sales invoices from the customer relationship management (CRM) or sales order processing system (SOP), or even account balances from a previous accounting solution.

Depending on the work-flow defined within the web-based application, the documents may be saved for final checking and approval or automatically posted into the ledger.



*“An on-demand system is critical for our business, and Aqilla has proved to be a highly productive solution that has clearly saved us time. The software is excellent and easy to use, and the people at Aqilla have been fast to respond, easy to deal with, open and efficient – just like their system.”*

#### 4.0 PRESENTING INFORMATION TO THE BOARD

Advanced capabilities, such as full multi-currency Sales Ledger, Purchase Ledger, General Ledger, Cash Matching, Sales Invoicing, Purchase Invoicing, Time-sheet, Expense and Project Management, combined with full budget processing enables the tracking of income and expenditure across an almost unlimited range of analysis.

It goes without saying that high quality reports will be of essential value to any audience to make sense of such analysis, be they a Board of Directors, Trustees, the Bank or institutional Shareholders. As reports and enquiries in web-based applications can be extracted in PDF or CSV format, all data may be externally rendered in a wide range of professional presentation formats to suit the needs of the individual reviewer.

However, reporting should not just be a habitual monthly event. Accurate business performance data should be easily available, on demand and at any time. Not only should the collection of data go beyond the finance function, so should the resulting analysis. Today's modern finance professional has little choice than to deal with the realities of challenging economic circumstances. There is no reason why the key organisational stakeholders shouldn't also have access to this same, timely accurate information to do the same.

In support of this, web-based applications like Aqilla feature the capability to create “Dashboard” home pages designed specifically to meet the needs of senior personnel. Whilst a manager may not engage in day-to-day tactical operation of the finance and business systems, they would certainly benefit from being able to view Key Performance Indicators (KPIs) as defined by the business.

Such Smart-KPIs can be used to track both financial and non-financial metrics alike. These can define and aid the measurement of progress against operational and strategic goals and could include, for example, selections from month-to-date sales, 90-day DSO statistics, the number of invoices awaiting approval or release to a current liquidity ratio. All KPIs defined by the user's business can be coloured or ‘traffic-lighted’ to focus attention on areas of concern or that require action.

The Aqilla Home Page also features the ability to encapsulate feeds from internal (intranet) and external (internet) feeds. In so doing, a business can combine and publish to users relevant organisational data, sourced conveniently in one location, at any time, from anywhere.

## 5.0 CONCLUSION

The collection and flow of financial data throughout an organisation is no longer the sole responsibility of the finance team. However the data they generate is essential to create business information on which critical business decisions will be based.

Such data invariably starts with the customer, supplier or the employee. It is therefore imperative that any system embraces such a culture and helps to support the finance team and the business as a whole in seeking to improve consistency and clarity of data throughout.

If the process starts with good data being entered – either electronically or via fast, clear and easy-to-use screens – it can end with accurate real-time analysis that is timely, easy-to-understand and accessible by all. It's here that web-based applications can help organisations of all sizes.



*“Aqilla has proved much more flexible and cost-effective than our previous system, which was more industry specific, and charged us based on turnover and a minimum number of users. Having decided we wanted a hosted online system, we looked for one that was not too complex - Aqilla proved just that, being very easy to understand and as a result we have barely used the support offered. The buying experience was very simple, Aqilla were not at all pushy, and were very responsive.”*

## ABOUT AQILLA

Aqilla Limited, founded in 2006, is the developer of web-based accounting solutions designed for small and medium-sized businesses and organisations. The multi-currency products it supplies are easy to use and can be up and running in hours not days, saving spending money on expensive training and consultancy. A document centric approach to accounting provides Sales Ledger, Purchase Ledger, General Ledger, Cash Matching, Sales Invoicing, Purchase Invoicing Budgeting, Project and Time Management functionality enables an organisation to easily track income and expenditure across an almost unlimited range of analysis.

In addition, because it is delivered on-demand, Aqilla removes the need for high levels of capital outlay, as well as the ongoing expense of maintenance and management. For more information about For more information about Aqilla visit [www.aqilla.com](http://www.aqilla.com).