



‘Paperless accounting operations’ – Much more than reducing your carbon footprint

Although a paperless approach will almost certainly shrink your carbon footprint by cutting your consumption of trees, printing, travel and energy, there are also other ways it can dramatically improve processes, save time and increase profits.

Here’s a taster of how electronic based accounting can help your business as well as going green:-

Reduce time including bottlenecks of authorisation chains

Approving purchase orders or invoices can often involve multiple individuals across an organisation in the sign off process. When paper-based documents are used, the whole process can be delayed due to sending originals or copies through the internal/ external post or simply because a Purchase Order goes missing or sits in an in-tray for days or weeks waiting for a signature from a busy executive. This whole authorisation procedure can easily be automated by relying on electronic based documentation that can be emailed directly to recipients who can also be chased with alert reminders.

Drive down delivery costs

According to statistics, an organisation can save up to £1 per document if it were sent electronically rather than via the post. This not only takes into account the postal charges but also the stationery, labour, printing and waste disposal costs. For those organisations that are sending out hundreds or thousands of invoices or statements every month these costs can soon mount



up. By using electronic based invoicing these costs can be removed and in today’s climate of industrial action, you can also be assured that your bills are being received as soon as possible.

Save space by storing financial documents electronically

Office space represents probably one of the biggest overheads for businesses, yet old-fashioned filing cabinets still occupy a significant proportion of a typical company’s premises. By electronically storing and archiving finance documents such as invoices, purchase orders, supplier statements and/or delivery notes you can free up storage areas for more desks or even consider moving to a smaller, more cost-effective site.



✓ Better use of human resources

Whether you're processing an order or managing the receipt of an invoice, if you rely on a paper-based accounting system then someone in the finance department will have to spend hours inputting data, photocopying, faxing, posting or retrieving documents. This is prolonged further if there are disputes or queries over a bill that, if you have difficulty finding the paperwork, can quickly erode any potential margin that might have been made.

With advances in document management technology it is now even possible to scan in invoices using OCR (optical character recognition) which identifies the supplier by reading the VAT or company registration number. Alternatively you can use a barcode system which tags the scanned document so it can be easily retrieved afterwards and tied up to the relevant records in the core finance system.

For processing purchase orders there is also a substantial amount of work created for the finance department in chasing approval for expenditure or making amendments to orders. By using a paperless approach, the finance department can escalate the approvals process electronically and can even devolve purchase order creation to individual departments.

✓ Comply with legislation

The government is fully behind electronic document management and it is straightforward to remain compliant, so much so that there is no requirement to inform the HM Revenue & Customs (HMRC) that you are using electronic accounting. (Their simple guidelines are readily available at www.hmrc.gov.uk/vat/managing/charging/e-invoices.htm). For example

the same information that would have appeared on a paper based invoice must appear on its electronic equivalent and it is necessary to store invoices for up to 6 years.

✓ Improve supplier relationships and avoid disputes

With paperless billing and payment you can promote better relationships with suppliers and potentially secure better terms or discounting. You can also remove the time taken by finance staff to manage suppliers who are chasing monies. You should also be able to resolve any disputes quicker because you can find the relevant details on the system without having to fish through numerous files.

✓ Support remote/flexible working

With all documentation held centrally on a network, there is no reason for certain members of staff to be physically present to authorise purchases or payments, making it easier to support a flexible or remote working policy. Likewise if employees are on the move they can send back approvals from their PDA.

✓ Improve cash-flow

By taking advantage of electronic invoicing and payment you can ensure that bills reach customers as soon as they are due and encourage them to handle payments electronically as well, using services such as BACs or direct debit.

✓ Add value elsewhere

By easing the burden on the finance department, skilled resources can be used elsewhere for planning, strategy and budgeting, rather than wasting time on administrative tasks that add little value.

So there's a lot more to a paperless operations strategy than fulfilling environmental obligations; it can help you to become more productive and efficient with less human and physical resources. If you're considering how you can reduce the reliance on paper and want to reap the additional benefits that electronic accounting can bring then it may be easier and more lucrative than you think.

On average most companies that introduce electronic-based accounting procedures find that both finance and non-finance staff welcome the change and typically see a return on investment within six months.

For further information on paperless operations and other finance issues, simply contact bluQube on **08456 44 77 88** or visit **www.bluqube.co.uk**.

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