



sage

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MicroAccounting

**Reduce admin and
boost productivity:**
A guide for small
businesses

About this report

This white paper is based on The Importance of Small and Medium Enterprises, a quantitative survey carried out by FTI Consulting on behalf of Plum Consulting/Sage. This questioned more than 3,000 small-to-medium-sized enterprises (SMEs) across 11 countries, gaining responses from almost 300 decision-makers in each country, in order to assess among other things the administrative burden they face. This white paper should be considered the partner of Plum Consulting's own report, Sweating the Small Stuff, which examines the survey results in depth. Note: figures throughout this report are rounded up so totals sometimes marginally exceed 100%.

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Introduction

One of the oldest clichés is that business is throttled by admin. Tasks such as paperwork, accounting, recruiting, and payroll are an always-growing burden, making administrative sinkholes an easy trap. This can lead to stalled business growth or even the demise of otherwise promising businesses.

According to the US Census Bureau, Small businesses comprise 99.7% of U.S. employer firms. It's often these smaller businesses are affected by admin headaches. While a larger enterprise might be able to hire somebody purely to work on such tasks, for a smaller business, it's likely a current staff member or business owner will have to multitask—and that capacity cannot be spared.

Is the situation any worse than it has ever been? There's certainly an active debate around this topic and especially in the USA where—as shown by research we will discuss—admin is considered particularly burdensome.

Perhaps the constructive way forward is to examine the nature of the problem and then attempt to implement proven solutions. That is what this white paper is all about. And there are solutions out there that can alleviate admin. None are necessarily complicated or difficult to apply—yet all are certainly beneficial.

Why create more work for your business by being a slave to admin? There are enough core tasks such as growing your customer base or unleashing the creativity and passion that drives you. Taking your eye off these core considerations could result in no business at all. This importance of real, workable solutions cannot be underestimated.



Part 1

Identifying the problem

On behalf of Plum Consulting and Sage, FTI Consulting spoke to more than 3,000 SMEs around the world to measure the impact of the administrative burden. The results tell quite the story.



Work

Approximately what proportion of administrative tasks over the last 12 months are taken up with the following?*

35% Accountancy (including tax-related)

36% Payments processing, invoices, and chasing payments

20% Payroll and people management

10% Talent acquisition/training.

35%

proportion of admin tasks that are accountancy related

* Total across all countries included in survey.





Time

With regard to all the work tasks, how many days would you estimate is spent on them in total over the past 12 months?

266 USA

210 Spain

152 France

109 Canada

129 Germany

71 UK

146

average number of days per year SMEs say they spend on admin

*Shown here is a selection of western countries included in the survey.



Cost

What would you estimate is the overall cost (including wages and specific software) to your company on these administrative tasks?*

USA: **\$76,000**

Spain: **\$35,000**

France: **\$62,000**

Canada: **\$65,000**

Germany: **\$75,000**

UK: **\$47,000**

\$60,000

average spent yearly on administrative tasks by SMEs

* Shown here is a selection of western countries included in the survey



What does this mean for business?

One year of admin

Take the amount of time SMEs estimate they spend on administrative tasks. Topping the league table by a considerable margin are businesses in the USA, where the decision makers say 266 days in each year are consumed purely by administrative tasks. A working year is typically considered to contain 260 working days, so an SME requires in excess of one worker doing nothing but admin tasks. That worker will have no time to grow the business, or seek new customers, or do any other vital tasks that SMEs require.

If we apply this finding rigidly, a sole proprietor/trader business in the US spends all their working life undertaking admin tasks—and somehow spends a little extra time doing them too! Of course, they also have to find time to run their business.

Notably, the survey reports averages across not just sole proprietors but also businesses with anywhere up to a mean average of 15 employees—so working out true figures is difficult. The message is clear: the administration overhead for SMEs in terms of time stolen from core business activities is not trivial. For the overloaded small business owner who could take back even just half of the time spent on admin, the results could prove revolutionary.

Dealing with money management

But how does the huge administration timesink split into the individual tasks most businesses undertake each day?

Most small business owners won't be surprised that dealing with money management demands the biggest share of their time, according to the survey. This breaks down into four main tasks:

- Accountancy
- Chasing payments
- Generating invoices
- Processing payments and processing invoices received

Accountancy tasks account for an average of 23% of the admin duties SMEs were asked about, making it the biggest proportion of admin tasks globally. Australia, France, and UK are the most impacted with Australia and France tied at 27% and UK at 25%.

Second is generating invoices and processing payments, which SMEs globally say takes up an average of 16% of the time they dedicate to admin tasks. This includes managing online and in-store payment methods as well, like debit and credit card purchases. Though the

impact is evenly spread across the 11 countries we surveyed, the US is among the top impacted countries at 16%.

A further compelling figure from our research is how much time SMEs spend chasing late payments. US respondents say it takes 7% of their admin time, and 14% of all invoices are paid late. That's a considerable amount of payments to chase each year, and one of the biggest barriers to chasing late payments is the need for a dedicated resource to manage the process. Barriers to processing money in and around a small business impacts productivity and cash flow—two key factors in a small business's success. It's not just a nuisance. It's a threat to business.

Payroll and people management comes in third for most consumption of admin time and here it's necessary to single-out regulatory tasks, which are typically laid down by governments. When it comes to payroll, for example, this might include US respondents say it takes 7%. Of course, filing and paying taxes are perhaps the biggest regulatory tasks for businesses worldwide.



How much it all costs

The monetary cost of admin tasks every year can be as high as \$76,000 in the US, the survey estimates. The average amongst all the countries surveyed was \$60,000.

These are considerable sums and invite a very simple question: How better could that money be spent? After all, most small or start-up businesses are inherently budget-conscious and cash flow constrained. Even clawing back 50% of the amount spent on administration could mean the difference between success or failure, or simply providing much-needed investment in the business.

For example, let's say that you rent business premises for \$1,500 per month – which is a reasonable average in many major cities. Clawing-back half of the average spent on admin—\$30,000—could more than pay the rent and remove it from your list of worries. Alternatively, you could invest the saved money in an extra staff member, or better information technology, or simply set it aside for contingency.

The truth about administration

Seen in the light of figures provided by the survey, applying close scrutiny to administrative tasks is an absolute necessity in order for a business to survive—and thrive.



Part 2

The impact of admin: Real-life stories

People running real businesses have to deal with admin issues every day and they can struggle to find solutions.
Here are three examples of how businesses, and those who run them, are affected by the admin overload.





“I have no time for the important things”

Sarah Burns owns Prizeology (www.prizeology.com), a prize promotion agency that help brands, agencies, and businesses engage with their customers and create awareness.

“The day-to-day running of the accounts is all down to me. It is the biggest drain on my resources without a shadow of a doubt. Yesterday is a good example. I always spend Sunday with my family but I spent three hours catching up on invoicing and doing month-end calculations. And it’s still not done! Every day this week I will need to find time to make sure invoices are going out and chase payments. The time I spend doing this I could be trying to win new clients to grow my business.

“Another thing that’s becoming a significant drain on my resource is implementing the GDPR [General Data Protection Regulation, a Europe-wide law that specifies how personal data should be handled]. We are a small business but we manage a lot of data because we administer prize promotions. And we keep all the details for a certain amount of time because we’re obliged to for regulatory purposes. GDPR is an important administrative process because it will be something that all our clients require but it is taking up an enormous amount of my time. Again, this is time in which I can’t grow my business.

“I always give my clients the 100% service they ask for and need—that’s all myself and my colleagues care about—**but sometimes all the admin requirements make it can feel like I can’t do my job. It just eats into my resources.**”

Sarah Burns
Prizeology





"People management eats my time"

Andy Baxter is managing director of Internet Gardener (www.internetgardener.co.uk), a family owned retailer focused on outdoor living and specializing in items such as garden furniture.

"Human resources is a minefield if you get it wrong, especially for a smaller company, but you always want to look after your staff no matter what. With us, it's like they're family. But it's so easy to mess up. Maybe people's holidays aren't calculated correctly or maybe you find you haven't logged one holiday from someone, for example. You can waste days handling it.

"Another issue my time gets wasted on is payments. A lot of our stock comes as container stock from China. So we're buying from China and we buy in US dollars but it's actually a nightmare trying to work out when and where's the best place to buy the dollars from, and then doing the transfers to the right company at the right time.

"HR takes a day of my month. The currency transfers probably are another two days... by the end of it, you can probably save a week. **When this is fixed, a four-week month becomes a five-week month. I can achieve more stuff. I can start to look at advertising and the more exciting side of things.**"

Andy Baxter
Internet Gardener





“Late payments almost killed my business”

Tara Punter runs an eponymous public relations agency focusing on equestrian and rural affairs. www.tarapunterpr.co.uk

“I have endless amounts of emails coming in every day. I could quite easily be on my laptop all day just responding to them. **Upon reflection, at the end of the day I would realize I hadn't actually achieved much.** Why is that? Eventually I realized that emailing and just the general running of business was taking up the whole day rather than my client work.

“Websites are your virtual shop window and they need to be perfect. However, keeping them up to date is really a time-consuming task and can easily be the chore you drop when you're busy with clients. In editing my website, I don't see that as earning me money, despite it potentially being the place my customers find me. I know it needs to be good for me to get clients but in the three hours that I'm rewriting a page, I'm not charging anyone for that time, so I choose to outsource that where possible.

“Then there's dealing with payments. I was doing a huge amount of hours for one client who then got quite slow with paying. The next month's invoice would be sent and he still hadn't paid the previous month, or would have paid just a small part of it. Trying to work out which invoice he was paying was an absolute nightmare for my bookkeeping—not a task I enjoy at the best of times!

“I had rent to pay, tax, insurance payments, all my bills—they still go out whether my invoices are paid or not. It was horrid because I never knew when money was coming in. It was just the most stressful time of my life. It got to a point where the client hadn't paid me a single penny for six months.”

Tara Punter
Tara Punter PR



Part 3

How to solve your admin issues

A variety of techniques can be used to alleviate and even banish your administrative nightmares. Below are a list of techniques and tricks, and over the coming pages there are three top tips for each in order to get you started.

- Managing your time better
- Reviewing and optimizing the way you work
 - Getting help from experts
- Offloading your workload to technology



Managing your time better

If you find yourself frequently ending the day not having completed all the tasks you wanted to, then you might need to look at how to streamline your time management. The good news is that this is a skill that can be learned.

Time management isn't merely about making more effective use of working hours. It's also about enforcing good behavior with regard to managing your workload. And if you're consciously managing your workload then you're less likely to suffer from afflictions such as stress or anxiety.



Managing your time better

#1: Create weekly task schedules

You might use a paper calendar or even a dry-wipe wall chart for this but many people prefer to use computerized calendars via Microsoft Outlook or Google Docs. The goal is to envision your working day as consisting of half-hourly slots, and then assign your tasks to these slots (although some tasks will run across multiple slots, of course).

On a computerized calendar, each task slot will be a half-hour appointment or event. Start by filling in the schedule with recurring events, such as checking your email at the start and end of each day. An important point is that even the smallest tasks you'd ordinarily do in spare moments must now have their own entries in the schedule.

Then add in the “big” tasks you have coming up, such as time spent working on a project. Finally, add in all the little things you want to do but that aren't vital—and if there's no room in the schedule, then bump these over to the next week's schedule. Once the schedule is created you should obey it at all times. It's OK to move, adjust or cancel tasks—remaining flexible is key to success—but only if this is done in advance and with good justification.



Managing your time better

#2: Budget time

Linked to the process of creating a schedule is evaluating your task list and realistically estimating the amount of time each requires, as measured in the same half-hour units as with the schedule. To be blunt, this can be difficult because it requires an honest evaluation of your abilities.

There will be things you're good at and things you're not so good at. It also requires a blunt evaluation of the task. Although most of us could spend all day responding to emails, for example, doing so would mean we don't get any revenue-generating work done. Therefore, limiting email checking to just a few 30-minute slots during the day can be the only sane way forward.

Budgeting time might be initially experimental, so don't punish yourself if it turns out a task you've budgeted an hour for actually requires two. Consider it a learning process and one that you'll improve upon as the weeks go by.



Managing your time better

#3: Chunk it

The final corner of the time management triangle is ensuring you have focus—that you give full attention and effort to each time-budgeted task within its allocated time slot. Some people refer to this as time chunking, which has the goal simply of dedicating a time slot to a particular task—and only that task.

To be effective, chunking must be carried out ruthlessly. For example, you must ignore phone calls and beeping app notifications (it might even be worth turning the notifications off), and anybody interrupting you must be turned away. You might need to hole yourself up in an office or meeting room and put a note on the closed door.

Chunking also requires a degree of preparation and foresight when initially adding tasks to your schedule. For example, chunking time to focus on your accounting while your young child is also demanding your attention will be a disaster.

Some more tips: to make chunking fully effective, try writing down the goal on a sticky note before you commence upon a chunked time slot and putting it somewhere so you can ensure you see it and therefore don't lose focus. You might even use a stopwatch or timer to ensure you keep maximum attention for the duration of the chunked task.



Reviewing and optimizing the way you work

Most work tasks arise organically and we perform them the best we can based on our experience, training, and available resources.

However, a constant practice of consciously examining how we perform tasks rates among the most valuable business methodologies for many successful people. It isn't just time that can be saved but also energy—and this can make you substantially more effective.

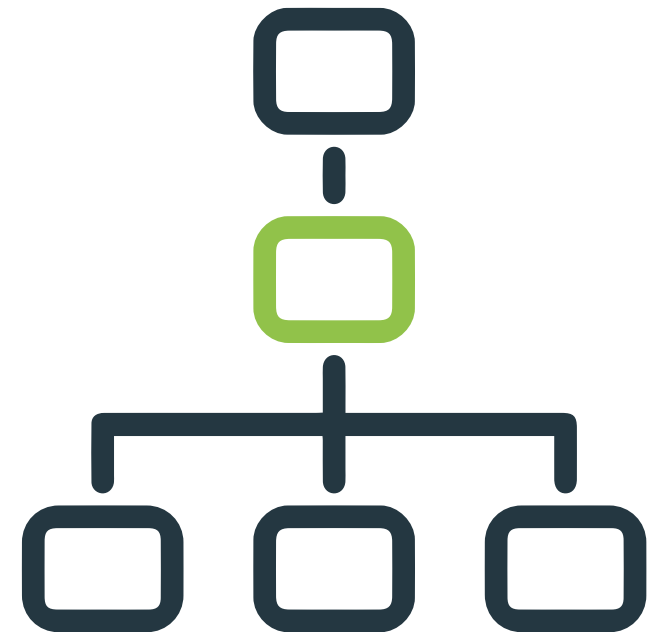


Reviewing and optimizing

#1: Convert tasks into workflows

Key to taking control of your business processes is to write them down so the constituent parts become a workflow. In other words, start with the clear outcome in mind and write down the steps required to achieve it. Nearly always a task will convert relatively easily to a series of chronological steps but you might instead create a flowchart-like diagram showing the process—something known as a Business Process Map (BPM).

While it's not strictly necessary to religiously follow the workflow steps while subsequently performing the task, splitting it out like this allows you to isolate any inefficiencies or even repeated steps, and also spot where time-saving measures can be implemented, such as those listed under the Getting Help From Experts (see page 21) and Offload The Workload to Technology (see page 26) sections below.



Reviewing and optimizing

#2: Delegate or abandon

The basic task of evaluating your workflows outside of actually performing them has the benefit of letting you identify those that you actually don't require, or that you can delegate to others.

It's also a good place to apply the Pareto principle, also known as the 80/20 rule. When applied to business processes, the Pareto principle suggests that 80% of results typically come from 20% of a business's effort. For example, while you might strive to treat all customer accounts identically, it might be the case that a handful in particular provide the bulk of your revenue. Therefore, rationalizing those processes relating to less lucrative customers makes sense.

You should also use the opportunity to identify those processes that truly belong to you and you alone in that they rely on your unique skills, experience or authority, and those that could belong to the wider business. Those are the ones that might be delegated to others if or when your business has employees.

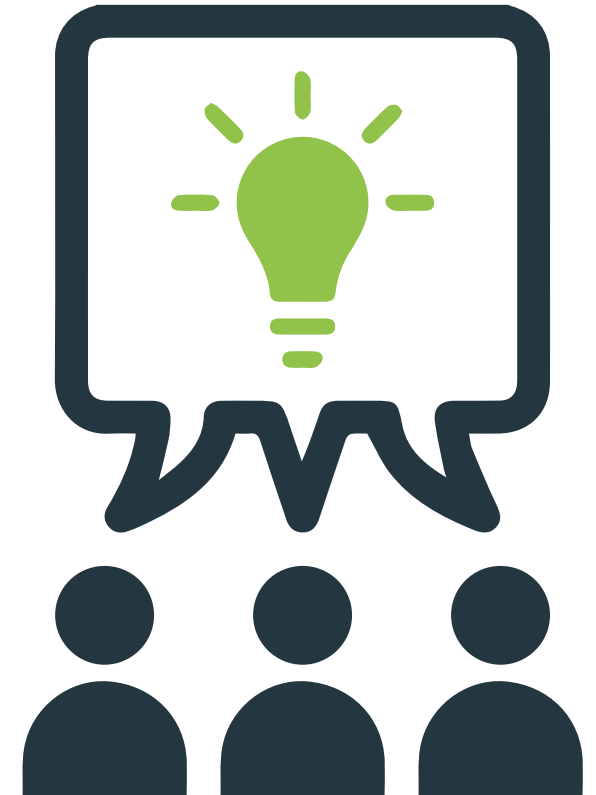


Reviewing and optimizing

#3: Learn from others

Look around you and you'll see there's no shortage of people undertaking the same daily workflows as you. Look online and you'll find hundreds of experts clamouring to provide advice about how best to undertake those workflows.

Put simply, try to remain open-minded and always be amenable to changing your practices and ways of working based on what you see. With the recent technology boom in particular, businesses practices are evolving at a rapid rate and to keep up in modern business, you always need to ensure the way you do your work is as efficient as it can be.



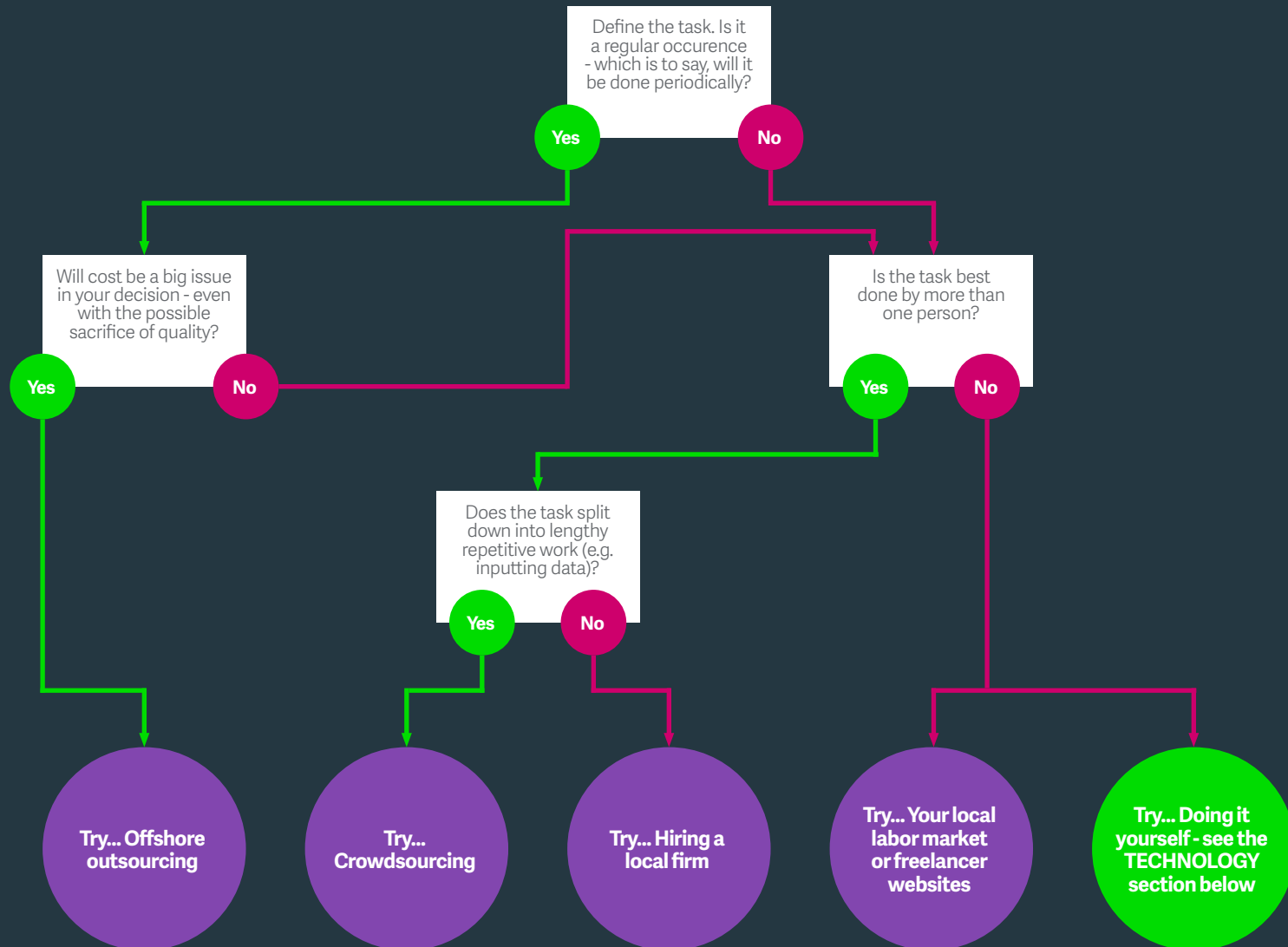
Getting help from experts

It might sound glib but a simple way to reduce your admin overload is to have somebody else do the work for you, especially if that work requires skills you don't have. Sometimes this is referred to as outsourcing, a process in which offsite individuals or firms are hired to handle tasks. Offshoring is a similar concept but the work is outsourced to overseas firms, typically in areas where the cost of labor is lower.

Although it's often seen in the context of getting expert help, consider outsourcing as a way of buying back time—time that you can spend better by revenue-generating activities. Is it more profitable for you to spend a day updating your website or to spend it directly undertaking work for clients?



Do you need help?





Getting help from experts

#1: Try the local labor market/local firm

Some admin tasks are very amenable to hiring somebody part time or using a local firm. For example, you might hire a bookkeeper to visit your premises weekly and ensure your accounting is up-to-date. Or you might keep your own accounts and use an accountancy firm for your quarterly or year-end business. In each case going local rather than using a faceless national or international service can be best.

How to find local help tends to vary depending on country but job websites such as Monster.com are a good first port of call and you can either advertise your vacancy or browse candidates. Trade bodies are also worth investigating, with most providing a list of registered businesses. This has the benefit that often their members will have undertaken certification processes and will be required to continue to meet minimum standards.



Getting help from experts

#2: Employ a freelancer

Tasks that involve skills you don't have are often best handed to freelancers, especially when they're of a creative nature. Several websites have arisen where freelancers of various kinds are listed. You can then view samples of their work, plus reviews from those who've already used them.

Alternatively, you can post your own project and have freelancers apply. Popular examples include Upwork.com, Freelancer.com and Guru.com. Such sites offer individuals with a wide range of skills across many business functions. Fiverr.com is also worth a look for the budget-conscious business.



Getting help from experts

#3: Use Crowdsourcing

Basic tasks are the bane of any small business. While technology can often help (see page 26), some tasks simply require human intelligence in a repetitive way. These are ideal for crowdsourcing. Amazon's Mechanical Turk (www.mturk.com) pioneered crowdsourcing and lists millions of people worldwide eager to take on tasks, or a small part of a larger task.

It's built around Human Intelligence Tasks (HITs). A small business's HITs might be having printed documents typed up, for example, or to translate sales materials into local languages.

To create your own HIT you need only provide the data, specify the pay rate (usually in cents per task completed), specify the type of task (i.e. data sorting) and specify the experience level of the workers (that is, how much of that task they've done before—a useful way of weeding out timewasters). In addition to Mechanical Turk you might try Cloudfactory.com, Clickworker.com, and Microworkers.com.



Offload the workload and technology

Most of us know to involve technology in at least some aspects of our business life but recent tech advances in the form of cloud computing and mobile technology have provided a massive productivity edge.

Features such as smart automation within accounting software can help to simply save time and thereby free you to focus on core revenue-generating tasks. But there's more to it than even this. For example, payroll software can walk you through onerous legislative demands as well as process the data. Payments technology can remove the need to badger customers to ensure you receive income.

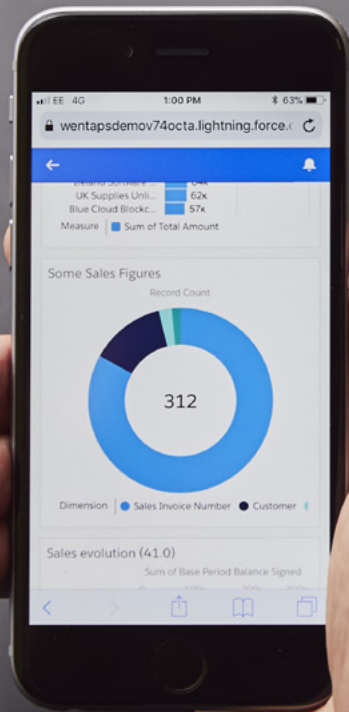


Offload the workload and technology

#1: Know your position 24/7

Because your data is stored in the cloud, it's always up to date on any computer device that accesses it. As just one example, you might make a change on your laptop and then immediately pick up your phone or tablet to carry on working without missing a beat—useful when leaving the office to grab a quick coffee, or when checking figures on the train home.

Some cloud services grab data from external sources too and again these will be up to date. An accounting app might grab financial data from your bank, for example, or a payments solution might input straight into the accounting app as well as deposit the funds into your bank. A useful side effect of real-time data is there's never any worry about ensuring you have the latest version of a file, or of data, because you're always accessing the live data.



Offload the workload and technology

#2: Make it easy to work with others

In the past, sharing a file meant passing it to somebody on a floppy disk (or USB stick if you're younger!) In the age of the cloud, the data can be shared with just a few clicks by simply providing that user with permission.

To continue the example from earlier, this means you can easily share your financial data with your accountant—and again everybody benefits from knowing it will always be up to date. Or you might share a file with a colleague, or empower all workers in the office to access the same data so everyone is able to access up-to-date client data.



Offload the workload and technology

#3: Reduced IT costs

A traditional office environment might include lots of desktop computers and servers, plus wires to connect them, and even a dedicated IT person (or team). With cloud computing, all you need is just some kind of computing device, whether that's a desktop computer or a tablet or even just a mobile phone.

IT support comes as part of the package via the cloud provider, although many services contractually promise virtually 24/7 availability in any event. There's not even any requirement to keep your software up to date because most apps are automatically updated, and cloud services update invisibly so you always have the latest version. There's no need to worry about data backup, because that's also taken care of for you.



Part 4

Experts speak

To really dig down into the issues facing businesses and to uncover potential solutions, we spoke to four experts in the fields that eat the bulk of admin time: accounting, payments, and payroll.



Dawn Fotopulos

Associate Professor of Business
The King's College New York

Dawn Fotopulos is the associate professor of business at The King's College in New York, USA. She's the author of *Accounting for the Numberphobic: A Survival Guide for Small Business Owners* and spent 20 years in business as a Wall Street trader, was vice president at Citigroup and is a serial entrepreneur. As a small-business-turnaround expert, she has rescued hundreds of small businesses from financial disaster.



Accounting: “Most people are never trained to run a business”

When it comes to small business admin, Dawn says there is no excuse for not having a basic knowledge of business and accountancy principles.

“Most people are never trained to run a business,” says Dawn. “They are trained to be a photographer. They’re trained to be an interior designer. It’s sort of interesting because we’re not allowed to drive automobiles unless we sit and take a class. And yet anybody can open up a business.”

Surveying the truth

She mentions a survey she undertook among 5,000 business people, of whom 90% did not generate invoices on a timely basis. Often businesses look at their balance sheet and assume a lack of funds means they must work harder to find new customers or seek investment. The reality, says Dawn, is often that: “You don’t need more money. You don’t need investors. You don’t need a credit line. You need to manage your accounts receivable properly. You need to manage your cash cycle properly.”

Mentioning that many business owners consider knowledge of basic business and accounting principles to be necessary only to avoid regulatory issues such as fines, Dawn frames the importance of basic knowledge as a time argument.

20-hour days

“You need to do it because it’s going to help you get out of the conundrum of working 18 or 20 hours a day,” she says. “And having very little to show for it in the bank. People assume money is limited and that time is limitless. In fact it’s exactly the opposite. It’s time that’s your critical constraint because everybody only has 24 hours.”

She mentions an example of a businesswoman she knew who was owed \$50,000 by her clients in unpaid invoices: I said, “Those are people that owe you money. You’re the bank. If you had an hour of time to invest in getting more customers or collecting

against those invoices, how would you invest that 60 minutes?” She said, “I’m going to go collect against those invoices.” And an hour of collecting against those invoices is going to be far more profitable for your business than spending more time in marketing. Get that down first and then go out and market some more.”

Bad training

Even accountancy training can get it wrong, says Dawn: “We teach it backwards because we’ll teach all the building blocks but we won’t answer the ‘Why?’ question—why are we even doing this? You could, in theory, take a series of accounting courses and still not know how to manage a business.”

Although Dawn recommends at least this basic knowledge, she also recommends hiring an accountant and using software. However, once again a basic understanding is required.

“These are usually pretty smart people,” she says. “But because we don’t know the right questions to ask, we probably only get 10–20% of what they’re really capable of doing. If we understand the basics and we go in with intelligent questions, then we can put a real plan together. And then you make your accountant a strategic partner instead of just an expense.”

Finding a solution

Similarly, when finding a software solution she recommends starting with experts and again relying on basic knowledge to know the right questions to ask: “You need somebody that can customize the solution for you to eliminate what I call molasses in the works. They set up the platform properly and it makes life so much easier because not only do you save tons of time but you have access to accurate and complete data. It flows from one system to another seamlessly, so you don’t lose data and you don’t corrupt data. The reports are accurate, so you can really see what’s going on in the business.”

Once again, Dawn frames the benefits of getting help in terms of the time saved. She mentions the example of a friend of hers who runs an IT firm. She says: “If he could reduce the amount of time it takes him to do monthly reconciliations by 25% or 30%, that would free up six man hours or a full work day. He could write three proposals in that time. Each proposal is potentially worth \$180,000. The likelihood is that he would get one of those proposals approved. So, I figured out that for every hour he’s spending doing reconciliation is costing the company like \$10,000 in lost revenues. And that’s the way a small business owner has to think.”



Seamus Smith

Sage EVP of Global
Payments and Banking

Seamus Smith is Sage EVP of Global Payments and Banking, and is an expert on integration and Open Banking, with particular reference to how it will revolutionize how small businesses manage their money.



Payments: “An integrated accounting solution is the best defence against admin frustrations”

“With trillions in value circulating across the world, the global movement of money is a colossal function. This places tremendous pressure on financial entities to facilitate money movement as quickly and seamlessly as possible. This is especially true for the small business segment, a cornerstone in the global economy and significant contributor to economic activity.

“So important is this movement of money in the health and wellbeing of the economic landscape that we’re seeing increased regulations such as Open Banking in the UK and PSD2 in Europe to stimulate innovation and competition among financial services providers so services for businesses and consumers can be improved.

Research data

“As our research shows, there’s a big demand among SMEs for a more streamlined approach to money movement—one that eliminates manual processes and the drain on staff resources. Beyond that, small businesses need finance tools that take the guesswork out of generating the numbers and focus on how to interpret them and make better business decisions. This should be matched with the mobility and scalability SMEs today require. The right solution offers an improved customer experience and allows SMEs to move between money streams [in, out, and around] with fluidity.

“Financial institutions are answering the call by partnering with technology innovators and financial technology [fintech] leaders to bring more integrated solutions to market. This means new end-to-end functionality that allows SMEs to manage money admin tasks on a single complex platform, not individual platforms.

Integrated accounting benefits

“Instead of managing banking tasks on your bank’s website then accepting payments that will eventually need to be deposited into your bank account from a merchant services account and making payments to suppliers through another service, integrated accounting and payments software gives you elevated control and visibility of your business’ money at all points in one place.

“Integration is also driving innovation in payments services. Instant payments, for example, are the industry’s response to the key barriers to chasing and making late payments. Emerging payment methods such as digital direct debit and pay direct-from-invoice eliminates lost and delayed invoices and payments as funds are automatically transferred to your business account once the customer initiates the transaction. This eliminates the need to allocate resources to chase payments and removes the most common excuses for late payments (lost invoices, delay in payment process).

Barriers to cash flow

“Where barriers to effective money management create cash flow problems, integration offers real-time updates on your business vitals through live bank feeds. Transactions reconcile automatically and payments to suppliers clear in real time, so you’ll always have the most up-to-date figures available when budgeting for expenses and investments.

“Inefficiencies in administrative processes are a major impediment as our research shows, especially when it comes to payments and banking. Investing in an integrated accounting solution is the best defence in the battle against admin frustrations. The underlying benefit of digitized processes means less room for error and more time to focus on growing your business.”



Donna Obstfeld

Managing Director of DOHR

Donna Obstfeld (FCIPD) has more than 20 years' experience in Human Resources (HR) and management. She owns and runs DOHR (dohr.co.uk), which helps businesses of all sizes with their HR needs. Todd Black has more than 20 years of Human Capital Management and payroll experience, and is Director of Product Marketing for Payroll at Sage.

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Director of Product
Marketing for Payroll at Sage



Payroll: “If you’re going to run a business then you never stop learning”

Encumbered by both regulatory requirements as well as sheer administrative overhead, running a payroll is perhaps one of the most onerous tasks facing any size of business. It's one of most unforgiving when it comes to staff expectations and therefore must be completed without errors each time.

There are a number of solutions for handling payroll, explains Donna, but regardless of which is chosen she agrees with Dawn Fotopulos in that there's no getting away from knowing what's required—especially, in this case, when it comes to the legal requirements.

Knowing the right questions

“You need to know what questions to ask,” Donna says, “and you need to know enough to challenge when things don't look right. Some of our clients run it through Google and get half the story, or they'll get the whole story but then they'll decide they don't want to do it as they should.”

In other words, using a search engine or other informal routes to knowledge might seem to save money and time but is ultimately a disastrous false economy. Donna suggests getting authoritative advice upfront is vital if you lack knowledge. She says: “People tend to consult us for the first time when they're in crisis. And that crisis is usually formed because they've done something wrong. And nine times out of ten it's because they didn't even realize they were doing it wrong. They didn't know how much they didn't know.”

Getting help

A good idea is to sign up to email lists from payroll organizations like the American Payroll Association (www.americanpayroll.org), she explains, so you can keep an eye on industry updates and legislation.

“Outsourcing your payroll allows you to remove the hassle and time-consuming parts of the process,” explains Todd. “Most small to medium sized businesses would prefer to rely on the experts

when it comes to running payroll, compliance, regulations, and reporting. This is accomplished by providing your time data to an outsourced vendor and letting them do the heavy lifting for you.”

Invisible costs

Todd explains that the admin burden can be significantly lifted by outsourcing payroll: “The joy of hiring an outsourced vendor to do your payroll processing is they usually can do your check printing, tax filing, and garnishment processing as well, which eliminates the stress and allows business owners to concentrate on running their business.”

Flexible control

“You have total control of the process from end to end,” he says. “Now with that total control of process you have a flexibility to be able to change things and amend things on-the-fly, as you want. And you also know exactly what your costs are going to be at any moment in time.”

However, Donna again warns that a basic knowledge should be considered the starting position.

“You're putting in a set of numbers,” she says, “and it crunches them, then comes out with something at the end. You've got to be able to say, right, I trust this totally and completely. It's about knowing what questions to ask.”

In summary, Donna says: “If you're going to run a business then you never stop learning. And as a businessperson you are your own operations person, you are your own finance person, and you are your own administration person. And even when you outsource that stuff or use software you still need to make sure that you're getting the results you expect and the return on investment you expect.”





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