

Sapphire Case Study: ROYAL BRITISH LEGION



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SUNSYSTEMS



To help drive down the cost of internal administration processes and to ensure that the amount spent on supporting those that are most in need is maximised, charitable organisations are always looking for new and innovative ways of eliminating unnecessary costs and overheads from their balance sheets. For charities processing travel and employee expenses – automating this procedure can be an excellent way to contribute to the bottom line savings.

The Royal British Legion is one of the UK's largest membership organisations with over ½ million members worldwide. The Legion was founded in 1921, as a voice to support the needs of the ex-service community and is now the UK's leading charity - providing financial, social and emotional support to the millions who have served or are currently serving in the Armed Forces. Every year, the nation expresses its support for the work of the Royal British Legion by buying over 38 million poppies in remembrance of the many millions of servicemen and women who have served in the Nation's Armed Forces.

The Royal British Legion currently employs 3,000 staff to help manage and support their charitable work across the world. Income in 2004 was £68m - of which only a small fraction (3%) is allocated to fund their management and administration costs.

Terry Harker, the Legion's Financial Accountant, attended a conference at the Charity Finance Directors Group in London, which included a very enlightening session on the benefits of automating employee expenses. Seeing this as a possible opportunity for the Royal British Legion to recoup some valuable time that the Accounting Services team spent on rekeying and manually managing the expense process, Terry comments "By the middle of 2003 the Accounting Services team were receiving something in the region of 250 expenses claims per month, which meant that a member of the team needed to spend around 2 or 3 days every week just checking and rekeying these expenses claims into our SunSystems journal". He continues "This was time that we wanted to redeploy on projects that would potentially deliver better business value to the organisation". To see if computerising the Expense Management would help the Royal British Legion save time on this process, Terry asked Basia Wosiek, a trainee accountant from the Legion's graduate training programme, to explore the possibilities.

The result of Basia's investigations was a proposal delivered to the Legion's Board of Trustees which illustrated the time and costs associated with administering employee expenses, together a projection of how much of this time and money could be saved through automation. Basia explains "We calculated that an average expense claim would take us 12 minutes to process - including the checking, authorisation and filing procedures. In the previous year we processed 2975 claims - making all those 12 minute jobs add up to a grand total of 595 hours processing time. The proposal we submitted demonstrated how we hoped to reduce the total amount of administration time associated with the whole expense management process."



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With the Board's agreement that the project could move ahead, Basia was designated project manager. Work then began on sourcing potential solution providers. On commenting on the selection process Basia affirms "one of our must-have requirements was to ensure that we could transfer data directly into SunSystems accounting system. After some preliminary market research, we short listed three expense management solutions from three different resellers, whom we invited to our offices for informal discussions on the best way forward". Having spoken with each reseller to determine their suitability, Terry and Basia then issued a brief "Request for Information" to each of the candidates for completion.

By conducting a thorough review of the Request for Information responses, the Royal British Legion decided to opt for the Sapphire/Transfare proposal which provided a dedicated employee expense management system with automated links into SunSystems. Terry comments "we selected this solution as not only did it provide the integration into SunSystems, but it was the only offering that was absolutely dedicated to managing employee expenses. Although we found the others to be functionality very rich - they were a component of a much bigger procurement system - which was not a requirement. We also found the relationship between Sapphire and Transfare - the authors of the software - to be particularly strong. The fact that the authors were heavily involved in the process helped to give us the confidence that this was the right system for us".

The Implementation

As with all new software implementations, preparation is the key to success. Basia states, "Before any work began on site, we completed a detailed questionnaire which helped to uncover any potential problems areas, process difficulties or technical issues that may have arisen - and which could have delayed the project. During this phase, we found the Sapphire/Transfare partnership to be very organised and efficient – they laid out a detailed implementation plan for us, told us exactly what would happen and when it would happen - and even gave us some best-practice examples and worksheets for us to complete which helped us to map out the internal expense processes simply and clearly". On completion of the preparatory work, they were ready to begin the implementation itself. Terry comments "We received a detailed implementation plan from the Sapphire/Transfare team - which they stuck to - in fact, we even requested a reduction in the implementation plan by one day in order to keep a day in reserve - and the project manager was extremely flexible in accommodating this requirement".

How the System Works

In most companies the expenses claim process can very convoluted - a paper submission is completed by the claimant, posted to the line manager, authorised by the line manager, posted to accounts, authorised by an accountant, entered directly into the journals by a data-entry clerk, approved by an accounting clerk before a cheque is raised, signed by an authorised signatory and then, finally, posted back out of the employee. It's not unusual in many organisations to see this process take several weeks!

For the Royal British Legion, the way that they handle their expense process has been transformed: Terry tells us "submitting an expense claim via Transfare is very simple... our employees log on to a secure website and input their expenses. On completion, an automated email alert is sent to their manager who then logs on to check and approve



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the expense claim for payment. The Accounting Services department then reviews this information on screen and authorises the amount for payment to be made by BACS transfer. And so, instead of employees having to wait possibly weeks to receive their payment, it can all now happen in a matter of hours". The data processing is simplified too - after the on screen review and verification checks, the Accounting Services department simply downloads the data at the push of a button into SunSystems. This of course means that the Royal British Legion's Accounting Services have virtually eliminated the administration time that they had to spend on rekeying the data directly into SunSystems.

Training

For many organisations, the sophistication of today's software solutions means they must allocate a large training budget to ensure that employees are successfully trained on how to use it. One of the benefits of the Transfare system is its simplicity.

Terry comments, "ease of use was an absolute must for the system to be successful as we simply don't have the time or the resource to travel around the Legion's fields offices training users on how to input an expense claim! The new system was 'launched' at our Field Staff conference at which Basia gave a product demonstration using the venue's internet connection. Although Basia ran a few Transfare 'User Surgeries', we feel that anyone who is familiar with browser technologies such as Microsoft Explorer will be using it quite happily in very short timeframe - and needing little guidance in addition to the notes we've provided online. As it's browser based, there are no implementation costs involved, provided there is capacity within the infrastructure, and people can be set up by a central Administrator within a matter of minutes. In fact, one of the only problems we encountered was persuading people that they didn't need any training to use it!"

In terms of cultural change and technology adoption, the Legion have found that no new system is without its critics. Terry comments, "We have found that some users that are unfamiliar or uncomfortable with technology still prefer to send in manual claims. The process can take longer for some individuals to fill out online and, to save set up time, we do not currently support low volume or infrequent claimants as the time and investment can not always be justified".

Benefits of the System

Travel and Expense Management systems claim to offer substantial benefits to companies who automate their expense system...what does Terry feel are major benefits to the Royal British Legion?

"The philosophy behind the system is great - and implementing the system has definitely been a worthwhile exercise. From an Accounting Services perspective, we feel that morale within the team has improved greatly - instead of having to re-key each claim it's now an on screen review and a 'two-click' authorisation process. Although we do spot checks on vouchers against the claims when they arrive, this is now much simpler - and we've reduced the amount of paper and those stressful chasing phone calls the office has to handle too. From the User's point of view it helps to improve empowerment - for both the claimant and their manager there is a duty of care to ensure the completeness of their claim - and it really brings home the accountability that they have to the Royal British Legion to check their claim and ensure it's accuracy.



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London

☎ +44 (0)20 7648 2000

New York

☎ +1 (212) 541 2406

Los Angeles

☎ +1 (310) 231 8731

✉ info@sapphiresystems.com

🌐 www.sapphiresystems.com

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Claimants can also check the progress of their claim in an instant - and so they always know what's happening and where their claim is in the system."

"In addition, we've cut the amount of time it takes to process the claim so, whereas before it could take up to two weeks for a claimant to be reimbursed, it can now happen in a day or two. As for time savings - we now anticipate that around 80% of our expenses claims will be processed electronically - and we can look forward to reducing our administration overheads by as much as 180 man days per year."

On commenting on the service and support that Sapphire provided during the lifetime of the implementation project, Terry surmises "the support and advice we received from both Sapphire and Transfare has been tremendous - they've kept us informed and up to date on all aspects of the project - throughout the whole implementation life cycle - and they have kept in touch with us regularly to make sure that everything is running as it should. If we need any support or advice we know they are just a phone call away and, most importantly, we feel they have delivered exactly what they promised us."

As for future development of the system Terry tell us, "Our implementation of the software was 'out-of-the-box' with very little customisation. As an organisation with our own internal policies and processes we will have some suggestions to add to the user community 'wish list'. It will be interesting to see how the product develops over the coming years in response to these user suggestions and we look forward to developing the system to derive even more value from the automated process".