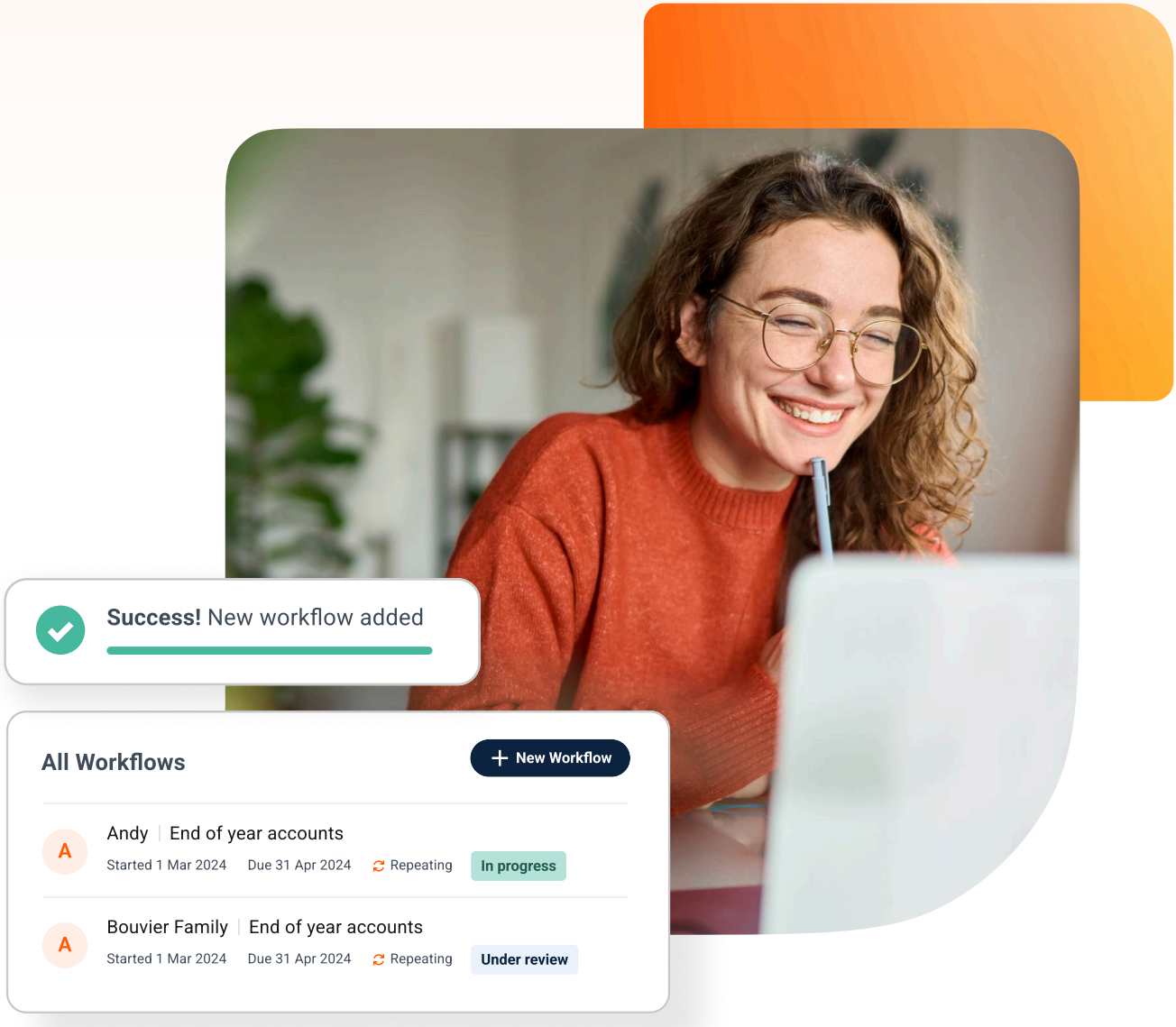
Dext By IRIS

Guide

Build the perfect accounting workflow



Introduction



Is there such a thing as a perfect accounting workflow? It's hard to say.

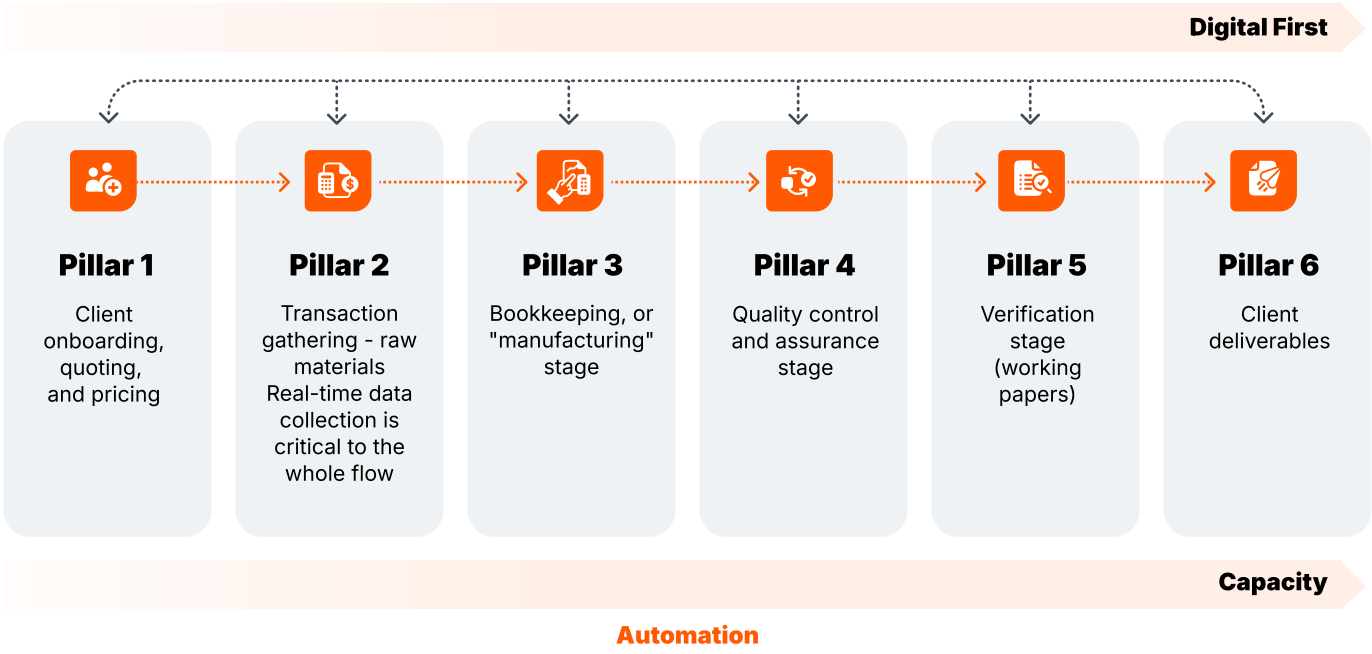
With new technology, the rise of AI, and ever-changing client demands, there's always room for more efficiency. But knowing where to start is often the hardest part.

To help you get started, we'll be taking you through our recommendations for building a close-to-perfect workflow — a blueprint for success that can be tailored to your firm and clients. You'll learn how best to automate and use data to your advantage. We'll also be sharing where Dext fits into the picture and how our tools can help you build along the way.

'The Factory' model

At Dext, our VP of Product Strategy and Accounting Expertise, Paul Lodder, has proposed firms follow what he refers to as the 'The Factory'. This is a widely-accepted concept that suggests firms should be run in a similar way to that of McDonald's; a system built on efficiency whereby the flow of work is finely-tuned and interconnected — it keeps things simple.

The Factory



How to apply 'The Factory'

As you can see from the diagram above, 'The Factory' segments the accounting workflow into different stages. It's also super useful when implementing technology, as it allows firms to target particular areas where apps or additional tools might be needed. Above all, 'The Factory' gives you a broad-scale view of your firm's entire process.

If you already have a workflow — or some form of process used throughout your firm — we suggest that you overlay 'The Factory' on top of that existing framework. By doing this, you can see where there are potential gaps; perhaps some areas are lacking the same level of investment as others? Are there areas causing bottlenecks?

With that knowledge, let's delve a bit deeper into each of the pillars that make up 'The Factory' model.

Pillar 1: Client onboarding

Client onboarding — including quoting and pricing — is such an important part of the accounting workflow. But there's a fine line between not enough and too much automation. Historically, it is the least automated stage of 'The Factory', partly because these processes are deeply rooted within a firm's approach; partly because the benefits of automation for client onboarding are widely unknown.

> **"Across the firms we work with, this first pillar is probably the least automated out of the entire factory model, even though it's the first major engagement firms have with a client."**
>
> **Steve Cox, Director of Business Intelligence IRIS**

It's true that firms tend to focus on the tail-end of the accounting workflow — where and how work gets done and the outcomes. But if you plan to really shake up your workflow for the better, it's vital you put your best foot forward digitally at the start. It sets the tone and allows you to connect your technology from the off.

There are plenty of apps which you can now use to automate engagement letters and streamline much of the onboarding process, including pricing. Furthermore, you can apply AI to create personalised onboarding journeys.

There's also the role of data in helping to shape price. With Dext, for example, you can assess client data health with our Health Score functionality. This gives you a clear indication of a client's data quality — and how much work will be required — before you've even had a conversation with them about pricing.

> **"We use Dext's Health Score to provide us with an idea of quality as well as total transaction volume to ensure our quote accurately reflects the scope of work required."**
>
> **Simon Woodhams, Software Advisory Manager, Moore Kingston Smith**

What's the real benefit?

Besides creating more efficiency and time, there is a serious commercial opportunity. With the rise of more entrepreneurs, typically from younger generations — and far more accustomed to technology — firms should look to position and pitch themselves as equally adept with tech. Of course, you have to back that promise up from the start.

As great as all of this sounds, you must strike a balance and **maintain that human element.** Like most AI-powered technology, the tools are there to free you up to be a better version of your professional self. In this context, that might mean automating the creation of an engagement letter to make time to find out more about that client's business. Remember, this is the first time any potential client will interact with you, so make them feel like they can trust a real person to take care of their business.



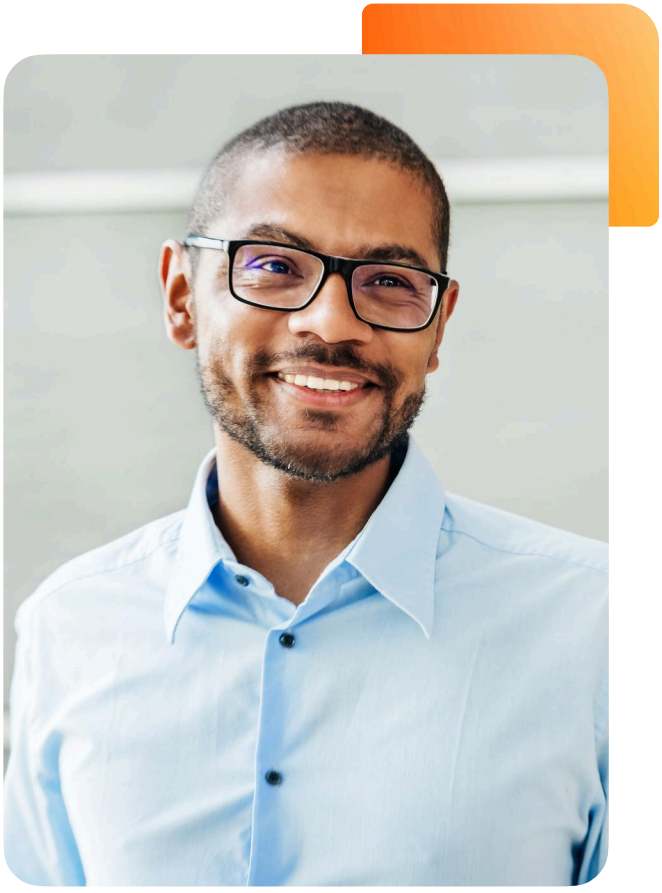
Pillar 2: Transaction gathering

The days of paperwork, shoeboxes of receipts and last-minute deliveries are slowly being left behind. But old habits die hard, and it's likely some clients will stick with these ways to send you their records.

That being said, on the whole, there is growing acceptance and uptake of data capture tools (like Dext). Real-time data collection is, of course, critical if 'The Factory' is to have its full effect. You can make do with manual transaction gathering, but in reality, you're missing out on a wealth of automation value.

"The majority of our clients have embraced cloud accounting technology, which gives us the real-time data we need to do our work. As long as it happens on a regular basis, we can ensure that we don't fall behind the process."

Katherine O'Carroll, Director
BDO



These days, concerns around transaction gathering and the use of technology are less *"I won't change"* and instead *"I'm not sure how to change"*. This is where you as the adviser come into your own. Show them first hand the benefits of receipt and invoice capture, and how easy it is to submit their records, whether that's on the go or in bulk. The term 'automated data capture' might seem daunting to clients, but once you demonstrate the value, they'll be far more likely to buy in.

There will be some instances where you have to meet clients in the middle. For example, the client that only needs you to assist with their quarterly VAT return probably won't be as open to using technology and changing their existing process. And that's completely understandable. In this case, you can still apply automation by using tools like Dext internally, essentially capturing and submitting data on your client's behalf.

"It all comes back to the first stage around quoting and pricing — if the work demands a more regular flow of information, your quote should accommodate the correct level of technology that's needed. And vice versa."

Simon Woodhams, Software Advisory Manager
Moore Kingston Smith

Where does Dext help?

As mentioned, this stage of the accounting workflow is very much Dext territory. For fifteen years, we have led the way in automated data extraction whether that's from receipts, invoices or a range of other financial documentation. Learn more about those below.



Upload

Upload items directly from your computer. Select a file or drag & drop. We'll let you know when the item has been uploaded.



Email

Email invoices or receipts to a dedicated address. Once sent, we read the text and deliver the data you need directly to your accounting software.



Invoice Fetch

We automatically fetch invoices and bills from authorised suppliers. We check those on a weekly basis, so you don't have to.



Bank feeds

Set up a live feed to your clients' bank accounts, so you can instantly compare submitted invoices and expenses against actual bank transactions.



Bank statements

Getting the information you need from clients' PDF bank statements can be a time-consuming process. With Dext, clients only have to upload them and we'll extract what you need.

Pillar 3: Bookkeeping

The bookkeeping stage — or manufacturing stage — is another part of the workflow where there's plenty of room to automate. So what's stopping firms from doing so? Again, it's largely down to the fact that these are age-old processes and the alternative is relatively unknown. It comes down to trust, or a lack thereof.

The only way to change that is by putting your faith in the systems you use. When you do, you'll reap the rewards, which is always a powerful way to sway any decision-maker. It's about realising that the chance of error is now higher when the work is completed by someone, not something.

"There's definitely an element of control. We want to be able to make sure that we know what's going in, what's going through the system — when it actually does that automatically. Once you've built that trust up, you can relinquish trust over to a system to automate that stuff for you."

Steve Cox, Director of Business Intelligence
IRIS



"It's about making sure that the team is focused on what they should be doing and that comes by letting the technology do what it can and is supposed to do."

Katherine O'Carroll, Director
BDO

"This is a big area where a lot of people 'spin the wheels' and spend a lot of time when they don't need to. It's probably one of the biggest efficiency gains you could go and get."

Steve Cox, Director of Business Intelligence
IRIS

Where does Dext help?

At Dext, our bookkeeping automation is trained on the 320 million plus documents we've processed in our fifteen years' existence. What's more, we boast industry-leading accuracy of 99%.

01

Automatically categorise

If you're looking to save time, Dext's automation can automatically fill in categories, suppliers, and payment methods for your expenses and invoices. That way, you won't have to enter the same details every month.

02

Auto publish items to your software

Our Auto-Publish feature lets you send documents from specific suppliers or customers to your accounting software as soon as they're submitted. You can also turn it on or off for each supplier, so you have full control.

03

Split a transaction out into line items

With our Smart Split feature, you can set up pre-defined line items for transactions from a specific supplier. Once it's set up, the work is done for you every time you submit an invoice from that supplier to Dext.

Pillar 4: Quality control and assurance

When it comes to data, so much of your hard work can soon unravel if the information you're working with is incorrect. You may have optimised how you gather your clients' records, and automated large chunks of the bookkeeping workflow, but if the data is wrong, so too is your understanding of the client's business.

Poor data quality and health can derail any advice or conversations you have with clients, which is why adding an additional layer of checks and quality assurance is so essential.

Take a look at how this works at Dext.

> **"It all comes back to the first stage around quoting and pricing — if the work demands a more regular flow of information, your quote should accommodate the correct level of technology that's needed. And vice versa."**
>
> Simon Woodhams, Software Advisory Manager, Moore Kingston Smith

Automated health checks

Using machine learning (ML) and artificial intelligence (AI), we audit your data and flag any discrepancies like missing or incorrect data. You can check for duplicates or see where you may be missing an important document. It gives you greater oversight and control over information, which if wrong could have costly implications.

Assess client data quality

Our Health Score feature gives you a percentage which represents the overall health of your client's data in Dext. It provides a clear view of your data's accuracy and completeness and helps your team spot issues, fill in any gaps, and make informed decisions with confidence. What's more, it provides a measurable gold standard for data health, which can inform pricing strategies and help your team better prioritise their work.

Real-time insights

The advice you share is so dependent on you having access to the right insights. With Dext, you can view a number of metrics and turn vast data into digestible reports. When you have these insights, you can help clients make smarter decisions and steer them through peaks and troughs.

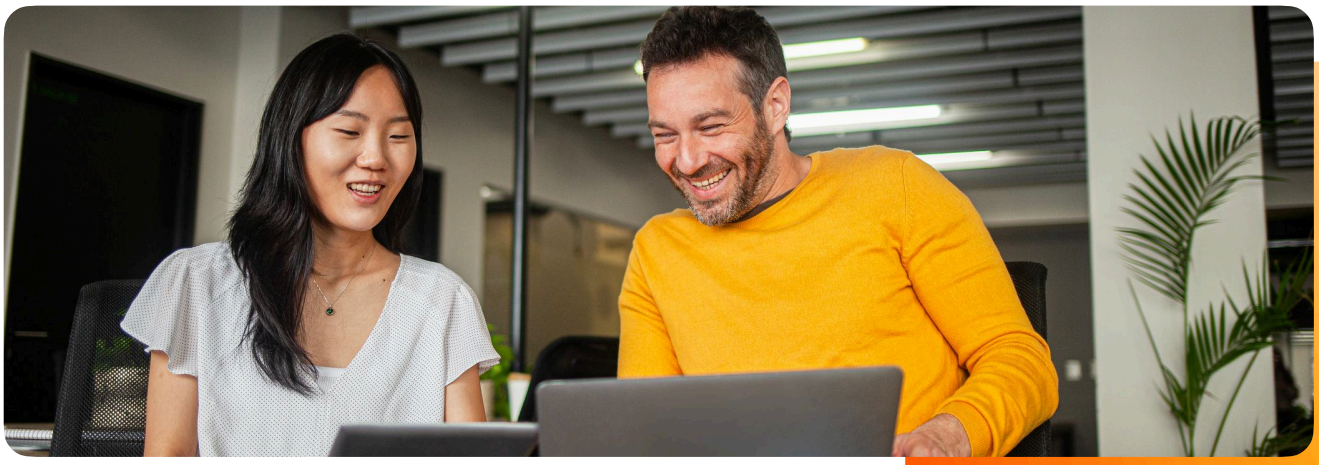
Pillar 5: Verification stage (working papers)

There's no doubt that working papers are an essential cog in the accounting process. But, like elsewhere, there is so much room for automation and efficiency gains. There are two approaches you can take:

1. **Adopt a specific working papers solution**
2. **Leverage software integrations to support you in creating your workpapers**

> **"When it comes to working papers, people still feel that 'this is my way of doing it'. What a lot of people don't realise is that a lot of working paper solutions out there now can completely adjust to your template."**
>
> Steve Cox, Director of Business Intelligence
> IRIS

If you like things the way they are, then you'll be pleased to know that most working papers solutions adapt to your specific template. This means that you can automate the preparation, organisation and updating of those working papers while retaining your template.



Alternatively, you can rely on integration between your various products to do a lot of the heavy lifting. Whether that be reporting apps which create your lead schedules and support your comparative analysis; data accuracy tools which can create your control account reconciliations and flag errors in the data; or apps which integrate with excel to automate some of the calculations.

> **"A lot of the time, working papers can be almost completely automated. With Dext, it's pushed into a bookkeeping solution, and then sent through to the final accounts software, with all of the import maps, which the software will then spit out as a report. Those there could, technically, be your working papers."**
>
> Steve Cox, Director of Business Intelligence
> IRIS

Pillar 6: Client deliverables

The level of automation you choose to implement at the client deliverables stage solely depends on what you're providing them with. Whether it's tax returns, audits, financial analysis, planning and forecasting, or advisory services there are plenty of ways to make those processes as efficient as possible (and plenty of applications available to help).

You can use cloud accounting software to automatically generate and send regular reports, like a quick cash flow forecast, scenario planning or benchmarking on a set schedule.

It's at this tail-end stage of 'The Factory' where firms currently use the most automation. As much as that's to speed up processes and save time, we all have different priorities around what extra capacity means at a firm.

For some, it's about doing more valuable client work, bringing their business to life and supporting them on their real-world problems. For others it will be to focus on finding new clients and more opportunities, sometimes taking you into specialised niches. And sometimes it's to create a slightly healthier work-life balance, freeing up time for the school run, the golf course or simply reclaiming your weekend.

"For me, the big thing that we *shouldn't* be trying to automate is the client relationship because, in theory, that's the one reason why we all got into practice."

Steve Cox, Director of Business Intelligence
IRIS

Conclusion

The key thing to note is that, whatever form of automation or product you choose to adopt, do so with the client at the forefront of your mind.

Where do they struggle? Where is there a disconnect or clear inefficiency? Which of their failings slow you down? Tap into their way of thinking to steer your own strategy — then automate accordingly. You'll soon find that when the client benefits, your firm does too.

In addition, when it comes to automation, don't be afraid to ask questions and test things out. If you're stuck or want to make something work better, try your best to understand the software you've got, the level to which you're using it, then go and speak to that vendor. They have the expertise to advise you on which direction to take next.

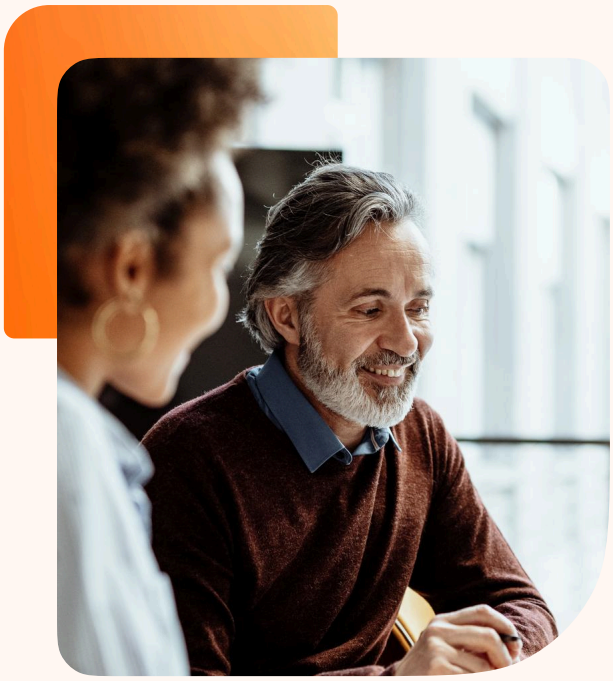
"Lots of firms have different pain points they're trying to solve internally. What we try to do is visit clients and ask them where their pain points are. If they're struggling to send you documentation, build that solution into your own internal process — meet your clients where they're at."

Simon Woodhams Software Advisory Manager, Moore Kingston Smith

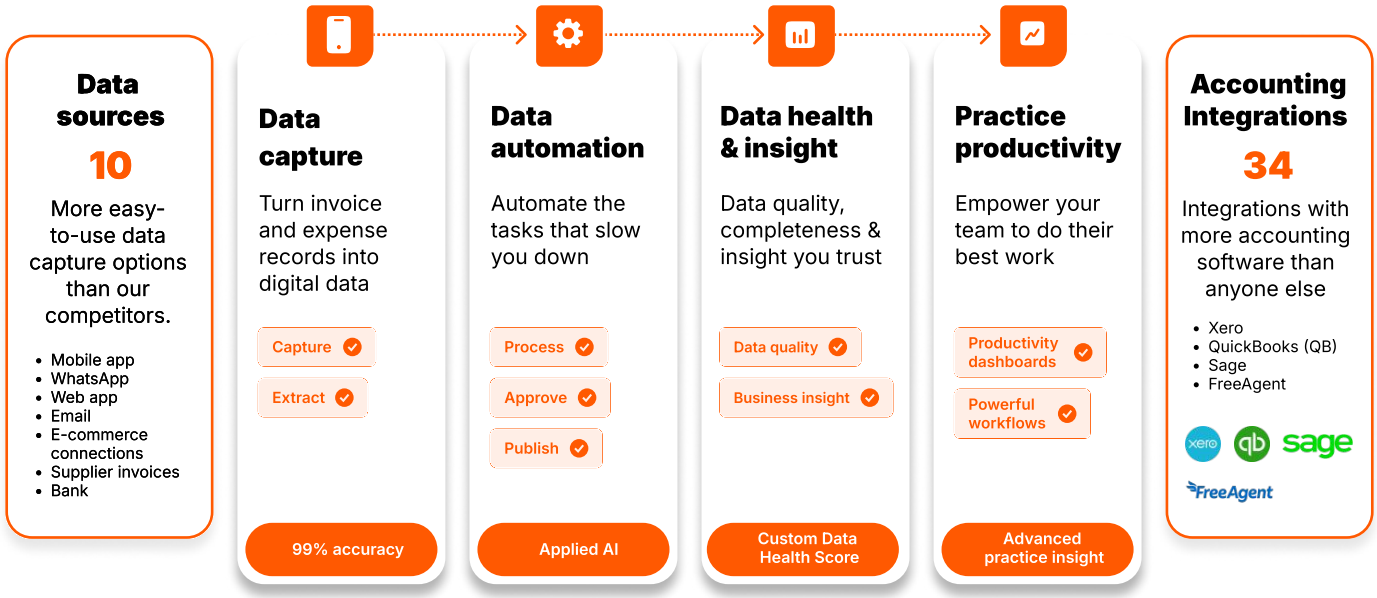
Bookkeeping efficiency with Dext

You've now explored 'The Factory' from start to finish. At Dext, we've devised our own set of pillars based on where our product sits within the bigger process. Dext's four pillars bring a number of elements together into a powerful bookkeeping automation platform with data-driven insights at its core.

If you're after a comprehensive, reliable tool that gives you access to the data that matters most, Dext has you covered. Take a look at the diagram below to explore how our platform delivers smarter bookkeeping automation.



Dext. The only complete **bookkeeping automation platform** that grows with you.



Want to learn more about Dext and what it can do for you? Just click below to schedule a call with one of our experts. They'll be happy to answer your questions and give you a guided walkthrough.

Let's talk →


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