

Expense Allocations that reduce costs

How ORYX Expenses improved the expense allocations process and gave greater visibility and reporting to the business at a world leading Insurance company.



The company's old expense allocation model comprised of multiple linked spreadsheets and required significant manual input. It left the business struggling to control unapproved allocations, and without a way to reconcile back to the original entries.

How did finance add control over its expense allocation process to provide better visibility and reporting for the business?

Client Fact File

- Leading global insurance and reinsurance company
- Part of a global group, with assets of \$12 billion
- 1,600 employees in almost 40 offices around the globe
- Providers of speciality insurance solutions

Key Project Metrics

- First of multiple project engagements
- Key business benefits achieved:
 - Automation of allocation model, removing all manual input
 - Annual cost benefit of £50,000
 - Significant reduction in man hours freeing up resources to higher value tasks
 - Flexibility to capture new requirements as the business evolves

Background

The processing, categorisation and allocation of expenditure items was performed by using multiple linked spreadsheets. This caused frustration and inefficiencies for both the Group and Operational finance teams.

With every input manually keyed in and submitted by the business units, it was not possible to trace the link between the input data and the source ledger data. And with the allocation methodology undocumented, staff involved in the process were left confused, with some methods being employed that hadn't been formally agreed with the business.

Similarly, as allocation data only resided in the original spreadsheet, it was difficult to consolidate or include it within other reports for analysis.

In addition, the lack of flexibility to change the allocation logic,

and the lack of transparency created more work and added further frustrations between finance and the business owners.

The Project

After being invited to undertake an audit of the existing process, Accountagility proposed a solution that would resolve the shortcomings of the existing system. A rules-based allocation model was offered that would deliver a fair and correct distribution of expenses for each business unit, so that true costs could be recorded and profitability accurately assessed.

ORYX Expenses introduced an allocation methodology that was formalised into a succinct set of rules that could be reviewed and agreed by all relevant parties. The introduction of automating and validating data directly from the source systems removed the need for manual data entry, and significantly improved the quality of data (undetected errors was a particular pain-point of the old system).

Key process controls ensured allocation output reconciled back to the full source transaction, flagging any unallocated transactions to be raised as exceptions. This gave the business full traceability, and with all data now stored in one database, analysis and reports were readily available, including full drill to source audit trail.

Accountagility replaced the spreadsheet-based expense allocation process with a succinct set of rules that reconciled back to the source transaction. This provided a full audit trail and access to detailed analysis and custom reporting facilities.

The ORYX Solution

- ORYX Expenses
- Single platform solution for cost allocation
- Part of a full suite of solutions for the Finance function that manages expense allocations efficiently across the organisation

Key Outcomes

The Accountagility solution exceeded the original expectations of the client by:

- Acquiring and validating all data automatically, removing quality issues
- Formalising the allocation methodology, removing inconsistent rules and bad practices
- Fully automating reconciliations, with full audit trail back to the source expense data
- Providing on demand reports to the business, and enabling deep level analysis
- Capturing new business requirements by easily modifying the allocation rules

Strategic Benefits

- The Finance function now provides process visibility and has full buy-in from the business
- Improved accuracy and simpler reconciliation of the allocation output
- Substantially reduced effort to process expenses and a shorter time cycle required to process them, releasing staff time equivalent to over £50,000 per annum



- Staff time redeployed onto higher value tasks, such as detailed analysis and reporting
- The ability to rapidly respond to new business requirements

Robert Gothan

The CEO of Accountagility comments



“By implementing a clear methodology, the business now has consistent results, greater transparency, and the ability to analyse its data. ORYX Expenses removed the need to manually input data, and supported the business in reconciling allocations efficiently.”

About Accountagility



Accountagility provides a full suite of solutions to help companies accelerate business performance, reduce risk and deliver cost savings of up to 80% in the Finance function.

The solution deployed was ORYX Expenses - a single solution for expenditure, allocations and vendor analysis.

Other solutions available include planning, budgeting and forecasting, period end close, group finance consolidation and HR information flow.