



**Dext**

**The paperless  
playbook**

**Lose the paper, grow your firm**



## Lose the paper, grow your firm

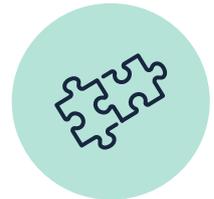
For centuries, accounting has revolved around paper. Paper receipts, paper invoices, and paper ledgers to record it all. But in the digital world, we now live in, there's an increasing benefit to ditching the paperwork and becoming a fully digital accounting firm.

Moving to digital processes can triple your processing capacity, increase worker productivity by 50%, and reduce storage costs by as much as 80% (Gartner, IDC).

## With a paper-free practice, your firm becomes:



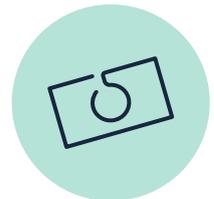
**More mobility**



**More flexibility**



**More efficiency**



**More profitability**

These core benefits set the foundations for an improved client experience, a higher Bookkeeper/Client Ratio, a broader customer base, and a deeper level of service, leading to an uplift in client numbers and increased revenues from value-add services and the long-term growth of the firm.

**So how do you make the switch to paperless?**

# The Bookkeeper:Client Ratio

## What is it?

The Bookkeeper:Client Ratio is a crucial KPI for your firm – and shows you how many business clients each of your bookkeepers/accounting staff can serve as one individual.

The higher that ratio, the more customers the practice can service and the more revenue you can create – all without increasing your headcount or your payroll costs.

## Digital Transformation – The Three Pillars



Digitisation



Automation



Management



## In this guide, we'll explain how to:

### Digitize your documents

Smart-scanning the hard-copy paperwork, pulling client information into the digital domain, and removing the old legacy inefficiencies.

### Automate the data entry

Using software to convert client information into financial data instantly removes the pain and errors of time-consuming manual keying-in.

### Manage your client data

By having one central cloud-based location for all client information, their data becomes searchable, secure, and structured.

### Sell your paperless services

Turn your business clients into digital converts and explaining the key benefits of moving to a paperless system.

### Add value through data

By unlocking your time and bringing data-driven analysis, you can access deeper strategic insights and upsell advisory services to your clients.

# Step 1. Digitize your documents

## The old system: The paper mountain

Every client will have its own pile of purchase invoices, staff expenses and petrol receipts to deal with – and before you can do any kind of accounting, you need to source these paper documents, get them into order and ensure you have the information needed.

The old system involves an enormous amount of time collecting, organizing, and chasing up paper documents – and that's inefficient, limiting, and reduces the productivity of your firm.

What's needed is a new approach – one that removes the paper!



### Collect the documents

To start with, you need to collect the physical paperwork from the client, whether that's a neat box files, or a shoebox full of random receipts.



### Organise the documents

Next, you must go through this pile of paperwork to make sense of what's there, get it into order, and check that nothing vital is missing.



### Chase up missing or lost documents

Finally, if any information is missing, your team must chase the client, locate the required paperwork, and complete that initial organization process.

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**What's needed is a new approach – one that removes the paper!**

## The new system: Instant document capture

The paperless way to start the accounting process is to use scanning technology and instant document capture – quickly digitizing receipts throughout the year.

By capturing bills and receipts in the digital domain as they're received, you remove the physical challenges of paper and create a more efficient foundation for your client bookkeeping. Nothing gets lost, your information is easily accessible, and everything's connected up in the cloud.

Dext lets you capture and upload your documents in several ways:



### Mobile App

Clients already use their smartphones to manage various aspects of their business. Make it easy to facilitate this flow of information from them to you with a mobile app – allowing clients to snap their receipts on the go.



### Email in

Your team and your clients receive a lot of information via email. So rather than clogging up their main inbox, send all documents to a dedicated email address and keep those digitized documents in one single location.



### Direct upload

When you have multiple documents, direct upload is a real time-saver. For example, scan 50 documents into one file, drag and drop that into Dext, and this file will be automatically split into 50 separate documents.



### Auto fetch

Rather than relying on the client to upload documents for you to download, Dext can now fetch the bill for you directly from the supplier's site – removing the need for the client to get involved.

## Instant capture. Real-time information

The objective here is instant document capture. This minimizes the chance for clients to lose anything. As soon as clients' documents have been captured, you can get to work processing this information, getting the data organized, and starting the genuine accounting work – all done in real-time in the most efficient way possible.



**No more lost items**



**Instant data delivery**



**Paperless storage**



## Save time. Get geographically flexible

**Dext**

## Step 2. Automate the data entry

The next stage in the digitization process is to turn your digital documents into useable financial data – the building blocks of the bookkeeping, accounting, and reporting processes.

This is where optical character recognition (OCR) technology, software automation, and machine learning start to add real value to the firm's workflow.

### The benefits of automated data entry

If you're scanning documents and uploading them to a cloud storage hub, that's a good start – but it does nothing to increase the efficiency of your data entry process.

Before a single element of the bookkeeping and accounting process can be carried out, the numbers must be manually keyed in from the paperwork. That data entry is a critical step, but it's also where the most inefficiency is added into the accounting equation.

### Losing time and value

The old approach of manually entering data from paperwork into your software system slows you down, introduces errors, and acts as a barrier to increased efficiency.



Bills, receipts, and invoices are digitized and turned into data



You have a clear view of the data from every field in the document



Machine learning automates the coding of transactions



Scanned documents are linked to the data and securely stored

### Free up your time through automation

Automating the low-level data entry and bookkeeping changes everything.

By setting clients up with Dext, and utilizing the efficiencies of this automated and effortless approach to bookkeeping, you unlock your team's time. And when you have more time on your hands, you can be more innovative in your overall strategy.

Automate the manual data entry, and you open up new ways to improve the firm.

### Increase capacity

Grow the overall capacity of the firm by taking on and servicing more clients.

### Boost client time

Spend more time with your clients, and work on your value-add proposition.

### Drive experience

Expand your junior staff's experience by allowing them more client-facing time.

### Offer deeper advice

Focus on profitable advisory work – with the bookkeeping taken care of as standard.

### Create bigger revenues

Bring in more revenue through an expanded client base, or higher advisory fees.

### Work less

Improve your work/life balance by reducing your overall workload.

What you choose to do with this time is up to you – but what it gives you is a more flexible way of working and growing as a firm.

## Step 3. Manage your client data

Moving data management into the digital domain is the final pillar in the initial three-stage process of going paperless and becoming a cloud-based practice.

When you automate the bookkeeping process, that quickly gets the client data into your systems.

But once you have this pool of financial data, it requires effective management – and that means being able to access the numbers you need in the simplest ways.

With your client information in Dext, you have a clearer view of the relevant data as well as the tools to code, organize and work effectively with these numbers.



### Management matters – the limitations of paper

A non-digital approach holds back your ability to find, work with and manage client information.

And that's down to the limitations of working from paper records and filing systems.



#### Non-accessible

In the paper world, someone had to be there to exchange client information physically, whether that's from a filing cabinet, or a storage unit, etc.



#### Unsecure

Paper isn't a secure format. It's susceptible to flood, fire, natural disasters, or other circumstances that affect the integrity of the hard-copy information.



#### Unstructured

Paper filing tends to follow convoluted naming conventions and filing systems – and that makes finding information quickly a real chore.

## Your data, connected

What a digital approach to information management does is simple – it puts all the relevant client data in one centralized, connected, and instantly accessible system.

Embracing the fully connected digital approach moves you away from outmoded paper filing and brings you a host of additional benefits that can only be achieved in the cloud.



### One connected system

Put your client data in one centralized data source. One connected system is efficient, compliant, and (most importantly) searchable. So when HMRC or the auditors come looking for supporting documents, you can quickly filter for the particular period, amount or supplier, and then download all of that information.



### Geographically flexible

Access client information anywhere, at any time. A connected system in the cloud removes the need to work from the office or staff and clients to be in one location. Instead, build a client base that's national or even international – and recruit staff to work remotely from anywhere with Wi-Fi.

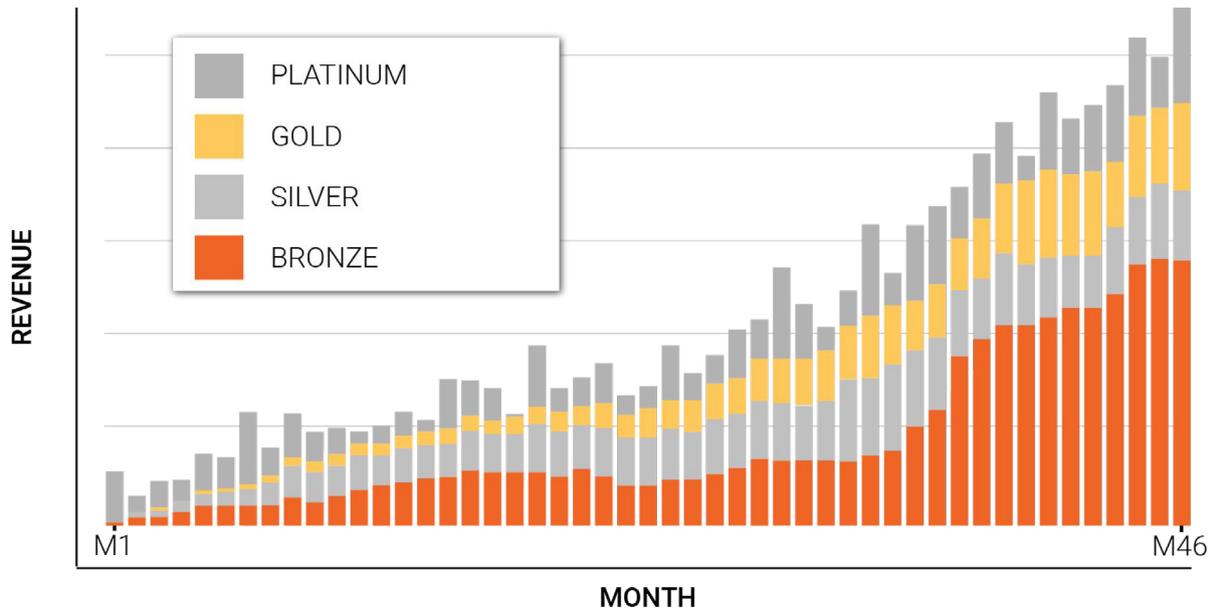


### Connected workflows

Manage your internal workflows in the cloud. Workflow is easier when all your data sources and documentation are connected up and integrated. View the information you need in a clear dashboard, and send data to the accounts, tax returns, or management reporting tools.



This connectivity is essential. There's no time wasted dragging the information from one location to another or downloading it to an external drive. Instead, the data you need is there in the cloud, providing connected workflow connected by APIs that let this information flow in real-time.



## The power of the cloud

The graphic above shows the revenue curve for a Dext accounting partner over a period of 46 months.

At month 1, this firm decided to go paperless and to work in the cloud.

Ditching the paper meant doing three key things:

- 1. Digitise clients' information**
- 2. Automate the bookkeeping**
- 3. Work from one connected system**

The change isn't instantaneous – these new processes and systems have to bed in – but by around month 20, you can see the upturn in their revenues. The efficiencies, improved workflows, increased capacity, and deeper service levels have all added financial value.

**Ultimately, the power of the cloud drives profitability.**



## Step 4. Sell your paperless services

Digitizing the scanning, manual keying-in, and data management of clients' bookkeeping delivers real value for the practice – but how do you convince clients of the value to their own business?

As any jobbing accountant will tell you, getting a business to change its systems, processes, and operational procedures can be an uphill struggle. So it's vital to explain how an automated approach to bookkeeping brings a host of advantages to your clients' productivity.

### How to pitch paperless to clients

A non-digital approach holds back your ability to find, work with and manage client information. And that's down to the limitations of working from paper records and filing systems.

The key thing here is to make this about the value to the client – the worst mistake you can make is talk about how going paperless is part of your internal efficiency drive.

Clients want to know you have their best interests at heart and that changes to process or software are being suggested because they help them improve their business. So draw up a list of key benefits and pitch paperless as a core way to enhance the client's efficiency.

## Here are some key ways to pitch the benefits of going paperless:

### 1. Document management

Reduce paperwork and make documents more organized. Going paperless doesn't just reduce the physical paperwork. It's also easier to file, store and manage documents in the cloud.

### 2. Mobile business data

Make it easier to run the business from a smartphone. Modern business owners want to be mobile. Being able to upload and access their transactions on the phone adds real convenience.

### 3. Expense tracking

Track expenses effectively and reduce lost expenses. Paper receipts get lost. But with a mobile app, receipts are snapped as you go, allowing businesses to claim for every cost incurred.

### 4. Disaster protection

Back up all important documents to the cloud. With cloud back-ups, businesses can quickly be up and running using new hardware if disaster strikes.

### 5. Audit protection

Have a clear breadcrumb trail of all transactions and data. With the information for each year in one connected system, it's easy to search for the relevant audit documents.

### 6. Fraud protection

Give a more transparent view of spending and costs. With all transactions clearly displayed in a connected dashboard, any fraud or overspending is evident.

The cloud benefits all help clients to make their day-to-day business processes easier, more secure and connected – and the knock-on effect is that it's then far easier for your firm to offer a greater level of value-add services, based on these solid digital and cloud foundations.

# Tackling client objections

## - how to create paperless advocates

Change can be scary for some businesses – and you’ll almost certainly get some pushback when you suggest that a company changes its existing processes and goes paperless.

So, how do you tackle these objections when they surface?

Here are a few common objections that you’re likely to encounter, with clear advice on how to overcome this issue and



### Objection

### Solution

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*“This seems like extra work for my team and me...”*

**You didn’t uncover their pain – explain the benefits in a way that resonates with their particular needs.**

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*“It’s too complicated... I don’t understand..”*

**You didn’t communicate the benefits – did you overcomplicate it? Did you solve their frustration?**

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*“I don’t have a smartphone... that’s too techy for me...”*

**Buy them a smartphone or tablet as a scanner. Train them and remove the objection to uncover the true ‘why’.**

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*“How much will it cost... sounds expensive...”*

**Explain the cost to the client, or even include the subscription costs within your existing fee – make it free added value.**

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Be consistent, outline the benefits clearly and explain how your onboarding and training procedures will help get them and their team up to speed with the apps and software.

Once clients fully appreciate the value, you’ll soon turn them into paperless advocates.

## Step 5. Add value through data

The icing on your digital cake is the enhanced ability that the practice now has to add value for clients. This goes way beyond just streamlining and automating their bookkeeping processes and brings you into the realm of delivering true advisory services.

With the technology delivering the fundamental bookkeeping basics, you and your team have a chance to shine and bring your unique business knowledge and insight to the table.

### Discover what makes your clients tick

Good business advice stems from knowing the right questions to ask. To do that, you must get to know the client and their business – utilising the time you've unlocked by going paperless.

By increasing client time, listening carefully and asking the relevant questions, you form a more rounded understanding of their business model, their key pain points and their goals for the future – and that drives your ability to add value and upsell your services



## Here are some key ways to pitch the benefits of going paperless:



### Growth

“How do you feel about the growth of your business?”

“Is growth meeting your expectations?”

“If the business isn't meeting your growth expectations, why is that?”

“Overall, what are your growth goals for the business?”



### Sales & Profit

“What challenges are you facing increasing your sales?”

“How do you feel about your profits?”

“Were actual profits in line with what you projected for the year?”

“What could you do differently to ensure better profits?”



### Vision and strategy

“Do you have a clear sense of where you're headed as a company?”

“Is there a strategy in place to achieve this vision?”

“How do you measure how well your strategy is working?”

“Is the company operating as efficiently as it might be?”

# Adding value for clients

The three pillars of the digital transformation process help create a more efficient and connected practice. But it's adding value through data that truly change the fortunes of your firm.

By unlocking time, you can diversify your services, offer a wider range of value-add offerings and build longer-term relationships with your ideal clients.

And clients have evolved their perceptions and expectations of what a modern cloud accountant should be offering.

Business owners no longer want a pure 'number cruncher'. They want a trusted business adviser who can bring them a range of different finance, business, and tech services – all driven by the real-time data that the paperless approach delivers.

## Your firm can offer clients:



Tech advice, app integration and software support



Training and education of clients' finance team



Real-time analysis, insight and reporting of KPIs

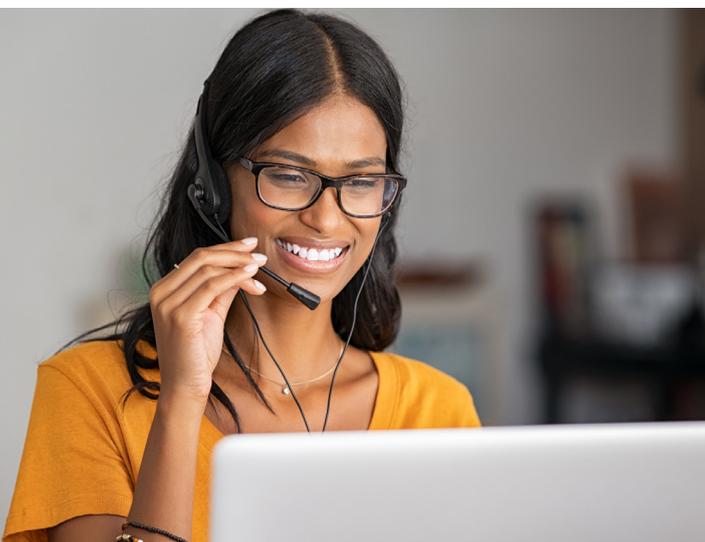


Virtual FD services to enhance clients' financial model



Clear strategic thinking to drive clients' future success

**The digital world is your oyster, once you've embraced the paperless approach. Go paperless. Secure your firm's future - that's our mantra at Dext.**



# Your paperless playbook checklist

By following this simple 10-point Paperless Playbook Checklist, you can plan, track and monitor the digital transformation of your accounting firm.

1. Move to a cloud accounting platform (Xero, QuickBooks, Sage Cloud etc.)

2. Become a Dext partner – and integrate Dext into your systems

3. Communicate the switch to paperless to your clients

4. Switch clients to paperless – and provide onboarding and training

5. Train your staff – and help them reduce their manual workload

6. Initiate the ‘three pillars’ – digitise, automate and manage client information

7. Unlock your time – and increase your facetime with valued clients

9. Build deeper relationships with clients – and upsell your value-add services

8. Upgrade your value-add services – and offer more advice

10. Upgrade your fee structure – and increase your revenues through paperless

**Learn more about Dext and  
how we can help your firm  
become more powerful,  
productive, and profitable  
at [Dext.com](https://dext.com)**

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