



The Benefits of Revisiting Processes, Workflows & Technology

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“We’ve always done it that way.” These may be the most dangerous six words in the English language. Los Angeles and Southern California small businesses that don’t adapt to change could eventually end up being the 21st century equivalent of the buggy manufacturer who in the early 20th century refused to believe that automobiles would soon become the dominant mode of transportation in the U.S. and around the world.

Of course, the world is constantly changing, in every way imaginable. Consumer technology changes tend to get the biggest headlines and have the most dramatic effects on us personally. For example, it’s hard to remember what our lives were like just two or three decades ago before laptop computers, smart phones and digital technologies became ingrained in our everyday lives.

Are You At Peak Efficiency?

But what about changes to your business — in particular, changes to your business processes, workflows and technologies you use to keep your company running smoothly every day?

If your company has been in existence for a decade or longer and there haven’t been any significant changes to your processes and workflows, then you are probably not operating at peak efficiency — or anything close to it. For example:

- When is the last time you upgraded your office computers?
- What about the software your computers are running — are you using the latest versions?
- How old is your office telecommunications system?
- Have you investigated the potential benefits of cloud computing vs. storing all of your business’ data in-house?
- Have you upgraded to the most current smartphone and downloaded new software and apps that can increase your productivity?
- When is the last time you critically examined the major internal processes involved in manufacturing products or delivering services to your customers?

If your operations seem to be running smoothly, it can be easy to not want to rock the boat. After all, as the old adage says, “if it ain’t broke, don’t fix it.” But this is flawed thinking: Just because your technology or processes seem to be working doesn’t mean you are maximizing efficiency or getting the most benefit out of them. Software is a good example: Most business software systems today can be purchased via an annual license fee, which preserves cash flow and frees up capital you can use for more productive purposes.

Automating Manual Accounting Tasks

One business I worked with recently was using accounting software that had the capability of automatically reversing journal entries. However, they weren’t aware of this capability and were doing reverse journal entries manually, spending untold hours on tedious manual accounting tasks that wasted their employees’ time and kept them from performing more strategic financial tasks. They also were not exporting helpful data because they

weren't aware that their software vendor offered a free upgrade that included much improved Excel export capabilities — all they had to do was ask for it.

On the flip side, another client of ours is making a significant upfront investment in new software that will enable the company to scan invoices directly into its accounts payable system. The software costs \$50,000, but it will do the work of a full-time accounting employee. So it will essentially pay for itself after the first year. This is the perfect example of a company that wasn't content with the status quo or doing things the way they had always been done. Instead, it challenged the status quo and came up with a creative technology solution that will save it hundreds of thousands of dollars over the long term.

One way to start the process of critically reexamining how you do what you do — and start thinking about how you can do it better — is to consult with an outsourced CFO services provider. An outsourced CFO will work closely with you to scrutinize your workflows, processes and technology and identify opportunities for improvements and upgrades.

In particular, this financial professional will analyze the effectiveness of your current software systems and perform a cost-benefit analysis on potential upgrades. He or she can also analyze the accuracy of the financial data generated by your system and the timeliness and usefulness of your system's management information reports. In addition, an outsourced CFO will identify critical gaps and deficiencies in the information your software systems are generating.

Concluding Thoughts

If your company has been in existence for a decade or longer and there haven't been any significant changes to your processes and workflows, then you are probably not operating at peak efficiency. It can be easy to not want to rock the boat if things are running smoothly, but this is flawed thinking. Just because your technology or processes *seem* to be working doesn't mean you are maximizing efficiency or getting the most benefit out of them. An outsourced CFO services provider can help you scrutinize your workflows, processes and technology and identify opportunities for improvements and upgrades, thus maximizing efficiency and profitability.

About CFO Edge

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