

time@work

Case study: Fox-Pitt Kelton Cochran Caronia Waller

Background

A full service investment bank, Fox-Pitt Kelton Cochran Caronia Waller ("FPK") has built a reputation over the last four decades among banks, insurance companies and other financial institutions around the world for its best-in-class approach to research, trading, distribution and advice. Specialising in the banking and insurance business worldwide, FPK's high quality independent research has ensured its continuing success and global expansion.

Established in 1971, Fox-Pitt Kelton was acquired by Swiss Re in 1999, and returned to private hands following a management buyout in 2006. *"After the management buyout we had to establish our own internal administrative systems,"* says Amrish Shah, Global Chief Financial Officer of FPK. *"Until then everything, including our expense claim management system, had been provided by Swiss Re's central services."*

Over 250 staff, including analysts, specialist sales traders and market makers together with three dedicated sales teams are based in FPK offices in London, New York, Chicago, Boston, Hartford, Tokyo and Hong Kong. In order to manage personal expenses and credit card spending incurred by employees as part of their work, FPK needed an expense management solution that would collect, collate, manage and accurately track all the expenses incurred. In addition, it was important that the chosen solution was easy to use and would not unnecessarily add to the administrative burden of the finance staff.

"As a specialist company with global reach it is important that all our processes are streamlined," says Shah. *"We work with a very lean internal finance and administrative team; it was therefore important that the system we implemented didn't add to their workload, and hopefully reduced it."*

Solution

In order to manage and accurately track expenses, FPK wanted a single application that would automate the completion, authorisation and reconciliation of staff expenses. In addition, it was important that it could be easily used by staff in both its banking and equities divisions irrespective of their worldwide location and management reporting structure. Personal expense claims are a necessary part of many businesses, and yet are often tedious, inefficient and time-consuming to process.

For FPK, accurate expense tracking was essential in order to allocate costs against client accounts either for reimbursement if appropriate, or to calculate the total cost of managing a account and determine its true level of profitability.

"In parts of our banking and research business, certain expenses may be reimbursed by the client, therefore it is essential that claims are submitted, allocated and processed promptly," says Shah. *"On the equities side, it's important that we understand the full costs associated with the management of each client by allocating the derived expenses to the appropriate client account."*

Following the management buyout, with much to do, FPK first investigated the expense management options available within its own accounting package, Microsoft Dynamics, and found that it did not fully meet its needs. *"Our Dynamics partner recommended expense@work from systems@work, as a Microsoft compliant solution that would scale and evolve to meet our global needs,"* says Shah.

Following an impressive demonstration, Fox-Pitt Kelton decided that the functionality satisfied its business needs and that the application also met its requirements for ease of use, multicurrency support and automated workflow. *"We needed*

to make a quick decision so that we could get on with running the business,” says Shah. “From our previous experience, when owned by Swiss Re, we knew what we wanted in any new expense management system and the functionality we have now with expense@work is much better than before.”

FPK identified early on that the banking and equity parts of the business needed to account for their personal expenses in different ways. Separate expense templates were created for use by each department. In addition, due to the global nature of the business and the required UK VAT accounting procedures, FPK created two versions of each template – one for sterling expense claims and the other for foreign currency claims. “Four expense claim templates cover all aspects of our business, and can be used by staff anywhere in the world,” says Shah. “For example, most of the USA offices only ever use two templates – the foreign currency version of either the banking or equity template.”

Attached to each template are the electronic workflow procedures, and authorisations that are required in order to complete the claim. “It was important that the templates are easy to fill in, and are also visually appealing in order to facilitate and encourage their use,” says Shah. Once the form is completed it is automatically sent electronically to a manager for approval. The staff member also prints off a copy of the front page and attaches the corresponding receipts, which are then either sent to the authorising manager or direct to finance depending on the procedures set up by each department.

Each authorising manager ensures that the claim company policy, in terms of authorised expenditure and agreed limits before approving the expenses claim and electronically passing it to finance for payment. “We have a basic framework for authorisation which we ask managers to adhere to, as well as clear policies on approved expenditure and limits for subsistence and entertaining,” says Shah. “The only thing we ask is that staff submit all expense claims within a strict three month timeframe.”

Employing expense@work from systems@work, has enabled

FPK to streamline its expense claim system without adding to the workload of the two key finance staff. Previously, claims had been submitted manually which required re-keying by accounts payable and was subject to shortcuts and error. “With expense@work we have a rationalised system that is more efficient,” says Shah. “By the time the claim reaches finance it is ready for payment as the automated workflow has ensured that the claim has gone through the appropriate procedures and that the proper approvals have been granted.”



Recently, the recently acquired Chicago office was migrated onto the FPK global network and the employees based there now have access to the expense management system giving managers a truly global and holistic view of company expenses. The extensive reporting and analysis features in expense@work mean that expense costs can be reviewed and examined according to client account, sales group, country and many other parameters.

“From anywhere on the network, authorised managers can gain a global view of expenses either by client or salesman,” says Shah. “expense@work is a powerful expense management system that is easy to use and helps us to enforce corporate guidelines and maintain accurate records with the minimum of time and effort.”

systems@work

systems@work software solutions are highly-flexible, scaleable, best-of-breed browser-based solutions for domestic, local and global organisations. time@work offers powerful and flexible time recording, expense management, billing and resource planning software for professional services.