

Outsourcing

A new approach to world class accounting and financial process outsourcing

Delivering value through outsourcing solutions

At Chantrey Vellacott DFK our outsourcing solutions are founded on a partnership with our clients which creates both value and cost savings. Working with you we will transform your operational processes, allowing you to focus on core activities and business growth.

In today's dynamic business environment, more and more organisations are seeking robust solutions for their accounting and related financial processes which can streamline procedures, reduce the need for senior management input and avoid the high costs of implementing, maintaining and upgrading IT applications. We can help you achieve this and strengthen your financial position through the deployment of standard business processes, managing IT on our fully-hosted and managed platform and establishing appropriate controls.

Our approach offers a unique combination of UK based management and control, together with specialist overseas support from one of the world's most highly respected and successful outsourcing groups.

Our passion is to deliver outstanding service and to ensure we deliver to you clear, measurable benefits which:

- reduce costs
- improve operational efficiency
- increase accuracy and reliability

You will benefit from the most sophisticated approaches to outsourcing, including state-of-the-art accounting and communication systems and processes. Our UK and overseas operations are seamlessly integrated with control, supervision and interpretation provided by the Chantrey Vellacott DFK team based in London.

We set out in this brochure how it all works, including what activities take place in the UK and the offshore high-tech facilities, the benefits of working with Chantrey Vellacott DFK and how you can realise these.

"A unique outsourcing offering"



For further information on our outsourcing services please go to:
www.cvdfk.com/services/outsourcing

We offer world class accounting and financial process outsourcing



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Outsourcing is a key component of business strategy in the 21st Century

By embracing change the rewards can be enormous

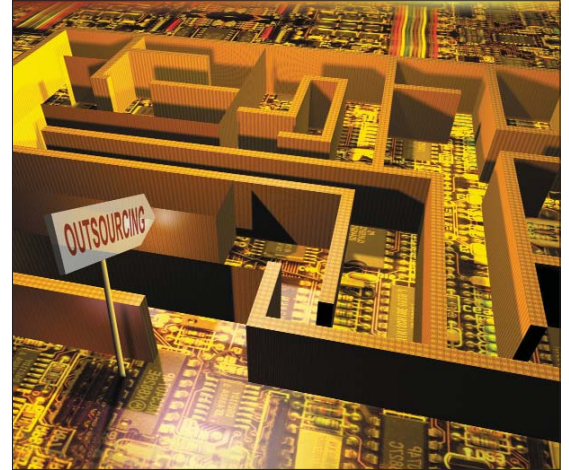
Long term competitive advantage

Once companies outsource they rarely go back.

Our service has been developed in response to business demands. People rightly expect from their suppliers the lowest price and the highest quality in one package. Businesses can only meet that expectation by looking far and wide to realise and benefit from cost advantages and current best practices.

The option to outsource with Chantrey Vellacott DFK is not just a short term solution. Our model provides access to appropriately skilled staff as required without considerable expense and commitment of management time, now and into the future. This holds true wherever you are in the business cycle.

For these reasons the majority of businesses in the United Kingdom have adopted, or are planning to adopt, some degree of outsourcing.



Real benefits

Maintaining competitiveness without compromising quality.

Our clients benefit from the following:

Cost:

- significant cost savings
- robustness, future proofing, flexibility and scalability to deal with growth and evolution of business processes – we have the manpower

Efficiency:

- automated processes which: *reduce* time, effort and cost, and *increase* accuracy and reliability of management information
- reduction in time used to supervise and manage accounting and finance people – *freeing up key financial personnel and management time*



Professional Support:

- a smooth transition by using a proven outsourcing project management methodology
- a London based, UK qualified, relationship manager who is responsible for quality control and all the day to day outsourcing activities

Reliability & Certainty:

- reliable and “hassle free” IT provided through a hosted and centralised accounting software solution using proven ERP and software systems
- guaranteed consistency and quality - information always delivered to agreed deadlines

Currently most organisations, regardless of size, are handling low value administrative and processing functions in high cost ways. By outsourcing these activities, organisations realise the benefits not only of radically reduced costs but also improved reliability, accuracy and resilience.

Overall the results for the business are very significant - in the short term the most obvious benefit is a dramatic reduction in operational costs. In addition *the team* is relieved of administrative, routine and essential (but time consuming) tasks – enabling them to focus on adding value and developing the business. At the same time *finance management* can focus more of their attention on the value creating part of their roles and funds can be released for developing the business as well as investing in new ideas. This combination of reduction in overhead costs together with enhanced management performance makes a difference which gives competitiveness and financial performance a powerful boost.

Our clients benefit from the global outsourcing skills used to service Fortune 500 companies

A strong global team

The Chantrey Vellacott DFK outsourcing solution comprises two elements: our team in London and the overseas processing operations. Their respective roles are *value creation* and *lower cost of delivery*.

Our team in London manages all communications with clients. The London team comprises highly experienced UK qualified accountants who focus on management of all aspects of the relationship including day to day delivery, quality control and strategic developments. For each individual client a London based qualified, account manager is responsible for quality control and all of the day to day outsourcing activities.

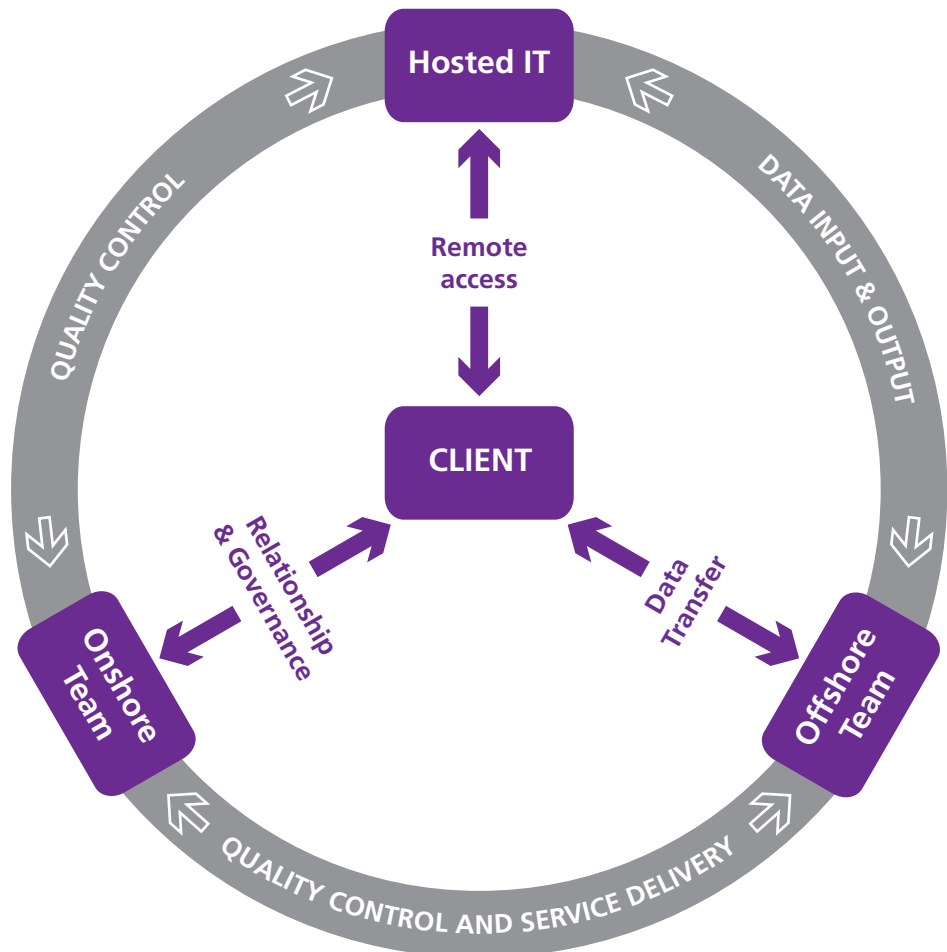
Our overseas processing operations utilise a resource of trained and skilled university graduates who work in modern, high security buildings. These facilities have been running for over 30 years and provide outsourcing services to some of the world's largest and most respected businesses.

The London and overseas operations are forged into a single entity by global communication links using the most sophisticated data management and security systems. The highly resilient hosting and communication networks use infrastructure which matches or exceeds that found

anywhere in the world. From an operational standpoint the geographical separation implies no loss of quality or supervision - for all practical purposes the remote facilities could be in the same building.



We seamlessly integrate UK and offshore skills



Our experience will make the process of moving to a fully outsourced solution straightforward and painless

Outsourcing – a Roadmap

The process of implementing a business services outsourcing partnership brings significant rewards. We work with our clients using a standardised process which identifies within the function to be outsourced the changes which need to be made, the risks which must be addressed, the benefits achievable and how the project will be implemented to reap the rewards.

Using our standardised approach we address the following key areas:

Making the case

- fact finding
- feasibility study/cost versus benefits
- issues and resolution
- helping with the business case

Preparing for transition

- planning the transition
- understanding and analysing the current business
- drafting the service level standards
- roles and responsibilities

Transition

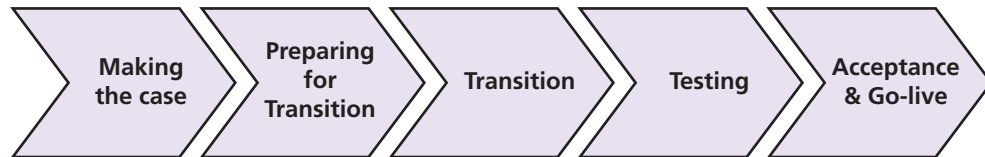
- take on current data
- set up new systems and processes
- preparing the detailed working practices

Testing

- communications
- systems
- processes

Acceptance and Go-live

- formal sign-off
- business as usual



"We provide help and support at every stage."

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Outsourcing Finance & Accounting



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The issue

Reliability and timeliness of management information is vital for informed strategic decisions. Most companies of reasonable complexity and size incur the high cost of a back office accounting team. They accept the cost of employee turnover, absenteeism, downtime due to staff holidays, recruitment and training. Finance staff are often overstretched dealing with basic transaction activity. Finance directors and finance controllers are distracted by the need to deliver key management reports, statutory reporting and year-end compliance, diverting them from core value adding business activities.

The solution

Our outsourcing solution removes these issues at a stroke by taking over your finance and accounting function and applying proven outsourcing expertise. We combine our onshore services with world class offshore business processing. Our strategic partner is a global top 10 provider of BPO outsourcing with extensive finance & accounting expertise acquired over many years. We use world class best practice processes and services which enable you to receive a seamless onshore and offshore service, maximising the benefits of both.

How it works

Our service is specifically designed for middle market organisations and comprises two key elements: a hosted accounting system and a dedicated delivery team.

Our dedicated shared service delivery team is responsible for managing your back-office functions. It is led by a UK based qualified account manager who co-ordinates and assists the information flow between our clients and the onshore/offshore delivery teams, ensuring we meet or exceed service levels and provide you with the highest quality of service. However, whilst delivery standards are set out in agreed service level specifications no outsourcing service can survive on service level agreements alone. That is why we immerse

ourselves in your business activity, providing ad hoc support and issue resolution on a daily basis. Our governance structure provides regular meetings with you to ensure we keep pace with your aspirations and business plans.

Our finance and accounting services include:

- maintenance of accounts receivable/payable, monthly accruals and prepayments
- fixed asset management
- employee expense management
- general ledger accounting transaction processing with viewing of source documentation on a drill down transactional basis
- reconciliation performance
- statutory compliance, incl. PAYE/VAT
- management and statutory reporting
- financial planning and reporting services
- help desk/query resolution and support
- finance systems and shared services expertise
- disaster recovery and data back-ups
- remote access from anywhere in the world

The benefits

We provide you with certainty in the provision of accurate and timely processing of information and delivery of management reports. So, whilst you retain complete control of day to day operations you can devote more time to focus on core business activities whilst we will provide:

- cost efficiencies
- a highly scalable service that will support you as you grow
- clear and identifiable process improvements
- outstanding commercial flexibility and creativity
- proven world-class shared service operational delivery excellence.

For further information on our outsourcing services please go to:
www.cvcdfk.com/services/outsourcing

“Supporting Our Clients’ Business Success”



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Outsourcing

Payroll



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The issue

With an ever increasing regulatory burden involved in administering your payroll the process is becoming a more and more specialist activity. We offer a full compliance service that will allow you to keep up with the latest statutory requirements while helping you keep control over your costs.

The solution

Administered by a dedicated team Chantrey Vellacott DFK provides a comprehensive end to end payroll service through a specialist payroll department that is a registered BACS bureau. By utilising a combination of experienced managers based in the UK and a dedicated, fully trained team of offshore administrators our service offers excellence, personal service and cost effectiveness.

How it works

Our payroll team use state of the art software which is upgraded regularly to meet the latest statutory requirements and the high standards expected of us by our clients and their employees.

Our service is very flexible. We are pleased to work with you to meet your specific requirements.

Working to an agreed timetable our service covers all aspects of payroll compliance including:

- processing timesheets, calculations of bonuses, overtime and commissions
- PAYE, National Insurance deductions and net pay calculations
- provide you with payslips in duplicate and a full payroll printout
- electronic payslips
- pay employees through BACS transfer or other means as agreed
- ensure that appropriate deductions are made and transferred to a pension scheme if required
- calculation of statutory sick pay and statutory maternity pay
- administration of starters and leavers - P45s and P46s
- year-end returns, including P35s, P14s and P60s

- construction industry scheme
- tronc scheme operation
- hosting and management of PAYE and NI inspections.
- access to our team of tax experts in the event that specialist advice is required.

All our services come with unlimited telephone support.

Additionally, should you request it we will assist in the preparation and submission of end of year P11D forms. We can also apply for and renew dispensations on your behalf.

We recognise that the need for confidentiality is paramount and all records are retained securely with access restricted to authorised personnel only. To ensure a continuous service all data is backed up at least once each day.

Whether large or small, the transition of current payroll arrangements to Chantrey Vellacott DFK is made easy for you as we use tried and tested procedures to ensure that the change is made seamless for you and your employees.

The benefits

We ensure that you fulfil your obligations in a timely fashion to meet the latest regulatory requirements whilst at the same time providing:

- cost efficiency
- scalability
- continuity of service to ensure all deadlines are met regardless of staff absence or shortage
- no requirement to recruit or train specialist staff
- key staff in the organisation can be used more effectively
- ability to concentrate on core areas whilst still providing the complete service expected by your staff
- no need to pay for, support or provide training on expensive specialist software
- satisfaction that the service is delivered by specialists and that it will meet your own high standards.

For further information on our outsourcing services please go to: www.cvcdfk.com/services/outsourcing

“Payroll compliance is an administrative burden and a cost.

We can help you keep both to a minimum”



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Case Studies



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A Financial Institution

A well known Financial Institution started a new business managed by an experienced management team, specifically recruited for their knowledge and expertise. The objective was to establish a strong regionally based organisation which complimented existing services.

Chantrey Vellacott DFK were able to assist by putting forward a streamlined and efficient service offering which covered the following areas:

- a fully hosted Financial Accounting system
- a Financial Accounting team managed in the UK but supported by offshore processing
- support for the new centralised back-office processes which the company was adopting

Financial Accounting processes included:

- Accounts Payable (including employee expense processing)
- Accounts Receivable
- General Accounting
- Revenue Accounting
- Management Information Reporting

This solution therefore comprised provision of a Financial Accounting system as well as Financial Accounting and transactions services.

A European Airline

A new subsidiary of a major European flag carrier needed to establish its own independent accounting systems and infrastructure.

Our work addressed the following areas:

- establishing a fully hosted financial accounting system
- providing operational services in finance & accounting.

In more detail we assisted in the following:

- preparation of the business analysis in order to precisely assess the scope of the project work
- mapping internal control processes
- scoping a bespoke MIS solution
- preparing technical design documents for all components (forms, reports, programs and interface programs) to be customized

- hosting and managing a conference room pilot to ensure deliverables met our client's expectations
- User Acceptance Testing and Go-live preparation
- hosting of the business finance and accounting platform
- providing support for the accounting system and amending security protocols when necessary

After go live we provided technical support, finance and accounting and payroll services including developing the customised outsourcing components required.

IATA

IATA – The International Air Traffic Association is an international trade body representing some 230 airlines comprising 93% of scheduled international air traffic. The IATA Passenger Agency Program provides a system for the accreditation of travel agents that meet specific industry standards and financial and security criteria. Currently there are over 59,000 IATA Travel Agents operating in more than 200 countries selling over US\$240 billion of airline tickets. We, together with Tata Consultancy Services (TCS), have assisted IATA in the review of the financial performance of IATA accredited travel agents.

Our work comprised:

- reviewing, in each territory, the existing local financial criteria that are being used to evaluate the financial returns made by individual travel agents. This work requires the assessment of financial criteria and comparison with local financial criteria
- working with Tata Consultancy Services (TCS) to support them in the delivery of the overall financial accreditation process for IATA
- performing quality control procedures on the financial accreditation processes

Our global reach and accounting expertise has enabled us, together with our strategic partner TCS, to support the outsourcing of the agent accreditation processes by IATA.

For further information on our outsourcing services please go to: www.cvsdfk.com/services/outsourcing



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