

Howden ČKD Compressors reduced accounting processing hours by 50% thanks to employee and travel expenses automation

The digitalisation of expense management enabled Howden ČKD Compressors to be much more efficient in accounting operations related to employee and travel expenses. The successful Czech compressor manufacturer chose well-proven expense management solution *expense@work* from the Czech consulting company LLP Prague.

Howden ČKD Compressors: Czech quality around the world

Howden ČKD Compressors is a Czech manufacturer of industrial compressors with a history of almost 150 years. Its products, mainly radial-flow turbochargers and piston compressors, are used in oil and gas extraction and transportation as well as in petrochemical, power engineering and steel making industry. The company services and rebuilds a wide array of their own products as well as other manufacturers' compressors. The ČKD brand is well-known both locally and worldwide where around 90% of the company products are exported.

Initial situation

Howden ČKD Compressors was searching for an expense management solution to streamline the processing of employee and travel expenses by the finance department and, at the same time, to give employees a tool to make these processes easier.

Expenses had always been processed "the old way" — using paper documents and Excel spreadsheets which was complicated and inefficient. Due to errors in primary data acquisition, thorough and time-consuming checks were required. Additional time was required when employees needed to check their expense submissions because communication between them and the financial department was not flexible at all.

Howden realised the manual expense claim process was unsustainable for the future, therefore management decided to automate the entire process and to fully replace paper documents and Excel spreadsheets. Management was looking for a software solution that would keep errors in data entry at the lowest rate possible. They also wanted the solution to be capable of offering a convenient overview of the entire process in progress and approval of travel requests. Another required feature was an easy option to review and audit the entire expense posting/clearing involving multi-day business trips or several-month-long stays. It was also necessary to have the ability to integrate with the current ERP system Microsoft Dynamics AX 2009.

*„With the help of *expense@work*, it only took three months to finish a complete digital transformation from a purely manual expense management process.*

This transition made things easier for us, which resulted in saving half of the working hours of one financial accountant. The process of travel expenses approval, reimbursement of business trips, and petty cash has become much faster and all documents are now digitally archived and easy to find. I believe that the mobile version of the expense management solution will be equally successful.”

Jan Matoušek
Accounting Manager
Howden ČKD Compressors

Implementation

One of the key benefits of selecting expense@work is its full support of local language and legislation, especially when calculating travel expenses. This factor is usually the Achilles' heel of other globally deployed solutions.



After the initial analysis, it was decided that the new system would include the following features:

- Ability to create and approve business trips, including requests for travel orders and advance payments
- Approval and reimbursement of business trips (domestic and abroad) including automated calculation of travel expenses and statutory allowances, as well as currency conversion and complex approval process
- Petty cash approval and reimbursement
- Credit and Debit card integration
- ERP system integration (Microsoft Dynamics AX)

LLP Prague implemented the expense@work solution in approximately three months at the end of 2018. Around 100 users are currently using the system.

Benefits

After a brief test run, all employees started to use the system and the following benefits were reported:

- **Effective business trips approval process**, including accurate approval workflow with all details.
- **Digitally processed** reimbursement of business trips based on expense documents submitted by an employee (cash transactions, ATMs withdrawals, card payments, etc.) are saved in the system as digital attachments.
- The problem of **calculating exchange rates and advance payments** paid to the employees on their business trips has been resolved.

- **The system is quick and easy to use** for the finance department staff and for managers who need to keep track of the total costs incurred. Likewise, it is convenient for employees who enter their business trips and expenses into the system and want to keep track of their reimbursements.
- **It saves time and costs since** the amount of time saved by the finance department on processing travel expenses correspond to roughly half of the working hours of one accountant. The time saved can be used for other activities.
- **Accurate and transparent information** of all individual accounting operations and transactions is available to all users of the system (accountants, managers, and employees). Users can easily check how the travel expenses are calculated and immediately see which employee is waiting for expenses to be approved or reimbursed.
- Full **support of local language and legislation**.
- **Preview** of the expense@work database (on the SQL server level) and **automatic data transfer** related to approved travel orders directly into planned absences within the RON Docházka employee attendance system. Employees only need to request business trips through expense@work prior to their travel and once they have returned, they can see the time spent on the trip is included in their working hours.
- Seamless **integration with ERP system** Axapta (Microsoft Dynamics AX).

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