

Prevent Mistakes & Setbacks with Accounting Automation





Yes, we all make mistakes. Human error is all part of the human experience. How much do we allow ourselves to get away with when it comes to business, especially in the number-heavy industry of accounting? There are monetary consequences that come along with too much human error, so it needs to be a priority for businesses to reduce the rate of error.

For as much as we're used to repeatedly doing the same tasks over and over, inevitably we slip up and end up doing something we didn't intend to do, leading to a less than desirable result. Nobody is able to perform even the simplest tasks with 100 percent certainty each time. Also factoring several internal and external circumstances such as stamina and stress, our concentration can vary.

This is compounded when important tasks and processes are manually handled by multiple people. The rate of error in complex, manual tasks can result in bottlenecks, non-compliance, and customer dissatisfaction. With the inevitability of

human error, businesses in all industries should account for lost time and therefore lost money.

When it comes to efficiently delivering services to your clients, any errors that result in disruptions to your services will negatively impact your customer retention. These services include:

- Financial statement preparation
- Cash flow projections
- CPA/Tax services
- Payroll

The biggest challenges that business accounting firms face can be traced back to errors and inefficiencies in the workflows that make up these services.

The Costs of Human Error

Human Error in Data Entry

In 2012, one of the largest losses in Wall Street history was caused by a lack of communication and efficient systems of control. Finance giant JP Morgan suffered \$6.5 billion dollars of losses after taking some risky investments. The risks, however, were underplayed due to some faulty calculations caused when analysts copied and pasted numbers and formulas between different spreadsheets, not realizing the formulas had been altered. The mathematical errors led to the firm believing their investments were more sound than they were in reality.

Not only were the numbers input wrong, but the mistakes weren't caught under review, allowing the trades to go on. It led to several high-level employees getting the boot, and the firm just had to grin and bear the loss all while being put under investigation by the Federal Reserve and SEC.

Manual data entry has multiple costs associated with it. Besides the cost of human error, there are multiple other costs of manual data including labor hour costs (including the time to review and double-check results), especially if this task falls on employees with other duties associated with the business's operation.

As long as the processes businesses use for everyday operation contain multiple instances of manual data entry and similar tasks, it's safe to assume those same

businesses face inescapable expenditure from human error, and the chances of a catastrophic scenario due to human error are high.

Where Rubex Helps

No more manual data entry! Rubex extracts data from your documents for quick retrieval. If you're a creature of strict organization (and what CPA firm isn't?) Rubex has the capability to automate the data entry process, all while keeping files organized and easily retrievable. This process also removes opportunities for typos and human error.



How does it work? Rubex Zonal OCR uses templates to recognize specific content fields in a document. The system will recognize fields such as names, social security numbers, gross income, and any other data fields you specify and require. This allows you to route documents anywhere you need. If this is a new form and the first for a particular client, Rubex can automatically create a new drawer and folder with the client's name, tax year and any other file structure you prefer. If it's a new

form for an existing client, it knows to file that document in the existing client's folder.

You can further automate certain processes by setting up workflows to send documents to specific users for action, depending on specified information identified by Zonal OCR.

A popular example of a workflow is an accounts payable workflow, which allows you to move unpaid invoices to the right person in no time. Rubex can identify the balance on the invoice and

send it for approval to the authorized user depending on if they're over or under a certain amount. So you can send large balances to the President or VP of Accounting for approval, and small amounts to an accounting manager. This way, there's no question of who is responsible for what kind of document and that nobody's time is wasted. After it's approved and paid, the invoice is sent along the workflow to be archived. With workflows, you can program your own automated processes that you know will save you and your office time.



Removing Human Error, Without Removing the Human

For some employees and employers, automation is a dirty word. However, in the world of accounting and any other industry that relies heavily on the correct input of data into systems, automation is the best defense against human error that



results in consistent costs and sporadic, disastrous events.

Conducting digital processes without automation is like boxing with one hand tied behind your back. Uncomplicating your processes with simple automation tools will reduce the amount of human error, make your system more secure, and save users so much time.

The concept of automated business processes isn't meant to replace employees, but rather allow them to more important aspects of the business operation such as fulfilling clients. In an environment where tools like optical character recognition, automated document routing, persistent security policies and permissions, and automated workflows are readily available, it's becoming less acceptable to allow human error to remain a constant component to your processes.

Manual data entry can be streamlined to the point that all a user needs to do is scan a physical document into a program, or drag and drop a digital document into that same program. A program can be preconfigured to identify the right groupings of data values and input them into a profile that can be carried over into a business's regular processes. Whether they're names, account numbers, income numbers, tax codes, or any other value, intelligent systems will identify them with precision and input them into the system without the biases and outside factors that cause human error. For CPAs, book-

keepers, and any other accountants that frequently perform their own data input, this is invaluable.

For security purposes, safeguarding against inevitable human error is another area where a sophisticated, digital platform can assist. Having the ability to put the right features in place, so that when human error does occur, there are preventative measures to stop a catastrophe.

Phishing incidents where login credentials are stolen can be stymied by multi-factor authentication which you can require of every single new user for the system. If the platforms you use have multi-factor authentication and it's not turned on, you're just one well-crafted phishing email from a breach. Other security precautions such as requiring complex passwords, logins from trusted IP-addresses or VPNs are crucial for preventing painful security incidents.

It'd also be a good habit to get into to share important files with coworkers through a file-sharing portal, rather than email, ensuring no outside data is introduced into the network.



Conclusion

It's impossible to completely remove human error from our business processes since humans are typically involved at all endpoints of the process. However, taking steps to reduce the opportunities for error to the bare minimum is an essential step to making a digital transformation. Taking on human error isn't about removing humans from the process, but about freeing them from the redundant tasks where they're more prone to make mistakes at the cost of the business.

Rubex is focused on helping businesses of any size to improve their profitability and productivity by reducing paper within their operations and streamlining their work processes. eFileCabinet is a SaaS-based company that overhauls traditional document processes by reducing overhead, simplifying compliance, and eliminating inefficient tasks involved in business operation— all with the goal of allowing those businesses to focus on fulfilling their products and their clients (AKA why they got into business in the first place).

