

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

BPO and ITes

“A Perspective for the Accounting Profession”

at

ICAI, New Delhi

on

22nd May 2004

Technical Session IV – Teleconference

eAccounting – Hands on Experience

Sanjib Sanghi - FCA



Advantage India

- ❖ Turn Around Time
- ❖ Intellectual Capital Rich
- ❖ Low Costs of operation
- ❖ Lower Attrition Rate
- ❖ Telecom & Infrastructure



Today's Mantra

“Come to India –The Back-Office Partner of the World.”



F&A Outsourcing set for a Meteoric rise in INDIA

Expected to grow at 40% p.a and to become a \$17 billion industry by 2008

"Finance and accounting was long overdue for significant outsourcing,." Pryor, CGE&Y

“Indians are BORN ACCOUNTANTS!”



How can a CA become **VIRTUAL** & practice **GLOBALLY**?

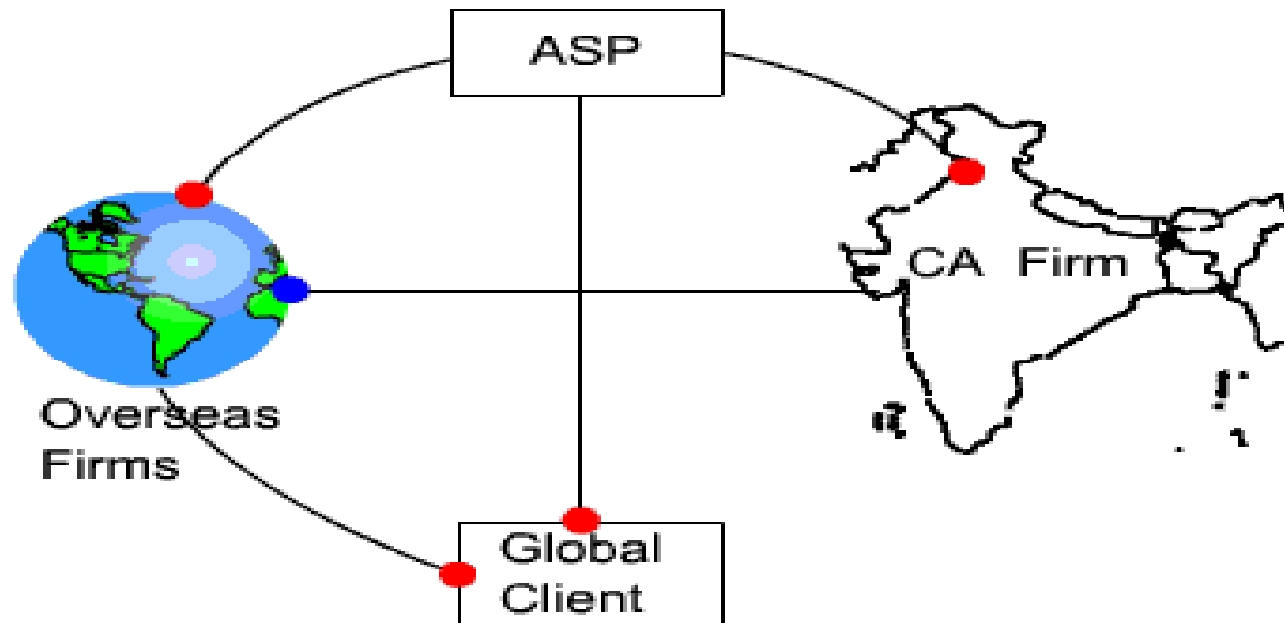


- UUsers are virtually connected,
- ❖ • CCan work from any location,
- NNetwork is secure,
- ❖ • DData is protected,
- IInformation is in real-time.
- ❖
- ❖
- ❖

It's like working online with your Clients using Hosted Applications.



How can a CA practice Globally ?

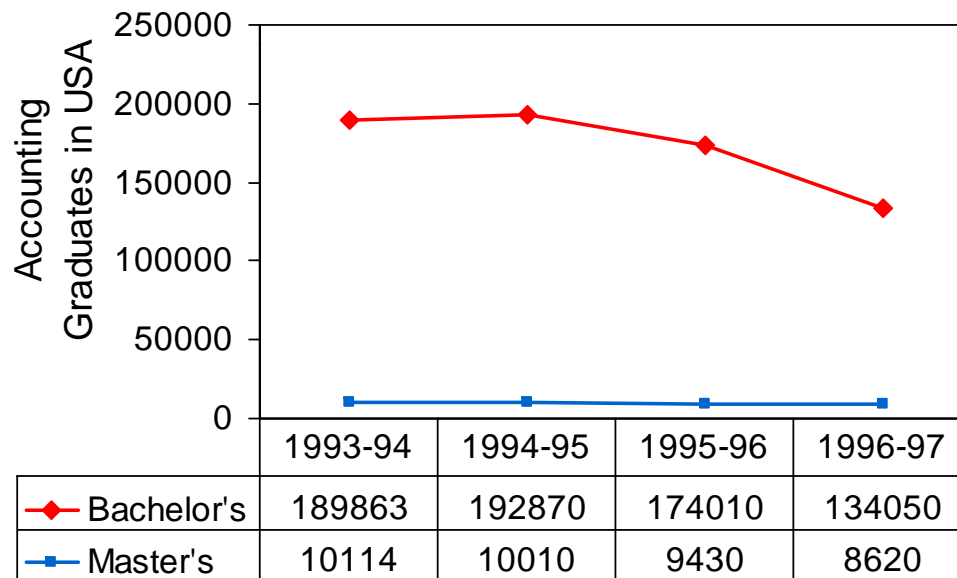


Indian Accountants – The Desktop Accountant of the World !!

Huge Opportunity for Indian CA

AICPA's reports:

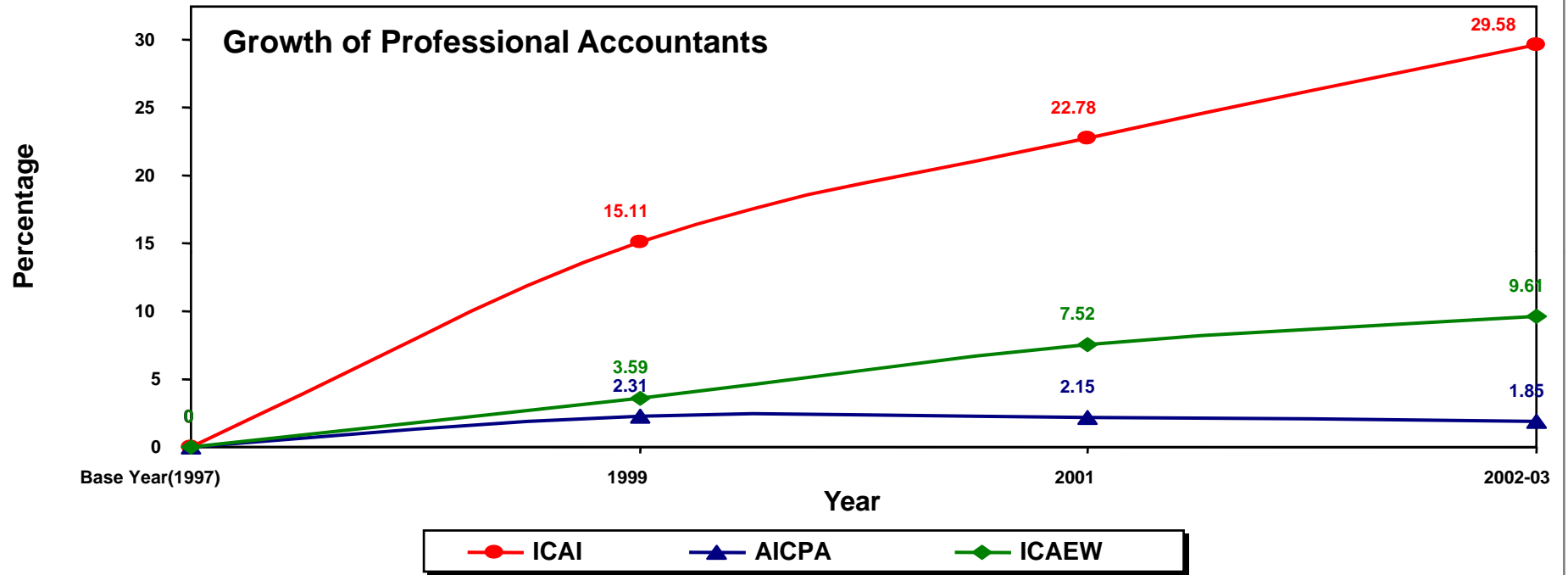
- 17% decrease in Accounting Graduates over the past 10 years.
- Accounting Bachelor's & Master's awarded in 98-99 is 20 % less than in 95-96.



- ❖ Lower starting salaries,
- ❖ Changes in student attitudes,
- ❖ Widespread misinformation,
- ❖ The 150-hour rule, and

New Accounting Enrolment in All Schools in USA(1993-94 to 1998-99)

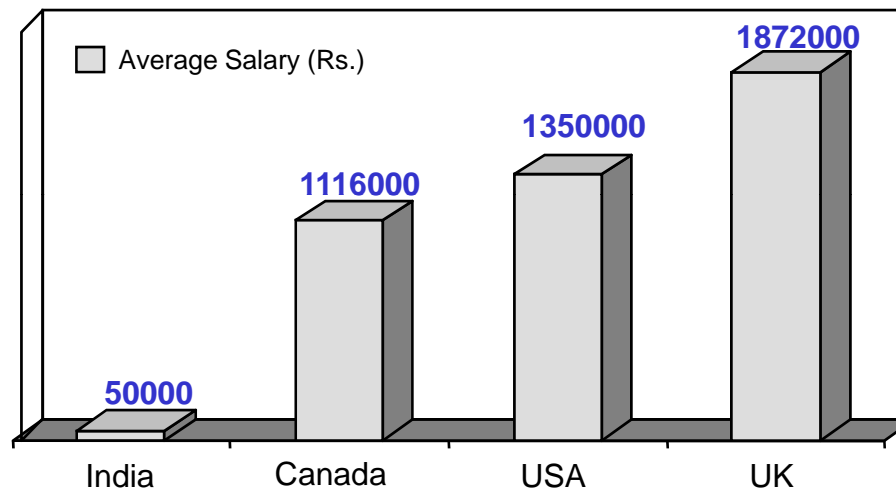
Huge Opportunity for Indian CA



Year	ICAI	AICPA	ICAEW
1997	78506	329019	112872
1999	90366	336635	116929
2001	96392	336081	121356
2002-03	101730	335111	123719

Huge Opportunity for Indian CA

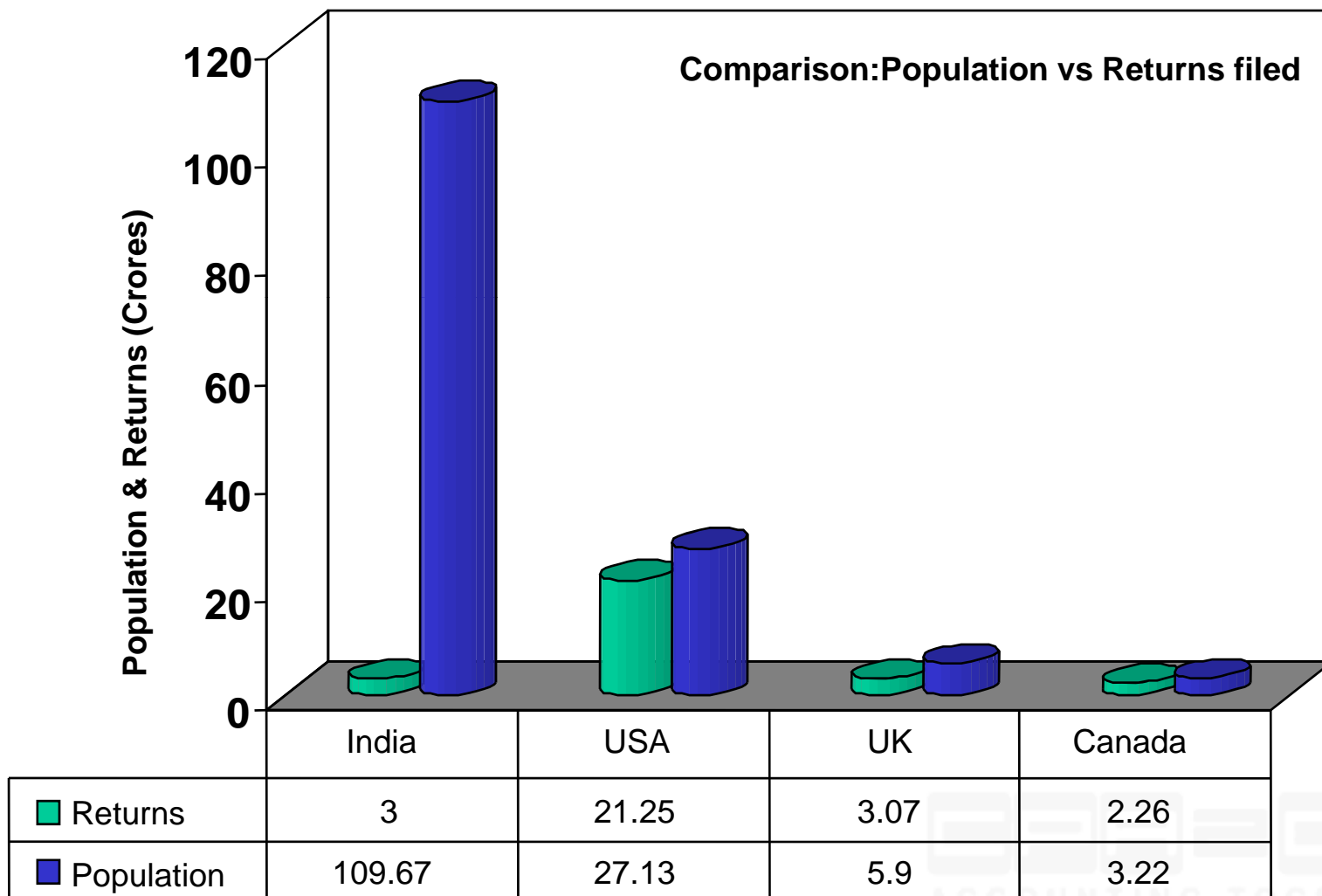
Average salary offered to accountants/bookkeepers in UK, USA & Canada and compared to India to in Indian Rupees.



Foreign Exchange Rate			
Country	Currency	Conversion Rate	Salary
India	Rupee(Rs.)	1	Rs.50000
Canada	Canadian Dollar(\$)	31	\$36000
USA	Dollar(\$)	45	\$30000
UK	Pound(£)	78	£24000

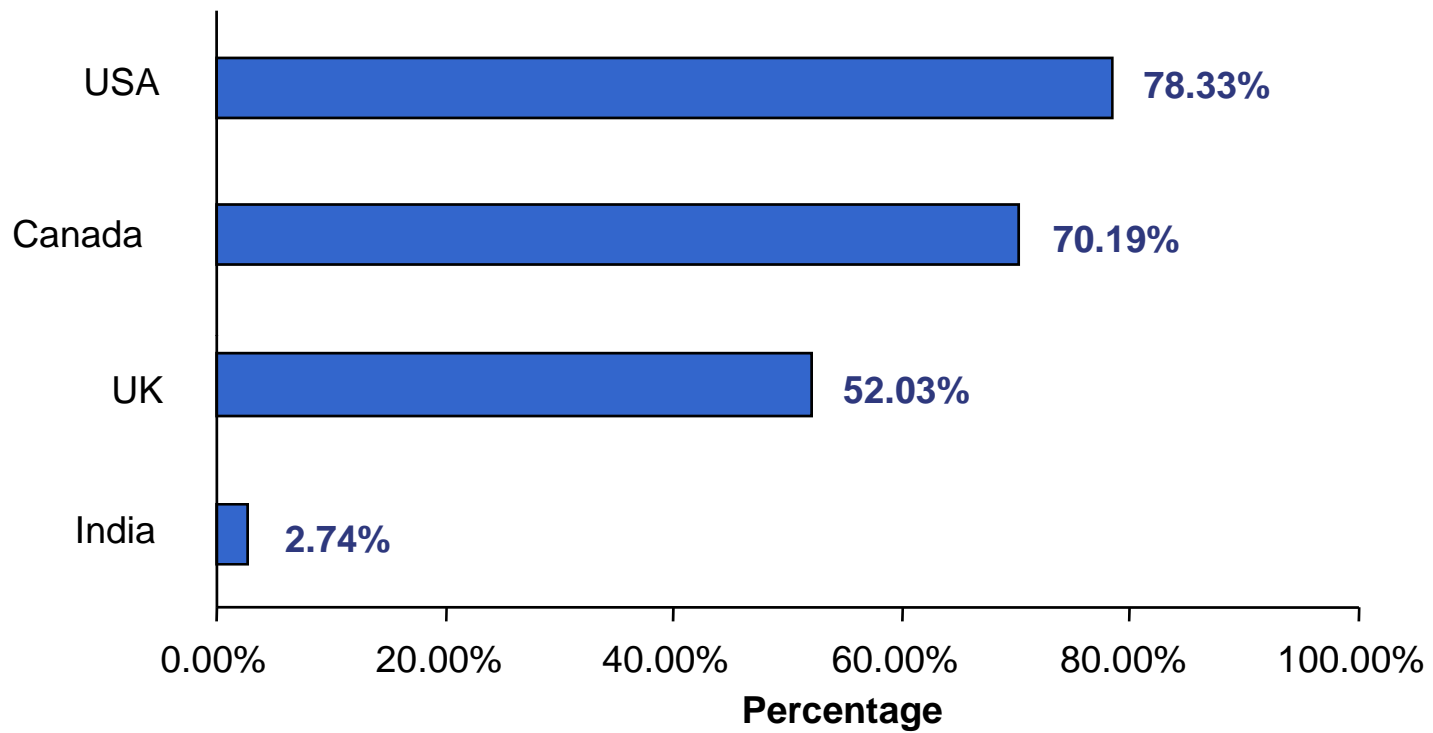


The Paradox -India, USA, UK & Canada





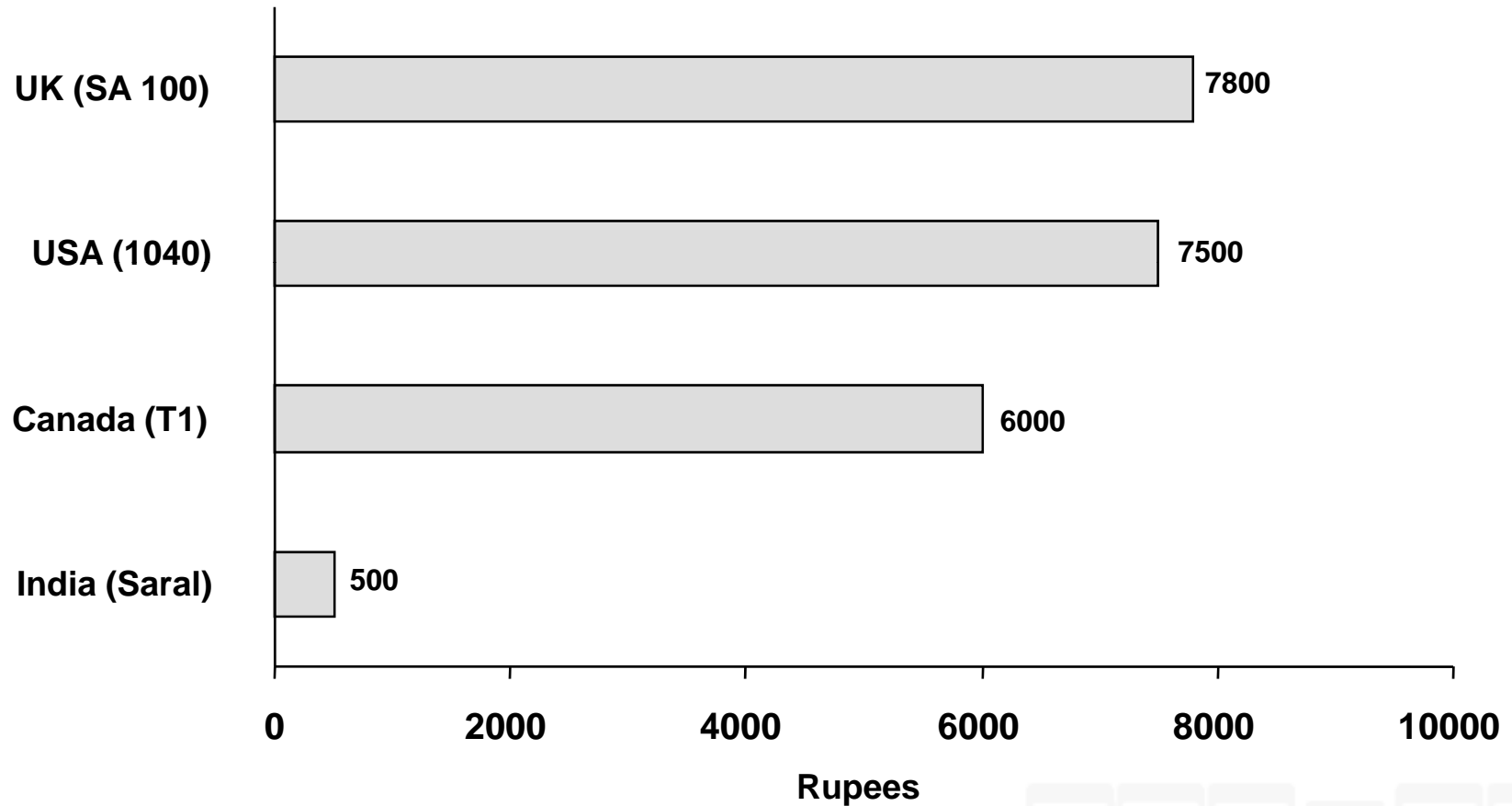
Statistics of Returns filed



	India	UK	Canada	USA
■ % of Returns Filed	2.74%	52.03%	70.19%	78.33%

Percentage of Primary Returns Filed

Huge Opportunity for Indian CA



Comparative Rates for Primary Returns

Services – Indian CAs can do for CPAs



- ❖ Bookkeeping
- ❖ Tax Returns
- ❖ Payroll Accounting
- ❖ Various Reconciliation
- ❖ GAAP Reporting
- ❖ MIS & Financial Reporting



Overseas firm Concerns

Who would handle my client's accounting data...their work ethics??

How can I view & control my Financial Information?

What about my data security & client interests?

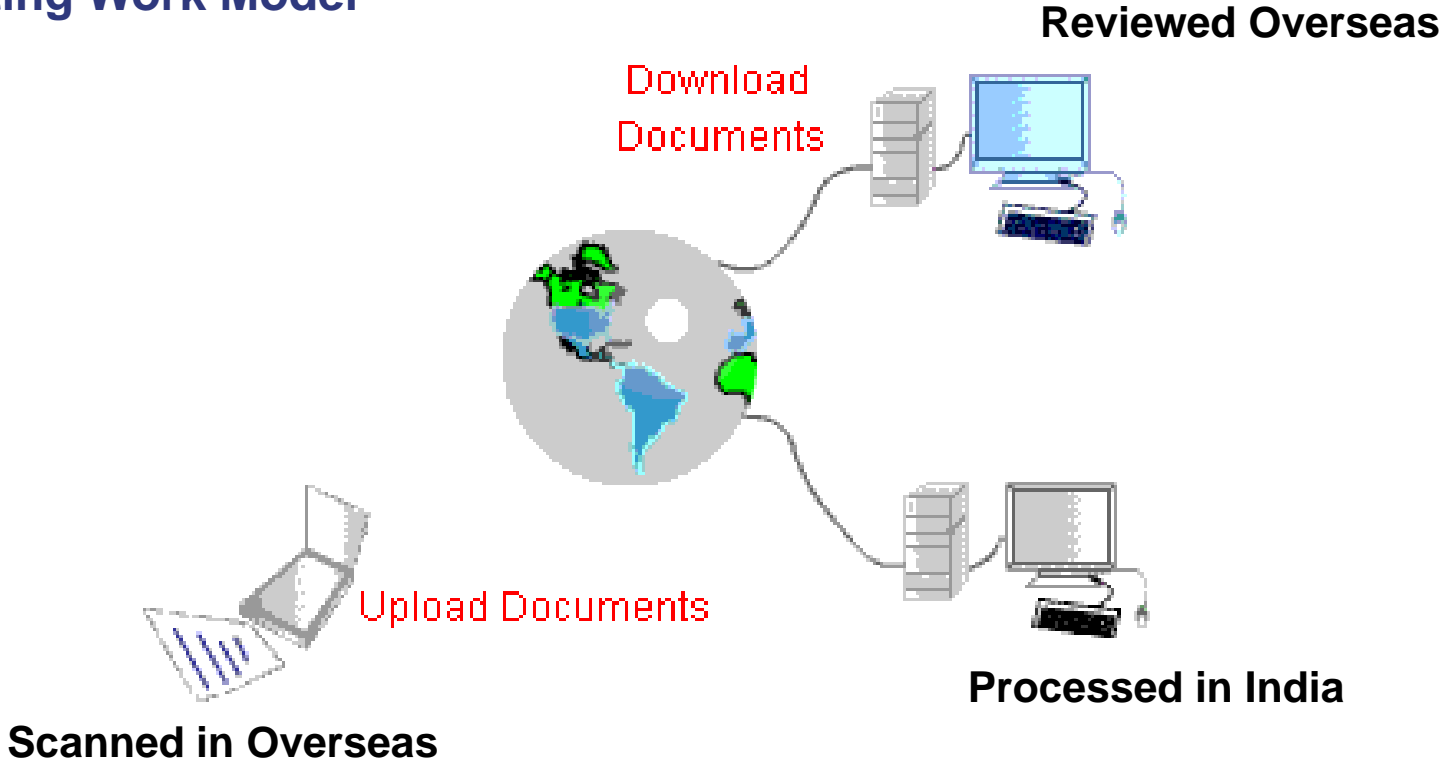
Is that going to affect my Financial Decision making?

How would the payment mechanism be?



How it Works

eAccounting Work Model



How it works ?

Infrastructure


- ❖ Well spaced work place
- ❖ Necessary furniture and fixtures.
- ❖ Pentium II, 64MB RAM and above.
- ❖ Dedicated Internet leased line(128 kbps – 1:1)
- ❖ Dual Monitor System or Split Screen (Min 17” or 19”)
- ❖ Windows 2000 and Citrix Client Installed






How it works ?

Data Upload



- Home Directory
- Address Book
- Help
- Personal Settings
- Logoff
- Admin Management
 - Users
 - Groups
 - Group Members
 - Domain Statistics

DOWNLOAD 


UPLOAD FILES

Upload File(s) to --- \QBDATA_ABC\Financial Statements

Click the **BROWSE** button to select file(s) and click **UPLOAD** when ready:

File #1:	<input type="text" value="C:\0 The BDN\2 Dan Gc"/>	<input type="button" value="Browse..."/>
File #2:	<input type="text"/>	<input type="button" value="Browse..."/>
File #3:	<input type="text"/>	<input type="button" value="Browse..."/>
File #4:	<input type="text"/>	<input type="button" value="Browse..."/>
File #5:	<input type="text"/>	<input type="button" value="Browse..."/>
File #6:	<input type="text"/>	<input type="button" value="Browse..."/>
File #7:	<input type="text"/>	<input type="button" value="Browse..."/>
File #8:	<input type="text"/>	<input type="button" value="Browse..."/>
File #9:	<input type="text"/>	<input type="button" value="Browse..."/>

PLEASE NOTE: Performing other actions in this window will cause the data transfer to abort. If you wish to perform other tasks online or within your storage account, please open a new browser window.



LOGIN

USERNAME >

PASSWORD >

DOMAIN >

Standard | Secure





How it works ?

Data Storage

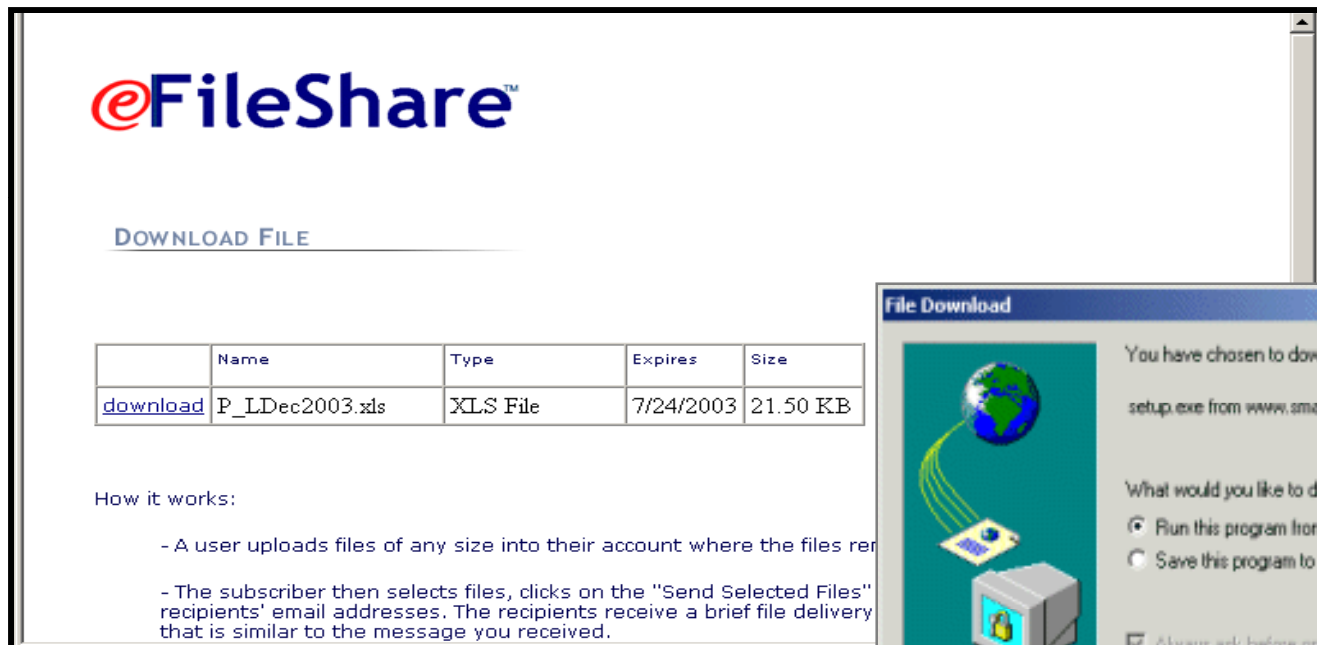
The screenshot shows the eFileShare web interface on the left and a Windows Explorer window on the right. The eFileShare interface displays the 'Home Directory' for user 'Rob Duckwall' with a 'Current SwapDrive: rduckwall'. It shows a storage usage bar (35.68MB USED, 14.32MB FREE) and a list of files in the current directory. The Windows Explorer window shows a local 'backup' folder containing various files and subfolders. A blue arrow points from the 'backup' folder in the Explorer to the 'backup' folder in the eFileShare interface.

NAME	SIZE	TYPE
rduckwall		File Folder
backup		File Folder
fla.exe	145007	Application
grAHA.dwf	69393	DWF File
Plans_B.dwf	19456	DWF File
slides.ppt	352250	Powerpoint Show.7
finalsee.sit	690218	SIT File

eFileShare enables users to store and share files securely, quickly and simultaneously through the web, eliminating the risks & delays related to email attachments or traditional shipment methods.

How it works ?

Data Download



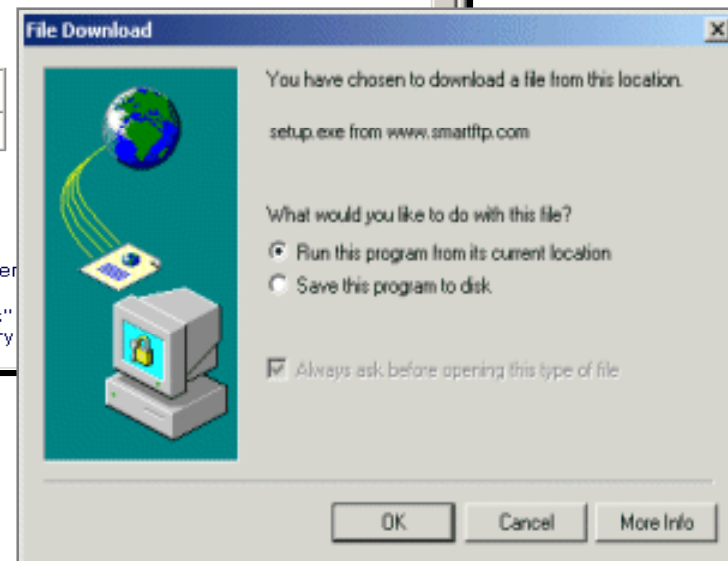
@FileShare™

DOWNLOAD FILE

	Name	Type	Expires	Size
download	P_LDec2003.xls	XLS File	7/24/2003	21.50 KB

How it works:

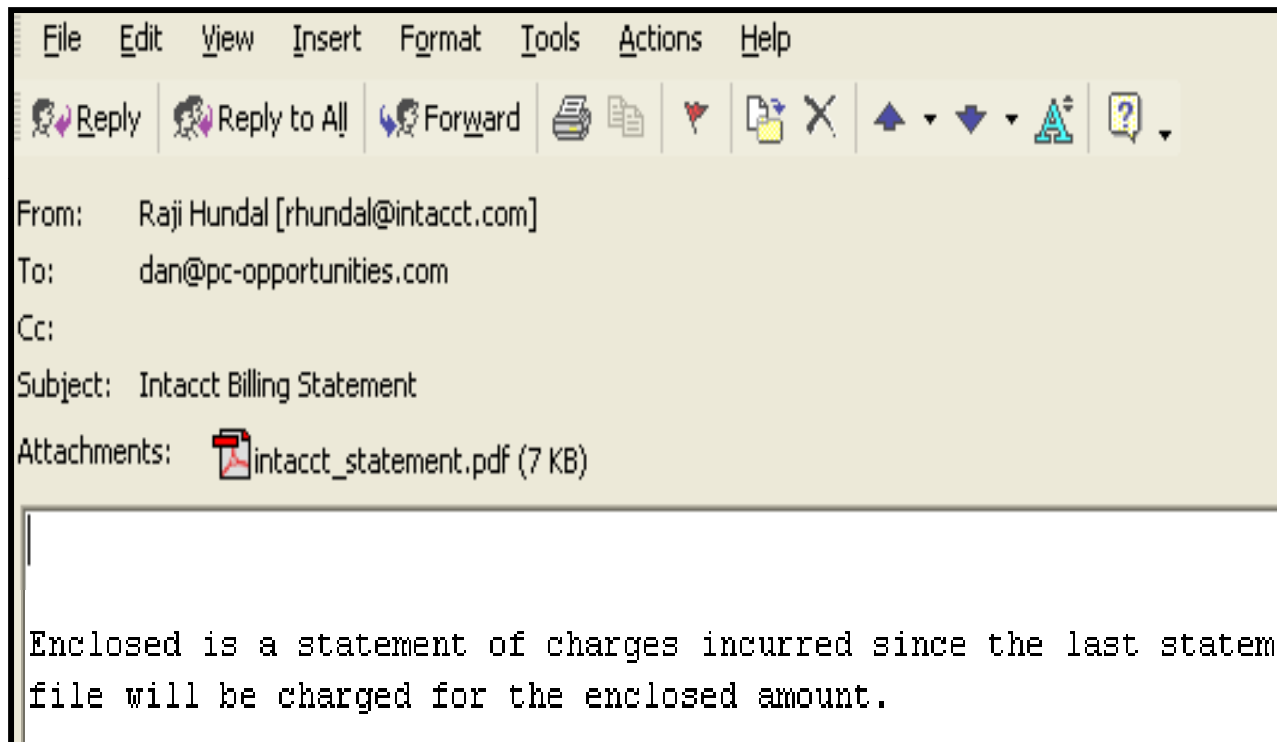
- A user uploads files of any size into their account where the files reside.
- The subscriber then selects files, clicks on the "Send Selected Files" button, and provides the recipients' email addresses. The recipients receive a brief file delivery message that is similar to the message you received.





How it works ?

Operational Workflow Process



**Receipt
of
Source
Docs
via**

email



How it works ?

Operational Workflow Process

The screenshot illustrates the operational workflow process on the CPAASP website. It is divided into two main stages: the login process and the applications dashboard.

Login Stage:

- Header:** CPAASP™ online accounting solutions @accounting™. Navigation icons for home, order, login, help, and contact.
- Navigation:** Solutions | Support | Finance Professionals | Small Business | Enterprise | General Information.
- Left Sidebar:** Services and Pricing, E-Marketing, Website Solutions, Education, and Join Our Mailing List!
- Login Form:** A form with fields for Username (containing 'CPA_1') and Password (masked with asterisks), and a 'Log In' button.
- Portal Options:** A list of instructions: 'Type your user name password in the boxes to log in.'

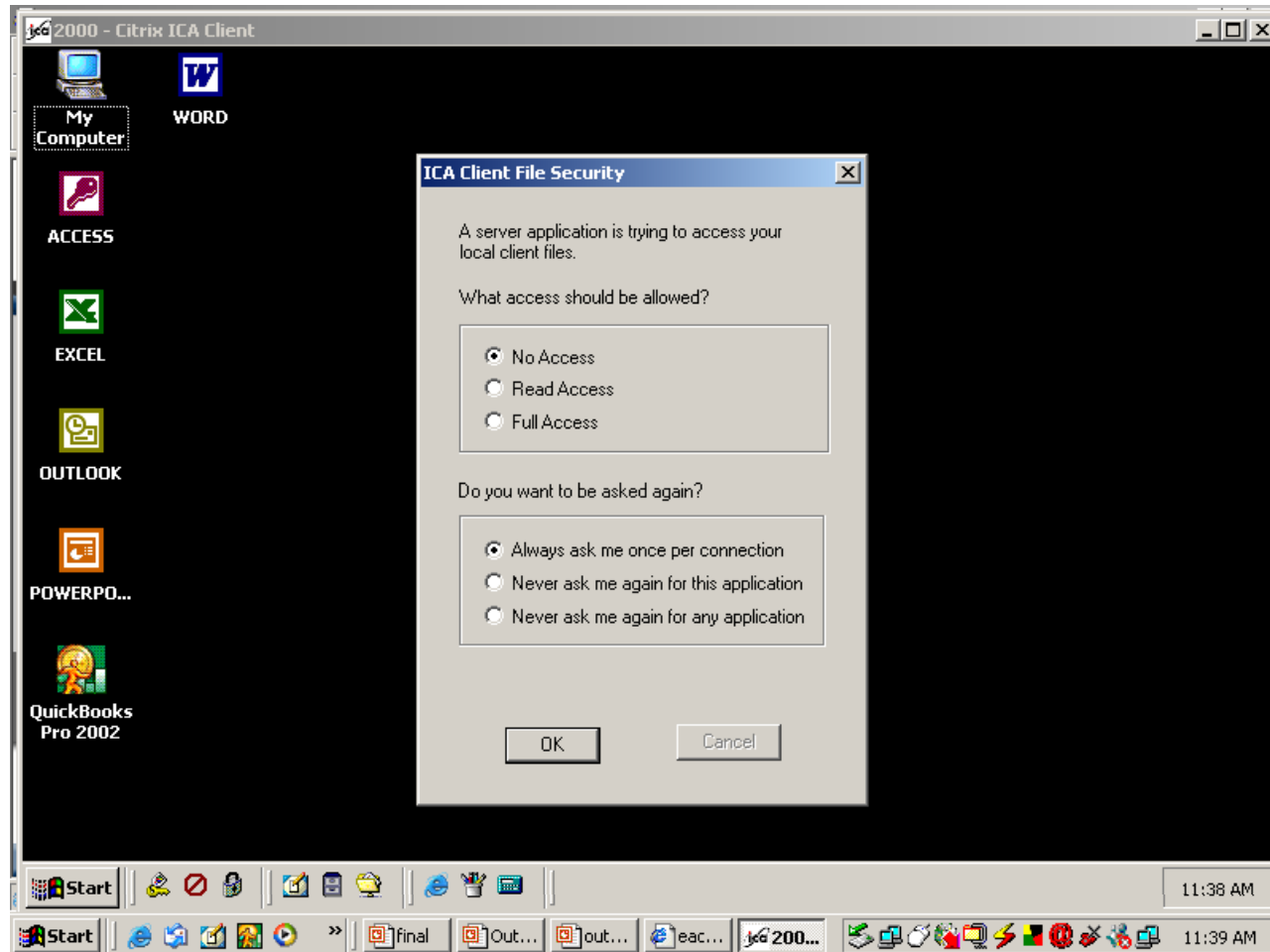
Applications Dashboard Stage:

- Header:** Applications. Includes a 'Logout' button and navigation links for Top and Up.
- Applications Grid:** A grid of application tiles: Force Logoff, Printer config tool, QBA01, QBA08, and Virtual Desktop.
- Portal Options:** A list of actions: Refresh your application list, Change your password, Change your screen size, View help documentation, Re-enter your login credentials, Logout dropped sessions (launch from Applications).
- Footer:** thawte logo and text: 'All portal data encrypted using thawte secure SSL web certificates'.

A large grey arrow points from the 'Log In' button in the first stage to the 'Applications' dashboard in the second stage, indicating the transition from login to the main application interface.

How it works ?

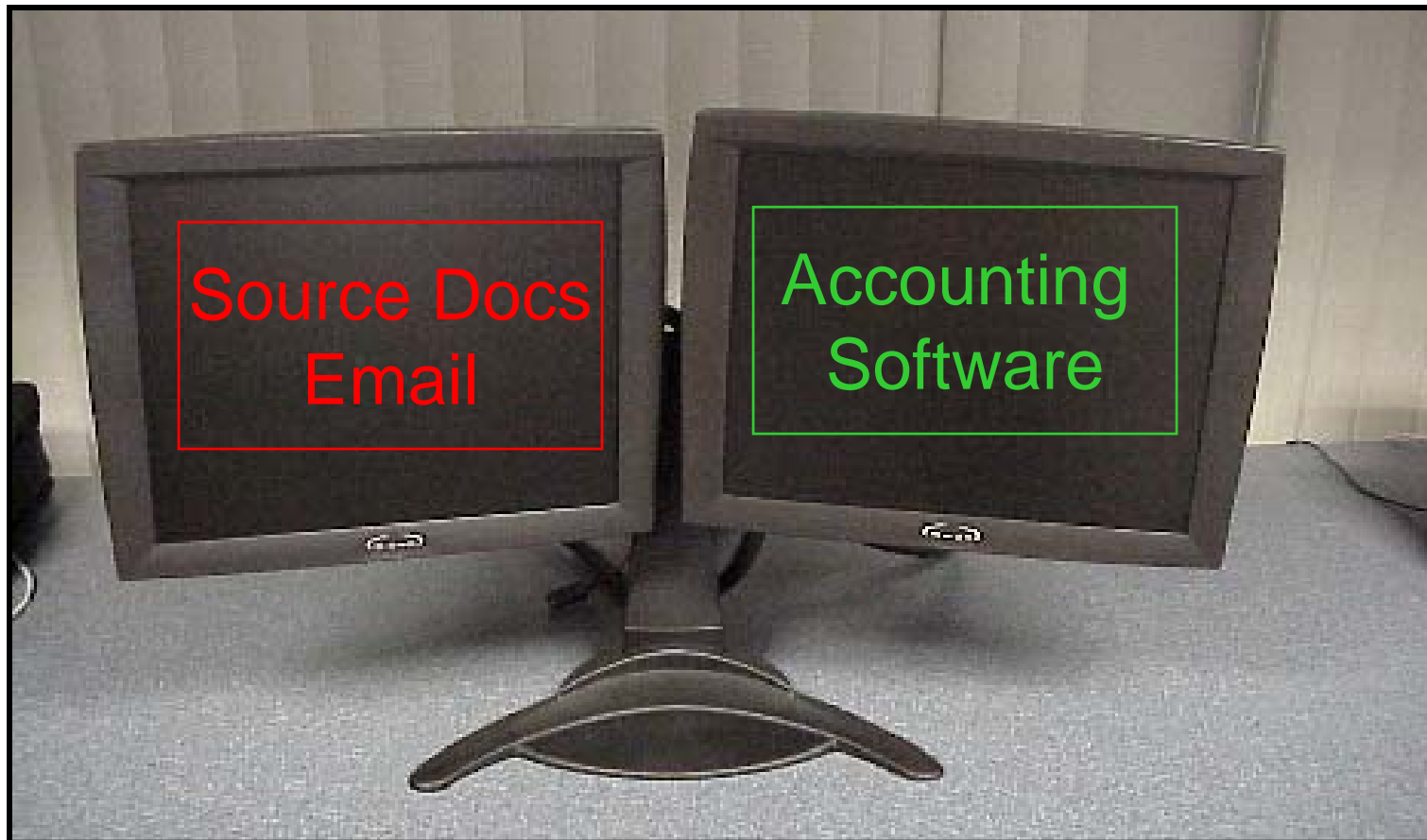
Virtual Desktop





How it works ?

Dual Monitors



ACCOUNTING TOGETHER



How it works ?

Dual Monitors - Enter Information into Accounting Application

Source Docs

FROM : CBS INC. PHONE NO. : 4082692120 JUL. 18 2003 09:32AM P1

Lenax Landscaping, Inc.
8850 N. San Antonio Rd., Ste. N
Los Altos, CA 94033
tel: (650)648-3639 fax: (650)648-3706

Worksheet for Percentage Complete

DATE: 6/23/03

PROJECT: Lenax

ITEM	DESCRIPTION	Plan %	Cur %	Total %
Contract	Artistic Roll-			
Contract	Times with irregular flagstone or other 750 sf	10.00%	10.00%	10.00%
Contract	W/Flag in 2" thick irregular flagstone or other 150 sf	10.00%	8.00%	10.00%
Contract	Spa Area - Various 42			
Contract	Deck system 30 sf	100.00%	90.00%	100.00%
Contract	Strip concrete (3) interlocking concrete sidewalk - irregular	100.00%	8.00%	10.00%
Contract	Bluestone			

Accounting Software

Lenax Landscaping, Inc. - QuickBooks Premier Accountant Edition 2003 (multi-user) [2/14]

INVOICE

DATE: 07/23/03 INVOICE #: 1272

ITEM DESCRIPTION RATE QTY AMOUNT

DESIGN/DEVELOP...	Design services rendered June 17 - 23, 2003			
REVISIONS BILL...	Sheet Preparation: revisions to layout references	0.00	1.25	0.00
REVISIONS BILL...	Sheet Preparation: revisions to planting	0.00	2	0.00
REVISIONS BILL...	Sheet Preparation: revisions to grading	0.00	0.25	0.00
CONSTRUCTION...	Sheet Preparation: colorbooklet (in house)	0.00	0.25	0.00
CONSTRUCTION...	Sheet Preparation: planting	0.00	13	0.00
CONSTRUCTION...	Site visit: 10:00AM review	0.00	1.5	0.00
CONSTRUCTION...	Administration: correspondence, product research, follow-up scheduling, printing	0.00	0.75	0.00
CONSTRUCTION...	Sheet Preparation: details, specifications, elevations & sections	0.00	1.25	0.00
CONSTRUCTION...	Sheet Preparation: colorbooklet (in house)	0.00	0.25	0.00
CONSTRUCTION...	Sheet Preparation: planting	0.00	13	0.00
CONSTRUCTION...	Sheet Preparation: site plan, agencies, consultants	0.00	0.25	0.00
CONSTRUCTION...	Project Costing: refine estimate, contract	0.00	0.25	0.00
	Design Services Designer	75.00	18.16	1,262.50
DESIGN/DEVELOP...	Reproduction - Pennek Digital Imaging #19170, #19961, #19300, #19306	71.45		71.45
Total				1,835.95

ACCOUNTING TOGETHER

Indian Bookkeeper - Credentials



- ❖ B.Com Graduate with Accounting Experience in CA firms
- ❖ Command over English (Oral & Written)
- ❖ Computer savvy with control over accounting packages.
- ❖ Global Business & Accounting Practices with idea of GAAP
- ❖ Overseas Application Certification from recognized bodies.
- ❖ Knowledge of Operating Systems, Networking, PDF & Scanned Images.

CPA Firms – DO's & DON'Ts

- ❖ Maintain a single exit & entry in workplace
- ❖ Track your time—how much hours you devoted to each client
- ❖ Follow FASB – 99 – Rules for Accountants prescribed
- ❖ Become a CPA and a member of AICPA
- ❖ Subscribe to journals and magazines dedicated to CPAs



- ❖ Leak any information
- ❖ Download files or document in floppies, CD, etc.
- ❖ Print any document of clients
- ❖ Bring any floppies, CD, Paper Sheets in workplace



Thank You