
FINANCE AND ACCOUNTING OUTSOURCING

A Unique Opportunity



Outsourcing helps generate cost savings, improve focus, increase process efficiency in the medium term and most importantly enable growth without manpower constraints

WHY OUTSOURCE

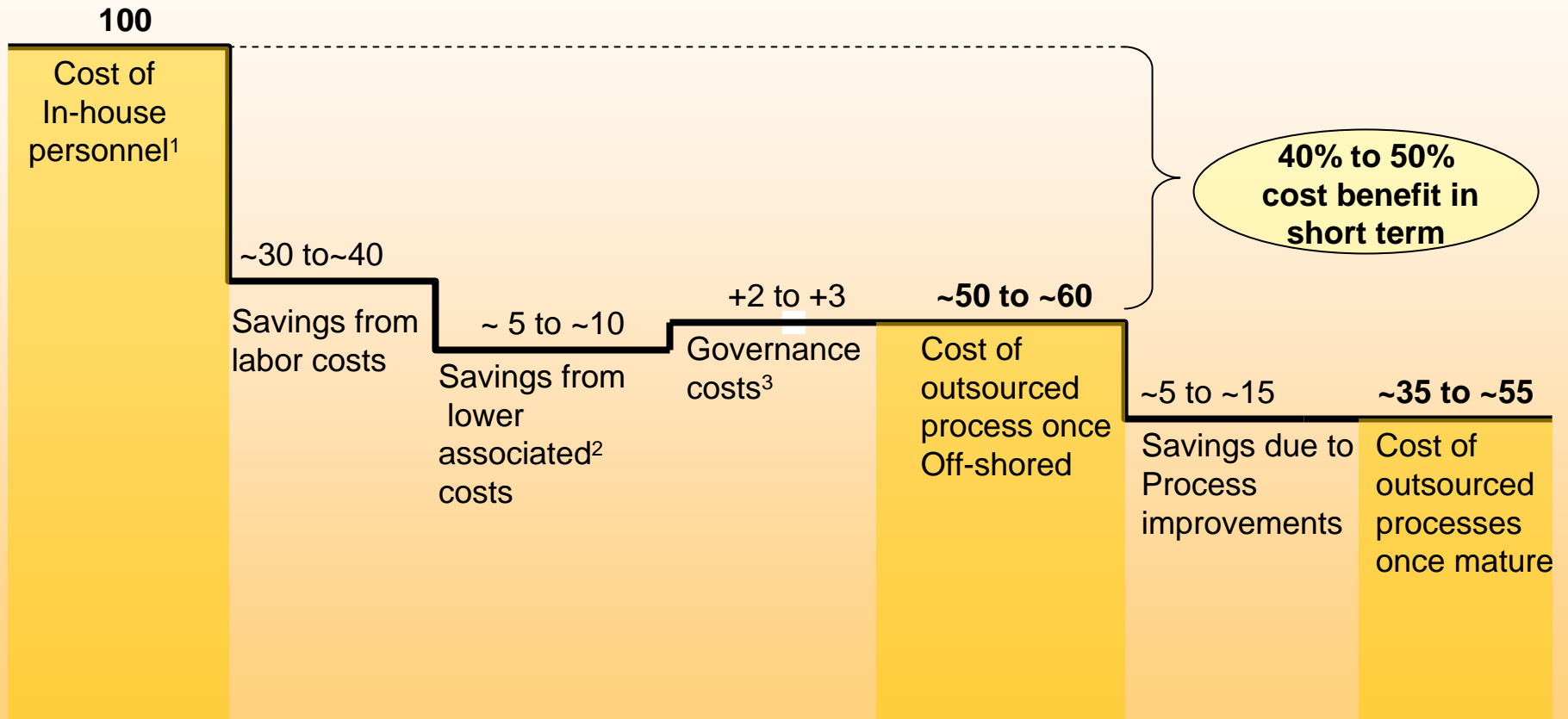
- **Generate cost savings** between 40%-50% by outsourcing to cheaper back office service providers
- **Manage seasonal increases in work-load** by outsourcing additional work
e.g. Filing of tax returns could be outsourced to meet peak season demand
- **Focus on high end activities** by releasing time from routine activities
- **Greater flexibility in staffing**-manage your resource levels in sync with demand
- **Shorter project delivery times** due to the expertise and efficiency of the outsourcer in transitioning and executing transaction processes
- **Favorable time difference between India and US** is useful especially during peak load seasons
 - India works when US sleeps-enables faster completion of work

Cheaper Back Office to support your main office

Offshoring can potentially yield short term cost reduction of 40% to 50% and long term cost reduction of 45% to 65% of the original cost base

COST SAVINGS SUMMARY

Indicative figures



Note

1. Includes salary, benefits and ancillary costs of personnel currently executing the processes
2. Associated costs include non-compensation costs related to personnel, such as, occupancy, training, computing, attrition and hiring costs, and HR support
3. Includes cost of in-house personnel's participation in administering the outsourcing relationship

Good quality at very competitive pricing is our core value proposition

OUR VALUE PROPOSITION: WHY US

- **Focus breeds expertise**-specialize only in finance and accounting outsourcing
- **Narrow target market**-our focus on small and mid-sized firms helps us understand and serve their unique outsourcing needs better
- **Competitive pricing driven by** our lean cost structure
- **Well qualified and skilled team** comprising of accountants, CPAs, and MBAs with prior experience in outsourcing accounting and tax services
- **Flexible pricing structure** designed to meet varied outsourcing needs
 - Per hour pricing
 - Per full time employee (FTE) pricing-flat fee per month for a dedicated offshore employee
 - Per transaction pricing (for selective services)
- **Structured approach** to process transition and implementation
- **Scalable operations** to meet any requirements either through in-house expansion or through our links with other service providers
- **Robust technology and security set-up** backed up with a stringent privacy policy

We can perform a range of services including transaction accounting and payroll related processes, financial modeling, business research and analysis, and database processing related services

LIST OF SERVICES

Revenue Processes

- Accounts Receivable Processing
- Sales Order Processing
- Customer Invoicing

Disbursements Processes

- Accounts Payable Processing
- Travel and Entertainment Expenses Accounting
- Cash Disbursement Processes
- Processing Letter of Credit related documents

We can work on accounting packages like QuickBooks, Peachtree, Creative Solutions

General Accounting and Bookkeeping Processes

- Updating Chart of accounts
- Maintaining Ledger accounts
- Generating Trial Balance and closing accounts
- Bank and Account Reconciliations
- Preparation of financial statements- income statement, balance sheets and cash-flows statements

Tax Returns Filing Services

- Individual Returns(1040)
- Corporate Returns(1120, 1120S)
- Partnership(1065)
- Trusts(990 , 1041)

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LIST OF SERVICES(CONTD.)

Financial Modeling and Analysis

- Financial modeling-preparation of cash flow models, income statements and balance sheet projections
- Prepare monthly, quarterly, and annual management reports
- Financial Analysis like ratio analysis, break-even analysis, NPV and IRR analysis
- Formulation of business plans (specialized service for small businesses)

Fixed Asset and Capital Accounting Processes

- Compute depreciation tables and schedules and record depreciation
- Account for write-offs and valuation adjustments
- Maintain work-in-progress accounts
- Reconcile fixed asset accounts and ledger entries

We can work on taxation packages like Pro Series, Turbo Tax, ProFx, Lacerte

Cost and Inventory Accounting Processes

- Maintain inventory records
- Develop and update costs

Business Research

- Sector study, industry trends, company profiles through desk and web research
- Business intelligence- competitor profiling including summary of financial performance and key business initiatives
- Abstraction services- business and financial news abstracts

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LIST OF SERVICES(CONTD.)

Payroll Processing

- Creating and maintaining employee profiles on the Payroll system
- Managing time and attendance
- Processing of Weekly/Bimonthly/Monthly Payroll from time sheet
- Calculation of Net Pay checks
- Calculation of Federal / State taxes for Employer and Employee
- Payroll Journal and Payroll Summary Sheet
- Monthly/Quarterly/Yearly Returns
- End of the year W-2 and W-3

Database Services

- Creation and maintenance of mailing lists, directories, mailing addresses and customer lists

Data Processing Services

- Data entry, cleaning and validation
- Coding open-ended answers
- Data tabulation (makes data amenable to a parameter search)
- Basic statistical analysis
- Presentation of results in various formats

PROCESS FLOW

Data Input

Source documents¹
scanned by client
resource in US/UK

Scanned images
uploaded from
local drive manually
or through a workflow
software

Web based
Interface/FTP

Data Transfer

Input data (Images)
located at client
server/our server

Secured² remote
access of data

Quality Control

- Dedicated quality resource checks processed work
- Double entry for critical processes³

Web based
Interface/FTP

Upload finished
work

Data Output

- Updated client accounts
- Reporting statements

Data Processing

Team at New Delhi
- Checks images
- Enters data in accounting
package residing at client
server/our server

Note

1. Source documents include invoice copies, purchase orders, good receipts, and, bank statements
2. Data is accessed through 128 bit SSL encrypted line (same technology is used in online shopping transactions)
3. Double entry means a parallel entry of the same data by two processors.

Our services are delivered through a robust technology infrastructure with built in redundancies to ensure smooth operations

INFRASTRUCTURE: KEY HIGHLIGHTS

- Spacious 2000 Square Feet office set-up with modern facilities to ensure optimum productivity
- Uninterrupted power supply (with battery back-up)
- Two tier IT support for quick resolution of IT problems
- Dedicated US based server located in a Ohio based datacenter with automated data-backup
- Computers with latest technology configuration (IBM Pentium IV PCs and server)
- Multiple network connections (Cable and DSL) to ensure continuous online connectivity
- Multiple US specific telecommunication facilities- *VOIP, US fax no., and US Voice mail*
- US Telephone No. to be operational soon
- Accounting Softwares- QuickBooks, Peachtree, SageLine50 and MYOB (different versions)
- Taxation Softwares- Lacerte, ProSeries, and TurboTax

We employ multiple data security practices to ensure protection of client data

DATA SECURITY PRACTICES

Physical and Work floor Security

- Screening of visitors/employees by a security guard during entry and exit for data storage media like cds
- USB drives and cds are banned from work-floor

Data Security

- Limited data movement from US as data is housed in server farms in US or is processed through remote access of client servers
- All data is backed up regularly either in US server farms or our data servers depending on client choice

Network Security

- Use of secured line (128 bit SSL) to access and transmit data (images) from servers in US
- Segmented LAN with firewall protection
- All ports except DNS and SMTP servers are disabled for the external world

PC Security

- Access to source documents is restricted to authorized employees only
- No fax and printing capabilities at the processing site
- PCs used by processors do not have CD ROM drives
- PCs used in processing are denied web access
- Limited usage of paper in the work-floor

We follow an integrated, metric driven approach to quality

QUALITY PRACTICES

- Stringent hiring ,extensive training and, proactive approach to quality
- Dedicated quality department to review outputs
- Robust review mechanism at each critical point of the process and before delivery to end customer
 - Use of organizers and process checklists for finalization of accounts and in tax returns filing
- Quality manuals with standardized procedures followed for each accounting process
- Follow a metric driven approach by generating Key Performance Indicators (KPI) for each process
 - Critical input/outputs are continuously monitored through facts and against these metrics
- Well defined exception handling procedure involving clear communication of exceptions to customer
- Use of quality tools like Control charts and Pareto to identify errors and review process quality

COMPANY PROFILE:SUMMARY

- Founded by IIT-ISB¹ graduate with good experience in management consulting in leading Indian and multinational companies
- Founder has prior experience in formulating business plans, financial modeling and business research in retail ,power, and engineering sectors in a leading Indian business house (Tata)
- Senior management team has accounting and taxation outsourcing related work experience in American Express, Xansa, Outsource Partners International (OPI) and HCL of 4 to 10 years
- Team comprising of CPAs' with prior outsourcing experience in accounting BPO and accounting graduates.
- Certified in QuickBooks by QuickBooks University (Leading US-based QB training Institute)
- Working on accounting, financial analysis and tax-return preparation related processes for CPA firms and small medium businesses in US and Australia
- Seater capacity: 15 seats (extendible at short notice)
- Backed by an established business group (USD 20 mn turnover) with distribution tie-ups with multinational companies in office-automation related products and IT hardware products

Note

1. IIT and ISB are leading engineering and management institutions of India. ISB has tie-ups with Wharton ,Kellogg and London business schools

CLIENT LIST- SERVICES PROVIDED (*Indicative Only*)

- Real Estate Property Management Company in Louisville, KY- Monthly Bookkeeping services
- Real Estate Brokerage and Property Management Company in NY-Accounting and Administrative services
- Customer Support Company in Nebraska- Complete Bookkeeping (inc. Payroll) and Financial Analysis
- CPA firm in Fort Worth, Texas –Write-Up, Payroll, Tax-return Preparation and Year-End Finalization services
- CPA firm in New York – Tax Returns Preparation services
- CPA firm in Miami, Florida- Write Up and Finalization services
- Telecommunications consulting company in Miami, Florida – Financial analysis services
- CPA firm in Sydney, Australia- Bookkeeping services
- Equity Research Firm, India- Financial Statement analysis

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