

Process Descriptions
Deltek Power Launch for WorkBook

4/29/2019

Content

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1 The process framework

1.1 Introduction

This document serves the purpose of giving the reader full visibility and insight into the pre-configured processes supported by the WorkBook solution. This pre-configured solution is designed to make implementations easier and provide a close to out-of-the box best practice setup.

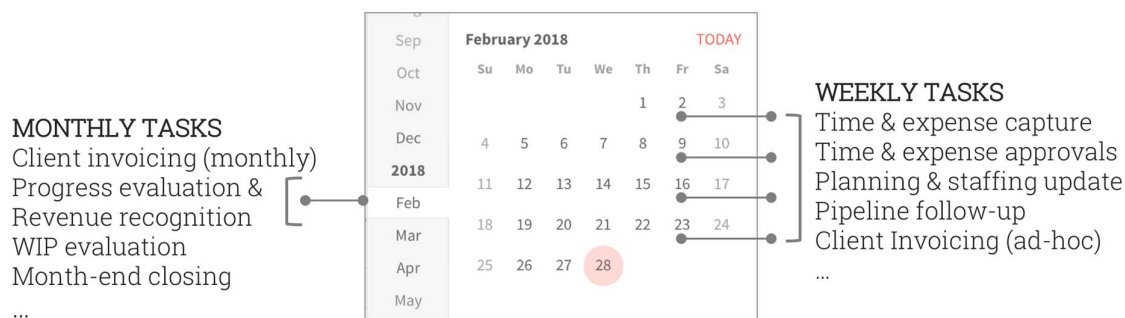
This document groups the solution process descriptions into the following sections:

- **Job processes:** Processes related to the execution of the job from start, to planning, to execution, to time capture, to invoicing and closure.
- **Client processes:** Processes around client management, from opportunity & pipeline management, to forecasting and client payment handling.
- **Resource processes:** Processes related to project staffing and resource planning.
- **Finance processes**
 - **Vendor (AP) processes:** Processes around purchasing, expense and external cost registration, and payments.
 - **Finance processes:** Key processes in the finance department for revenue recognition, finance budgeting, and general journal entries.

This document covers the full solution, but if you have/will only purchase certain parts of the solution, you can focus only on these specific areas i.e. Job and resource processes.

1.2 Rhythm of business

We suggest focusing on implementing what we call a ‘rhythm of business’, where you have certain processes which you follow fairly strictly and you apply these to your business on a weekly, bi-weekly and monthly basis – based on your schedule:



Therefore, we have marked each process that falls under the “Rhythm of business” in the upper right corner of the swim lane diagram, and recommend making these processes key to your implementation and limit deviating from them.

The processes within the “rhythm of business focus” are as follows:

Task	Rhythm
Time registration (section 2.4)	Weekly (or daily if possible)
Update pipeline (section 4.3)	Weekly
Weekly staffing (section 3.1)	Weekly
Revenue forecast (section 4.4)	Monthly
Invoicing (section 2.6)	Monthly
Revenue recognition / progress evaluation (section 6.2)	Monthly
Month-end process (section 6.3)	Monthly

1.3 Process changes to our best practice

The WorkBook package has in-built processes and workflows in line with what is described below. If these are not in line with the core processes in your organization, then the workflows can be configured differently, but this may be subject to a change request to the implementation effort.

In certain cases, different persons (roles) that are set as approvers can be configured as part of scope, but changes to workflow structure in terms of levels or difference in flows are subject to change.

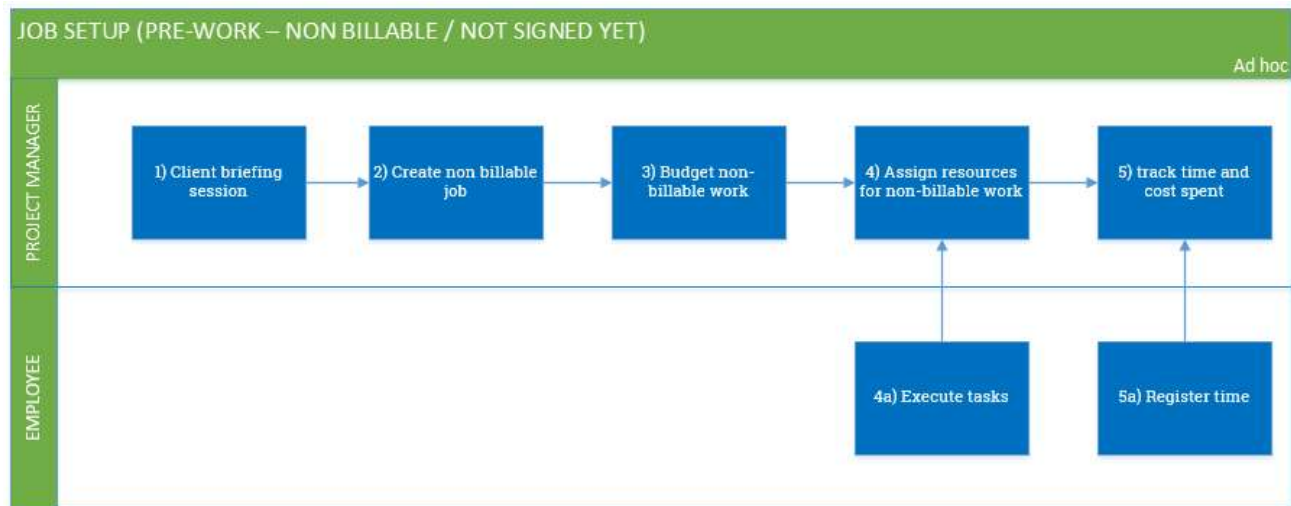
1.4 The finance roles

As part of the process diagrams you will find various finance roles. These multiple finance roles have been set up in order to be able to segregate duties, so that i.e. a person who is making a payment to a supplier cannot also be the person who creates the supplier in the solution. Therefore, assisting in increasing compliance.

Your company may not be sizeable enough to achieve this kind of segregation, in which case there is also a “finance all” role, where the finance person in the setup will have access to the full functionality of all 4 roles in the solution; CFO, AP person, AR person and Controller.

2 Job processes

2.1 Create new job (non-billable / not signed yet)



This process describes the required steps to setup a job for work that the client is not paying for. Work is often being started even though the work is not yet signed in a proper “Statement of Work”. This “biz development” job is used to track the hours invested, without recognizing any revenue.

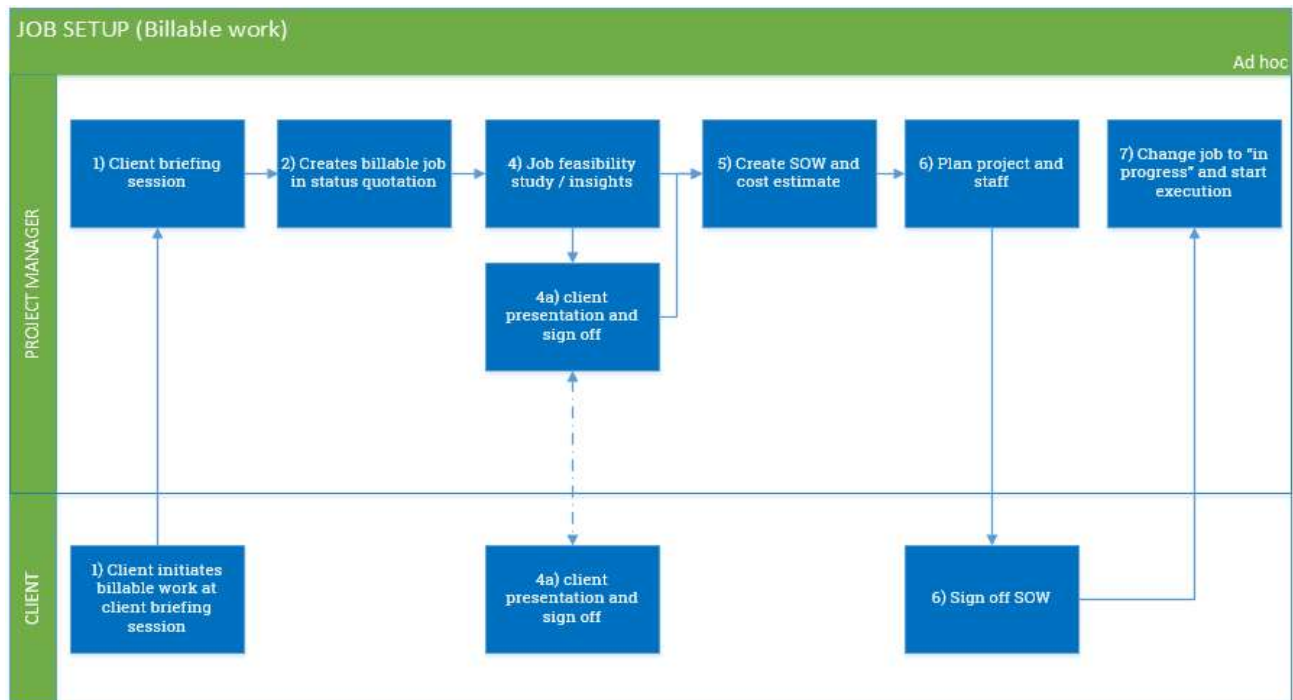
A job can also be needed for what is identified as “business development” work towards a client, meaning an investment of hours with the purpose of winning new business and it is therefore recommended to have a job to track both the bookings, a budget for what the investment is and then the ability to track the hours. Therefore, in order to ensure that the above can happen, a “non-billable” business development job should be created. We recommend that for each of your bigger clients, you have a job that reflects these ‘client investments’ i.e. a “Lego – business development 2020”.

The process is as follows:

- 1) Through a brief session with the client, a specific job is identified which will need hours tracking against it until the client signs a statement of work.
- 2) The Project Manager creates a job based on a template called “business development”. This job has tasks relevant to winning new business, and has no revenue recognition setup.
- 3) In order to make sure the investment is not exceeding expectation, a budget is set for the job as a baseline for controlling hours and costs.
- 4) The project manager assigns resources to the job and it may then be adjusted by the “traffic manager”.
- 4a) The employee executes the tasks based on their assignments that they receive through the solution
- 5a) The employee registers time against the executed tasks.
- 5) The Project Manager tracks the progress against the set cost estimate using the jobs workspace

Be aware that you can apply a process where we set up a billable job in “quotation” mode and then track hours against it. However, be aware that you will still recognize revenue in quotation mode even though no signed contract is in place.

2.2 Create new job (billable work)

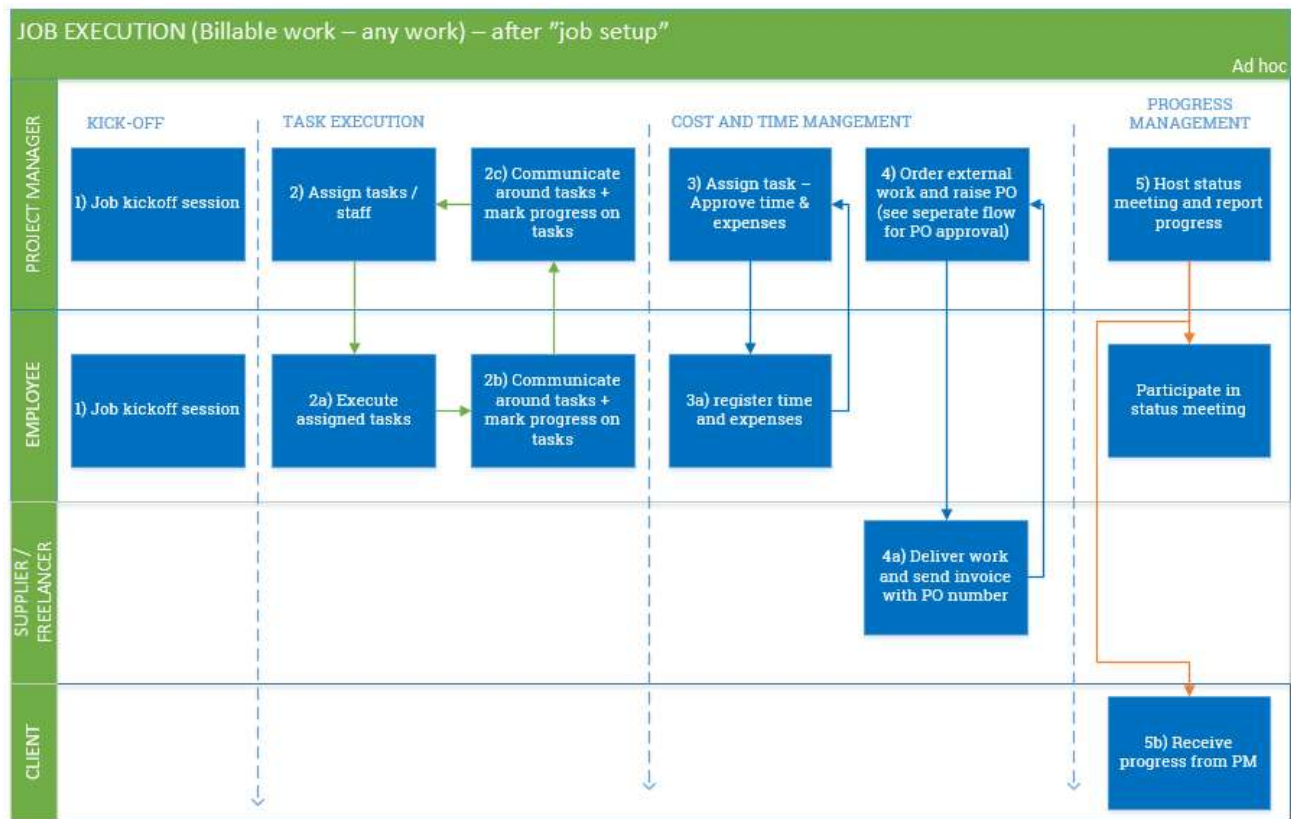


This process covers the work of starting up a job from first initial scoping until the “Statement of Work” is signed and you can start recognizing revenue. This process is defined to secure that from a governance point of view that no revenue is recognized before the client has signed the SOW.

- 1) A briefing session is hosted with the client to identify the actual work to be delivered.
- 2) The project manager of that client sets up a billable job in the status quotation. That means that the job is open for estimation / planning, and you can determine if the job should be open for registration and thereby revenue recognition
- 3) Based on the client briefing (whether it was a meeting or in writing) the project manager will initiate what could be described as a “feasibility study / data and insights study” to identify and understand the work to be conducted. The outcome of this study will be a presentation to the client in terms of a de-brief / client presentation of how the work will be delivered. The solution supports briefs including templates / approvals
- 4) Once agreed the project manager has all the input to write a precise quote and/or statement of work - describing and outlining the work to be delivered, deadlines and quotation of the price. From an internal point of view the pricing will also lead to an internal cost estimate. The solution also supports usage of templates for quotes and Statement of Work
- 5) Before sending out the SOW to the client the project manager will use the quotation break down to staff the project and look into availability of people so that deadlines promised in the SOW can be kept.
- 6) The client reviews the SOW and sign off with signature or approval through email
- 7) Upon signed off SOW, the Project manager uploads the signed SOW as documentation and sets the status of the job to “in progress”. This at the same time opens up for revenue recognition on the job

If required an approval workflow can be applied to support finance approval before job is open for registration. If you have a strong process for staffing - the solution supports that you switch step 4 and 5 around and let the staffing become the foundation for your budget / estimate.

2.3 Job execution



This process describes the process of executing a job, from the moment you have a signed statement of work until the job is executed.

It doesn't describe the process around invoicing and job closure – these processes are described in separate sections.

The description is divided into some natural project manager task areas: job kick-off, task execution, cost and time management and progress management.

Kick-off:

- 1) In order to make sure everybody is on the same page, it is suggested that the project manager together with the job team hosts a kick-off session to make sure all are aligned, and that the scope and the plan is clear.

Task execution

- 2) On a weekly basis the project manager assigns tasks from the project plan to the employees

2a) The employee executes the assigned tasks

2b+ 2c) The solution can be used to communicate around each task, and the employees can mark them with a different status, i.e. in progress, not started, completed. Likewise, the project manager can oversee the progress on all tasks.

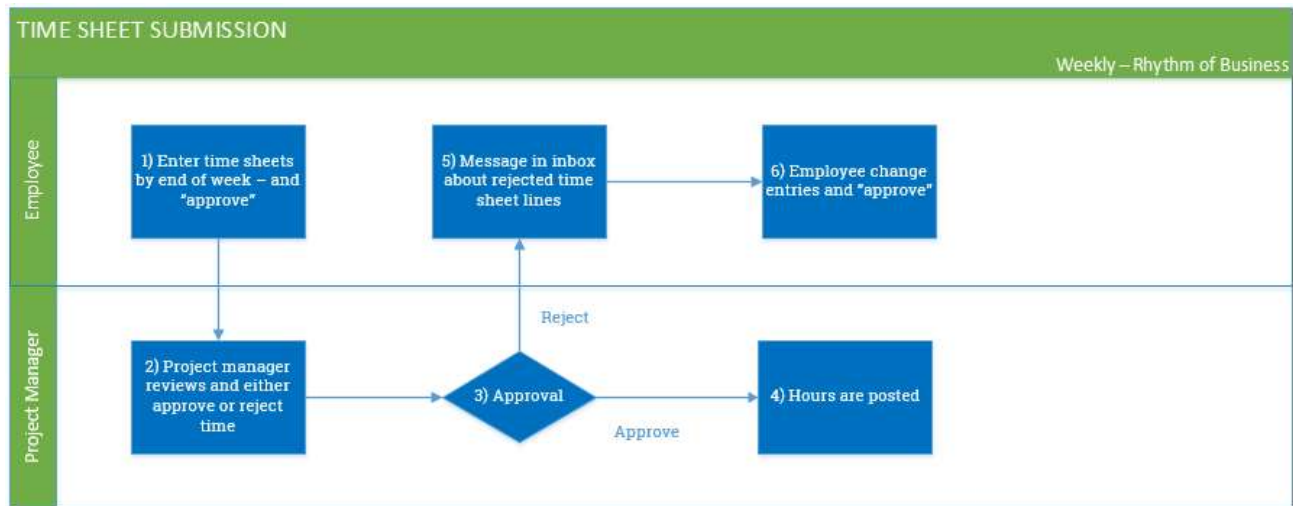
Cost and time management

- 3) The employee registers time against the assigned tasks
- 3a) The project manager approves the hours and controls the progress against the set budget
- 4) The project manager raises purchase orders for external costs, and controls external costs against the set budget
- 4a) The supplier delivers work and sends invoices for conducted work, which after finance registration will be send to project manager for approval

Progress management:

- 5) The project manager must evaluate progress once a month in terms of how far the project is from a revenue recognition point of view (for further information on this see also section 6.2).
Further to this it is recommended to host progress meetings with the team, as well as with the client. For this purpose, different views are available in WorkBook.

2.4 Time submission



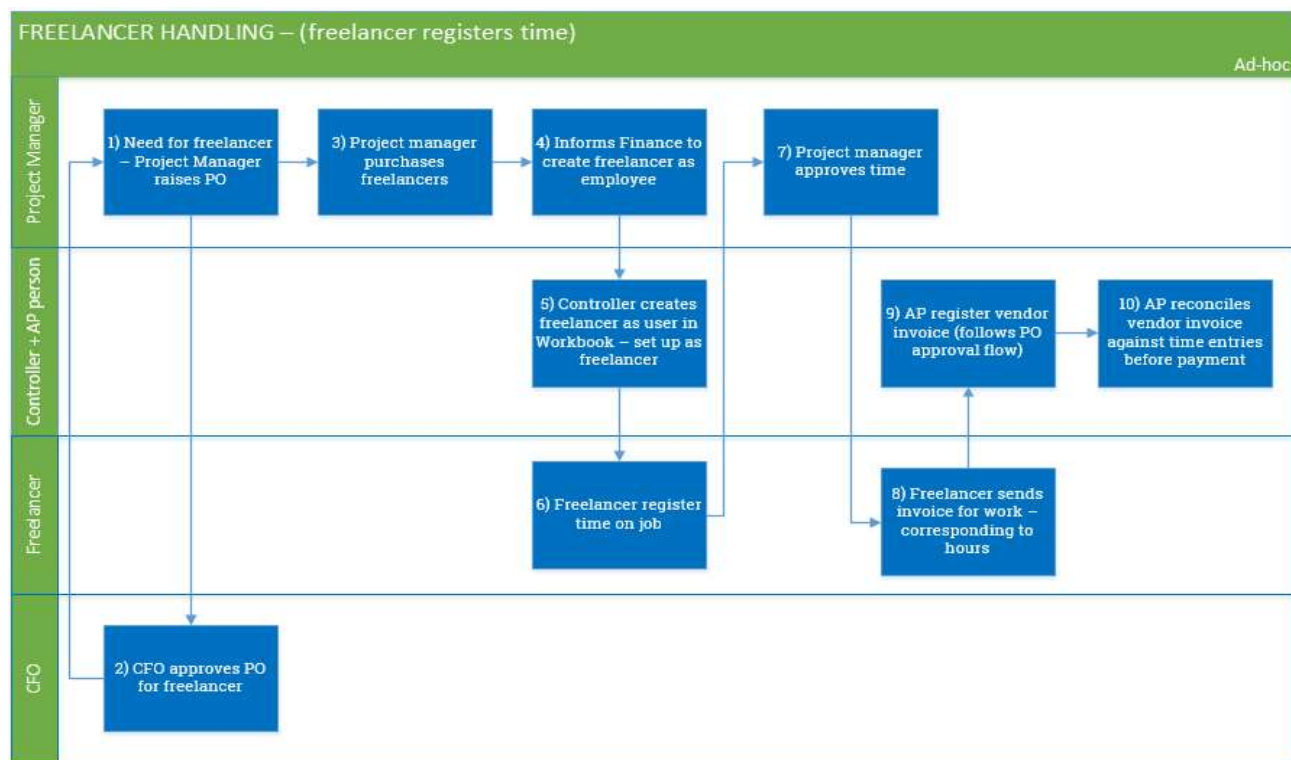
Ensuring that time sheets are submitted each week is a crucial part of managing jobs in an agency – it is fundamental to managing progress on the jobs.

- 1) On an agreed upon weekly deadline, employees must fill in their time sheet and submit it (to be approved).
- 2) The solution will then submit the time sheet lines to the project managers of the jobs in question. The project manager will then review the hours.
- 3) Upon review the project manager can either approve or reject the hours. In case the hours are rejected, the project manager must enter a message to the employee with an explanation, i.e. which job or a reason why the hours can't be approved.
- 4) Upon approval the hours are posted.
- 5) Upon rejection, the employee receives a message in their inbox and must then take action to correct the errors.
- 6) The employee changes the entries and submits (approve) the hours again. The workflow then restarts.

It should be mentioned, that in step 1 the employee has the ability to enter and submit the hours on a daily basis, just like the employee can see the hours in their task overview and register the hours as they progress the tasks in the Kanban view.

The solution is set up with project manager approval, which can be turned off if it is not required by your company. In addition, a second level approval can be applied e.g. line manager.

2.5 Freelancer handling (freelancer registers time)

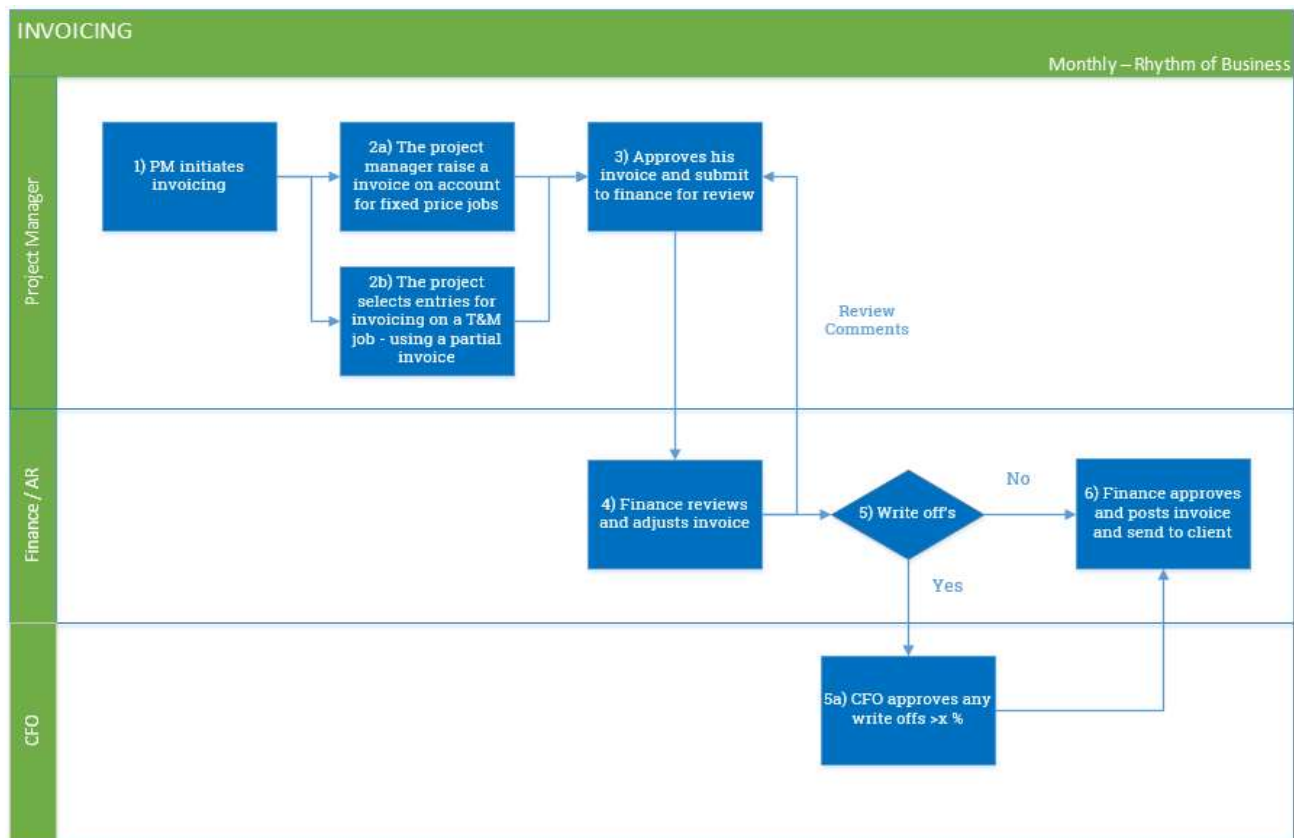


As part of the staffing process described in section 2.5, your company may sometimes not have the availability or the skill set to deliver the required services, and therefore will need a freelancer.

- 1) After clarifying with the traffic manager, the Project manager raises the request for a freelancer via a PO.
- 2) The CFO is set up to approve purchase orders, and will receive a message in his Workbook inbox to approve the PO (Purchase Order). Another person can be setup to approve POs if required.
- 3) Upon approval, the project manager purchases the freelancer assistance and informs the freelancer about the Purchase Order number, which the freelancer must add to the invoice he sends. Internally you might have a process for signing off on an NDA or a freelancer agreement as well. We recommend to upload this as documentation to the relevant job, when applicable.
- 4) Project manager informs finance about the freelancer, where a short word form may need to be completed if your company chooses.
- 5) Controller / AP person creates the freelancer as a user in Workbook, and tags him as a freelancer in the setup. You will set him up with cost price = 0 to avoid double cost through both vendor invoice and registered hours.
- 6) The freelancer will now have access to registering time and can do so on the relevant jobs.
- 7) Project Manager approves time in line with how it is approved for other employees.
- 8) Freelancer sends invoice for work in alignment with registered hours.
- 9) AP registers vendor invoice, which follows the same flow as described in section 5.5.
- 10) AP reconciles the vendor invoice from the freelancer against the time entries before payment.

Note: it is required to have a PO per job – so if freelancer works on multiple jobs, you need multiple PO's. The above flow describes the situation where the freelancer is setup to register time – step 4 to 7 can be skipped and just apply a standard process for sending a vendor invoice with the PO number.

2.6 Job invoicing



The core flow for invoicing is based on a process where the main responsibility lies with the project manager, with control from Finance. We see agencies being successful with this as the project manager has the information about what can be invoiced and when.

1) PM initiates the invoicing

2a) If this is a fixed price job, where you invoice i.e. according to an agreed payment plan, the project manager would create an invoice on account.

2b) In case it is a retainer job, or a time / material job, the project manager will create a “partial invoice” – meaning they would select the entries that they would like to invoice.

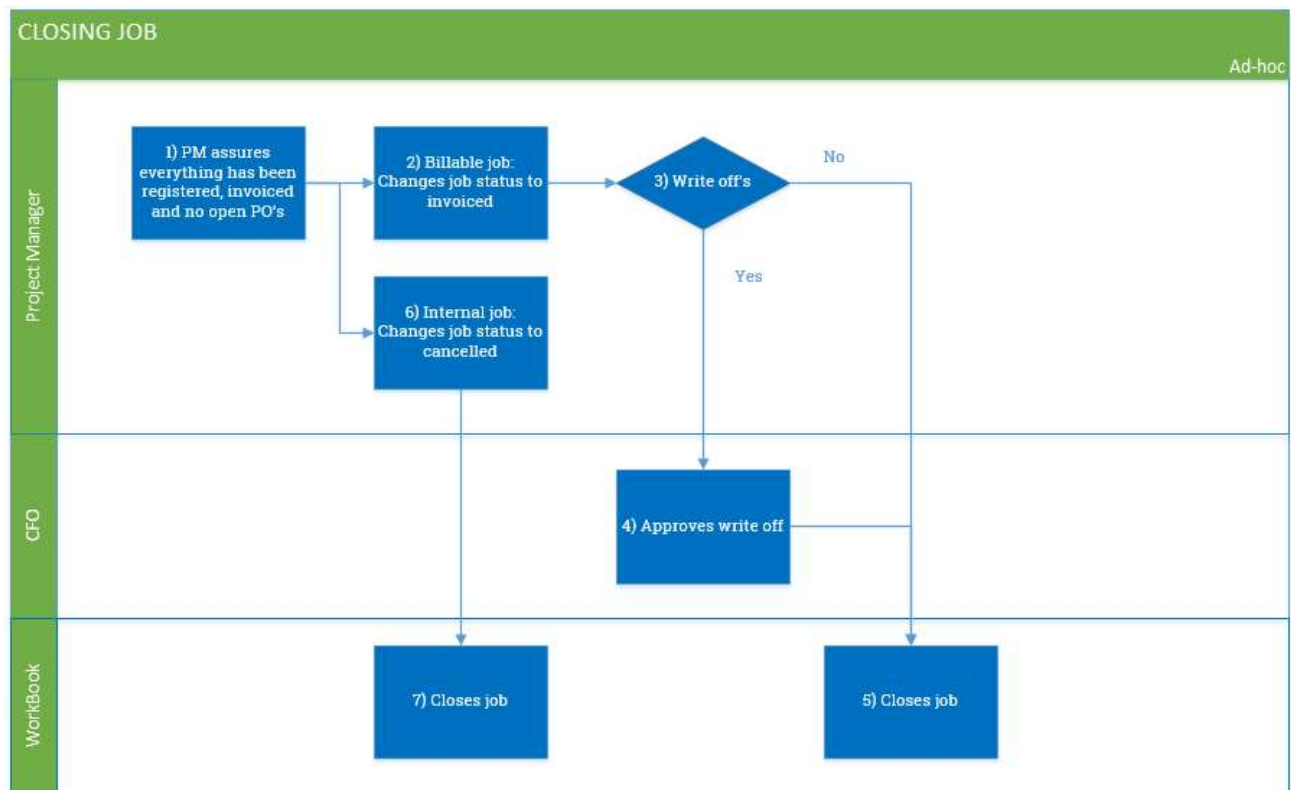
3) After preparing the invoice, the Project manager will now approve their invoice and submit it to finance for review before it goes out to the client.

4) Finance reviews and adjusts the invoice, and a process can be initiated where the comments go back to the project manager for further review.

5) If there is a write off on the invoice, a workflow can be initiated where the CFO needs to approve this before the invoice is sent to the client.

6) Finance approves the invoice and emails it to the client.

2.7 Job closing

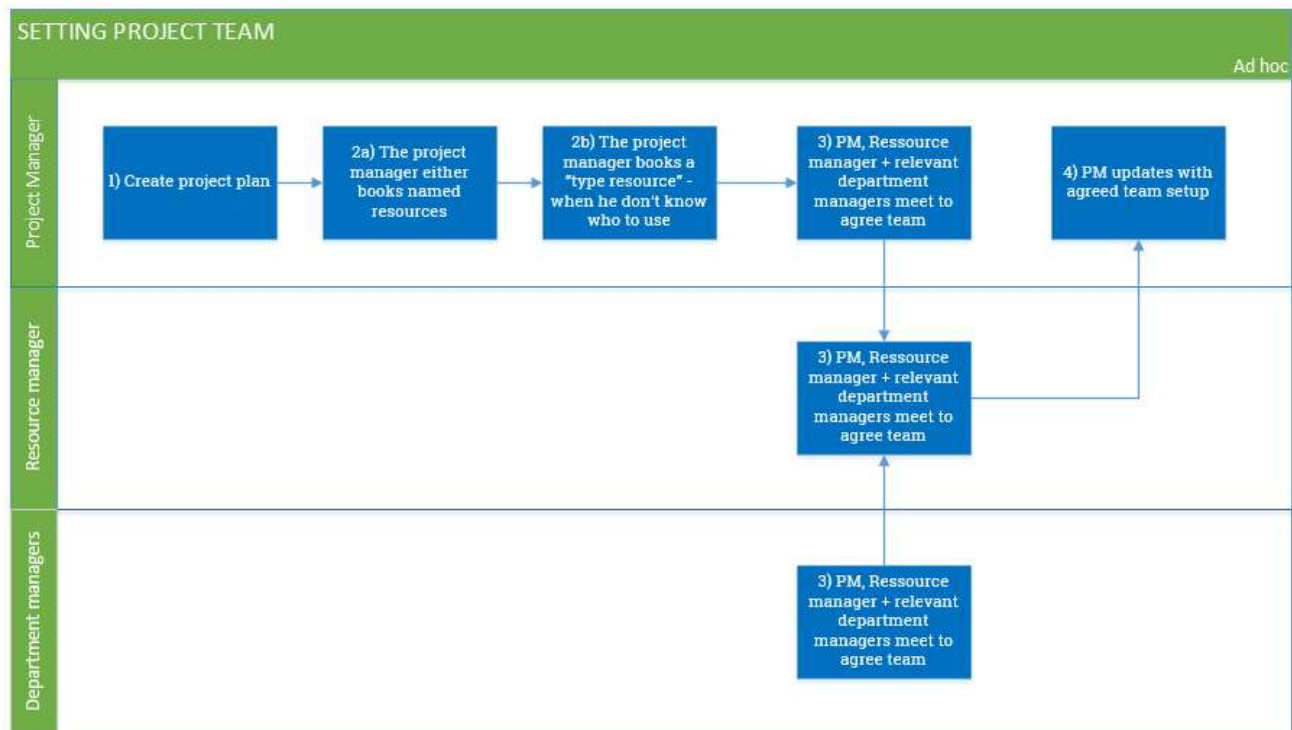


To ensure that you don't have open jobs still with open entries, or potential write offs, a process is applied where the project manager must secure that jobs are closed when all work is delivered.

- 1) PM checks that all has been registered, all has been invoiced and that there are no open POs for which a vendor invoice is missing.
- 2) If it is a billable job, the project manager changes the job status to 'invoiced'.
- 3) This will automatically convert the job to closed when there are no write offs.
- 4) If there is a write off, meaning more revenue has been recognized than what was invoiced, the CFO will get notified with a message in his inbox, specifying that he needs to approve this write off.
- 5) After this approval, the solution will automatically close the job.
- 6) If this was an internal job, the project manager would change the 'job status' to 'cancelled'.
- 7) This would then close the internal job.

3 Resource planning processes

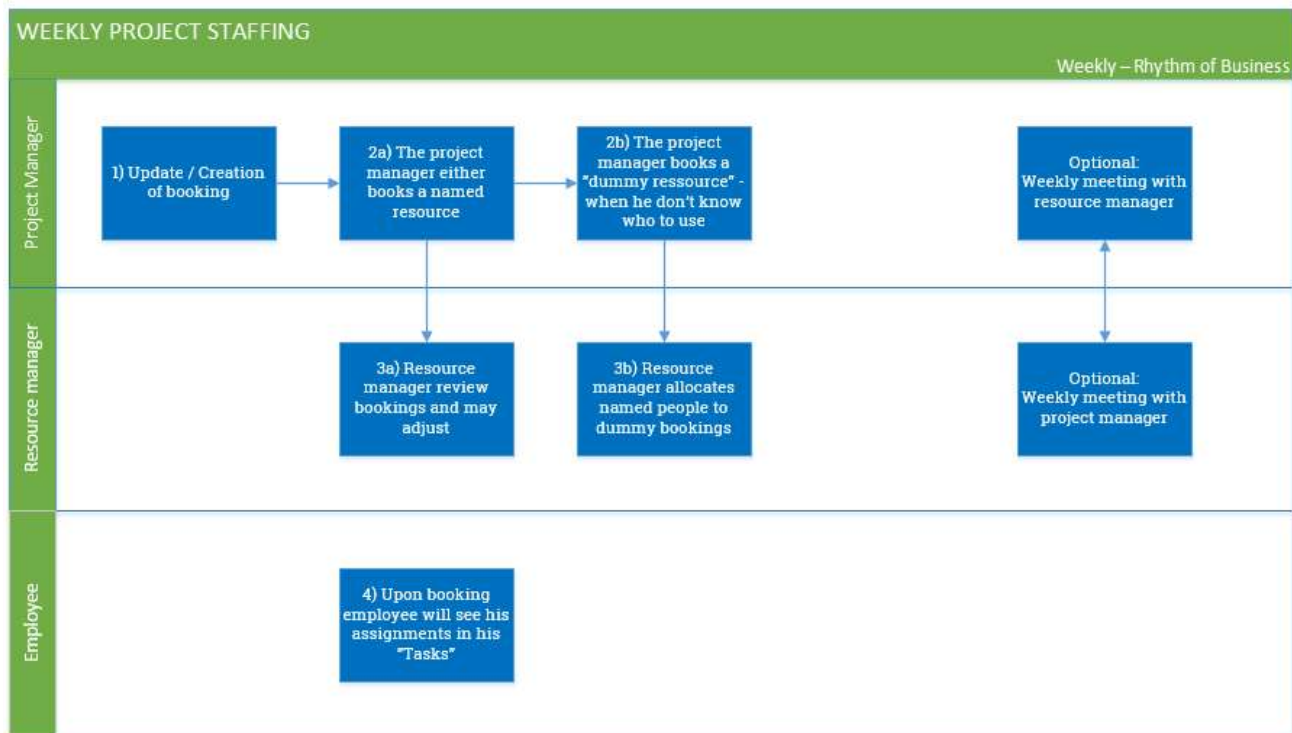
3.1 Staffing a project / setting the team



When starting a project, it is important that you select the right project team. The process, from a solution point of view, is different to normal planning but we suggest having a more formal process to ensure that you find the right people for the job and not just the people that are available.

- 1) There is a new project and either through the set budget or as part of the planning process, the project manager creates the project plan.
- 2) There might be people that the PM already knows shall work on the project and they can book these people in.
- 3) Where the project team is not yet set, the PM books in dummy resources.
- 4) The PM, the resource manager, and the relevant department managers, meet to agree who is the right team for the project, based on both availability but even more importantly, skill set.
- 5) After the meeting, the PM updates the project with the agreed team setup.

3.2 Weekly project staffing



Getting the resource and staffing process to work effectively is a challenge in most agencies, and we rate this process as one of the most important ones for agencies. Getting the staffing process right is about getting everybody to do it, because if some project managers aren't updating bookings, the numbers in general become invalid and people stop believing that the solution gives the right information.

We therefore base the process described above on two things:

- 1) You decentralize bookings to project managers so that they enter bookings in the solution on the same given day every week – leading to a process where no bookings = no resources.
- 2) You assign a resource manager / traffic manager to have the full overview and ownership of all bookings and he/she has the final word.

The weekly process is as follows:

- 1) On a given day of the week (i.e. Thursday), the project managers must update all bookings for all projects. As a company you may determine if it is sufficient to update 2-3 weeks ahead or always request to update for the full life of the project
- 2a) The Project manager books a named resource for the tasks where they know who they should use, and if they can see that the requested resource has availability in their resource calendar.
- 2b) For projects where the Project Manager can't find available resources or don't know who is right to use, they can book a "dummy" resource – i.e. a social media specialist, and then it will be up to the resource manager to

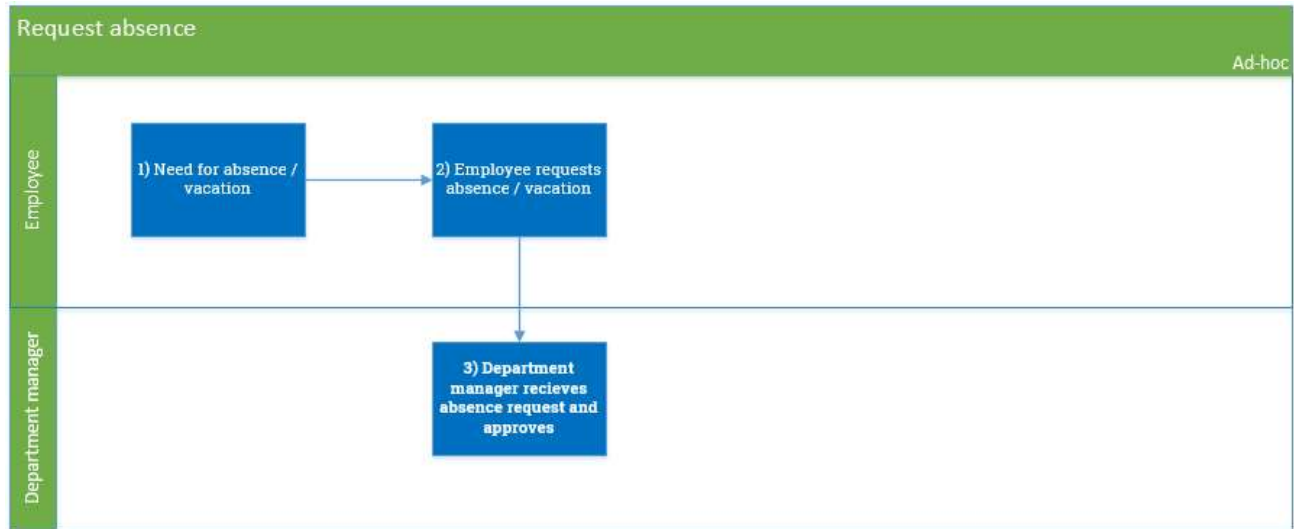
allocate the right person. Communication between the Traffic person and the Project manager can take place within the solution through the collaboration feature.

3a+b) The Resource manager will review the allocations, and for tasks where a “dummy” resource is allocated they will find the right resource for the task and potentially also adjust the booking time. We suggest that the resource manager does this on Fridays in order to get all conflicts solved for the coming week, so that when employees meet on Monday, they know which tasks to execute

4) The employee gets the tasks they are assigned to in his / her Kanban task overview and can start progressing tasks.

Optional: In order to ensure that there is quality in bookings and that any conflicts get solved immediately, some Agencies are successful with ensuring that all project managers meet with the resource manager for 10-15 minutes once a week to ensure bookings are up-to-date.

3.3 Request absence

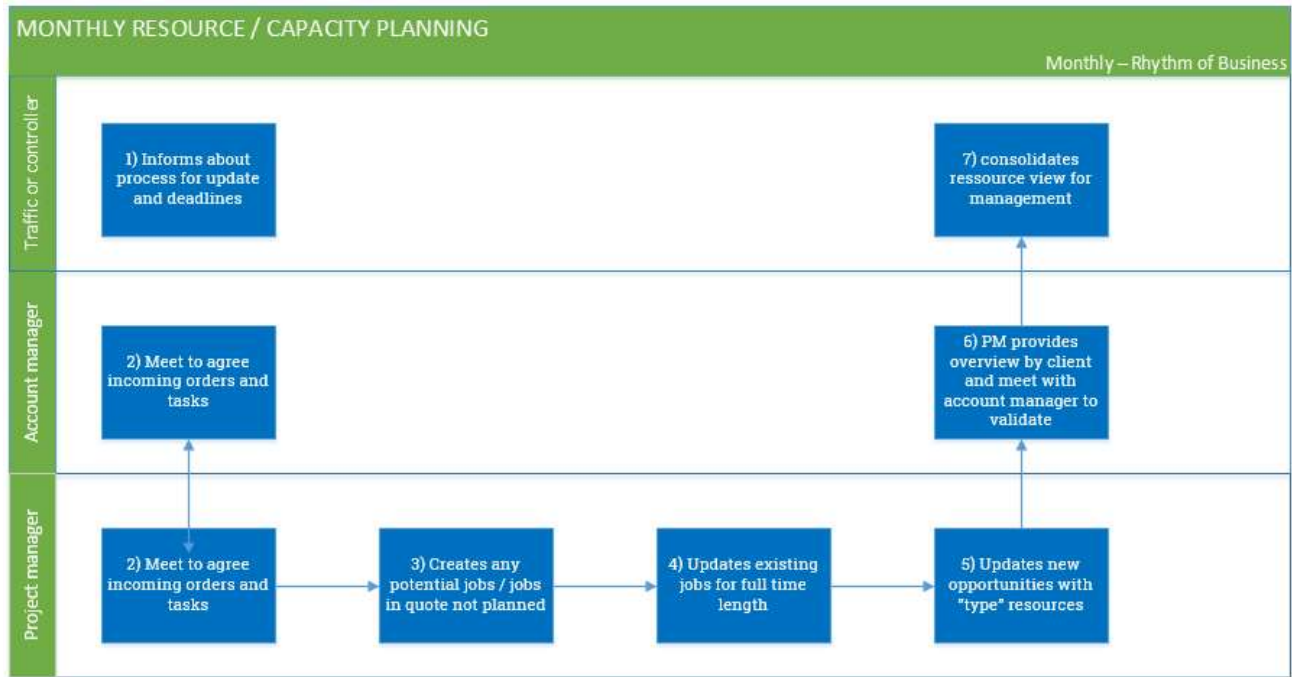


When employees want to take a day off, go on vacation, or similar they can request absence:

- 1) The need for absence for the employee arises.
- 2) The employee books in a request and submits it – different types of requests can be submitted.
- 3) The department manager receives a request in the WorkBook inbox and will approve it or reject it.

The underlying resource planning views will be updated with the absence process described above.

3.4 Capacity planning / monthly forecasting



The above process reflects a situation where companies don't just automatically do daily planning, and want to ensure that the project staffing is updated throughout the entire lifecycle of the project, and where there is no defined process that ensures that incoming opportunities are also planned automatically.

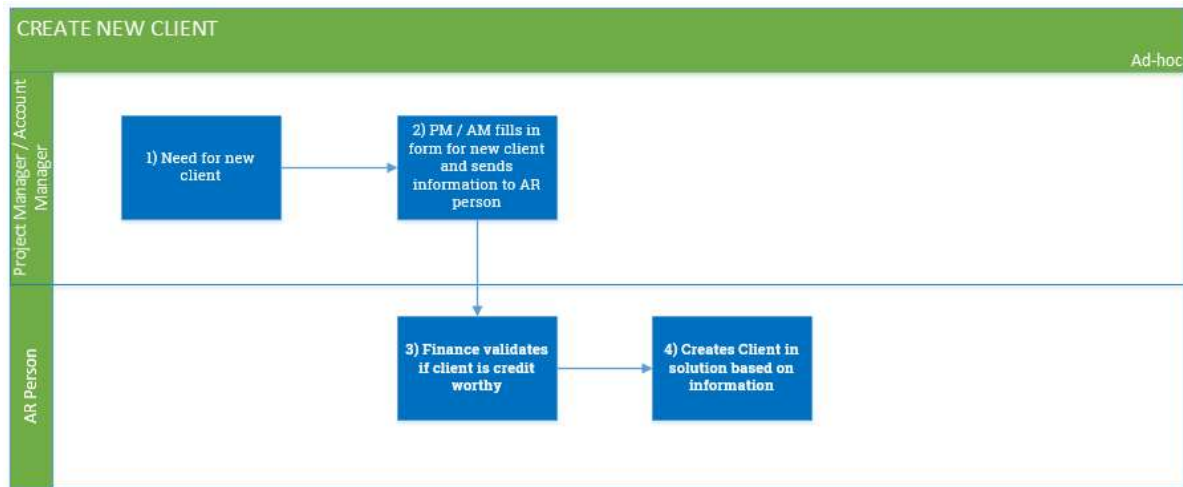
Therefore, the process above is suggested to ensure that there is a fixed way of asking project managers and account managers to do their full client planning once a month. This means that there is a **long term** plan being updated in the solution, rather than just the upcoming month.

The above is made to ensure forward planning and to look at more long-term capacity planning. We recommend to apply this when the above processes in section 3.1 - 3.3 is working well:

- 1) Traffic Manager or Controller informs the Account managers and Project Managers about updating the long-term resource plans, and sets the approach for what to plan, how far to plan ahead and the deadline.
- 2) Suggests that Account Managers and Project Managers meet to agree on incoming orders and to plan ahead on client assignments – and leave the updating to the project managers (unless account managers have high data discipline).
- 3) The Project manager creates new jobs / jobs in quote for those projects that are incoming.
- 4) For projects (backlog), make sure to update the planning for the duration of the project with either named resources or generic resources.
- 5) For "opportunities" / jobs in quote, you plan ahead with generic resources.
- 6) PM extracts overview by client in WorkBook and meets with Account manager to make sure it is aligned.
- 7) Traffic manager or controller consolidates the planning in terms of resource views provided to management.

4 Client processes

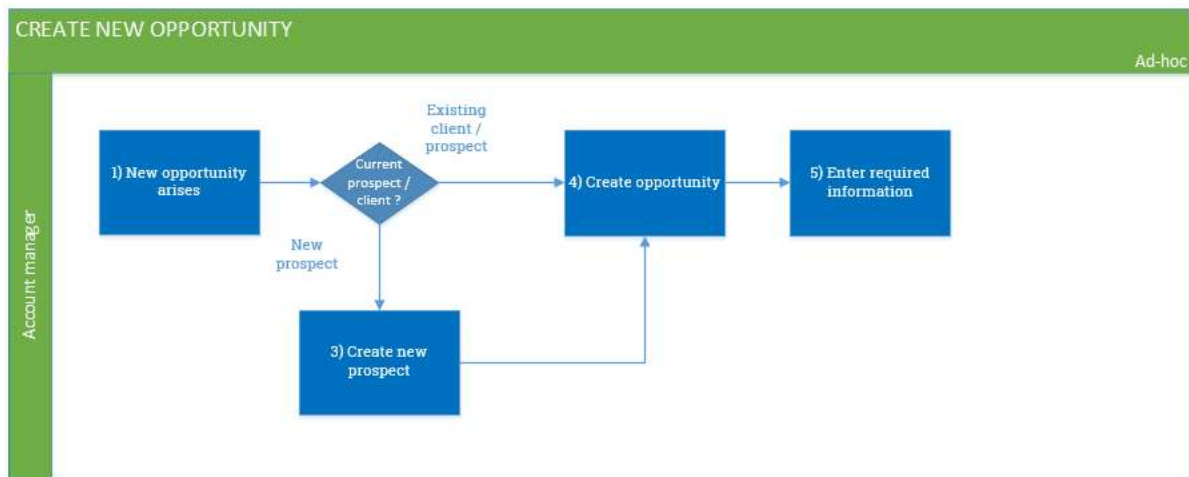
4.1 Create new client



When work or potential work starts with a new client, you would create them as debtor in the solution, which will then allow you to track hours as well as invoice the client.

- 4) The need for a new client arises and either the project manager or the account manager takes the initiative to create a new client.
- 5) PM or AM fills in a dedicated word form for this, and sends it to the AR person in the finance team – alternatively drops them a mail.
- 6) AR person validates if client is credit worthy.
- 7) AR person creates a client in WorkBook based on the given information, or converts the prospect client from the CRM part.

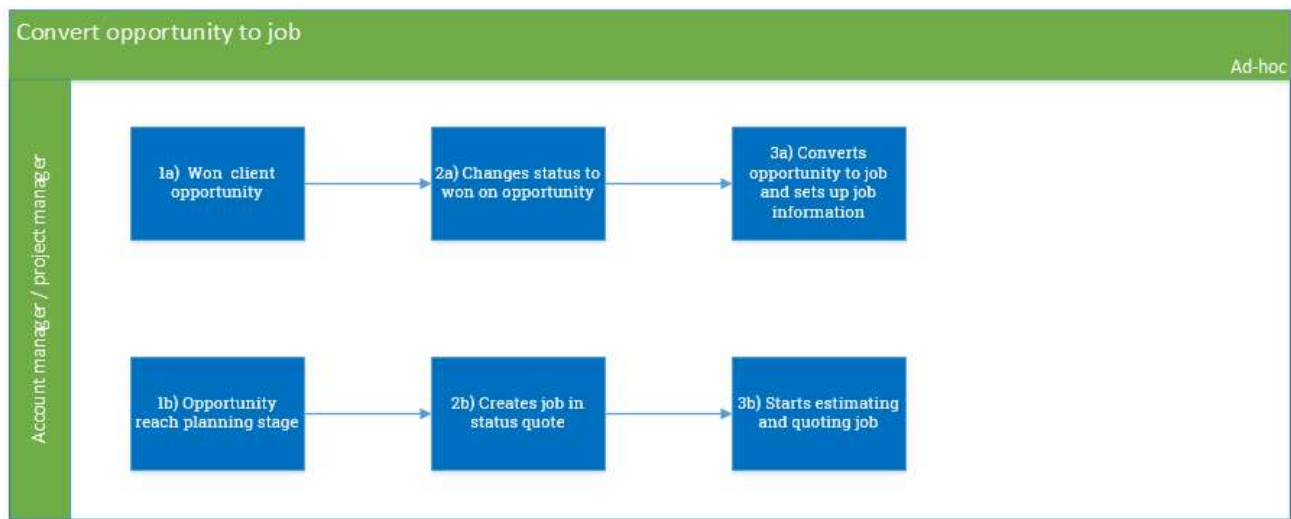
4.2 Create new opportunity



The sales responsible (account managers and client partners) should keep track of all opportunities and create new opportunities when they arise.

- 1) A new opportunity arises.
- 2) It may be for a new prospect, an already created prospect, or an existing client.
- 3) If it is for a new prospect, the account manager should first create the prospect record.
- 4) Next step after this is to create the new opportunity.
- 5) Finally, fill in required information about the opportunity (you decide what is required on the opportunity).

4.3 Convert opportunity to job



When using the CRM solution and tracking opportunities, you may want to convert them to real job at some point. A job will be converted if you either win the opportunity, or because you want to utilize the job part of the solution for planning and estimating and potentially send a quote to the client.

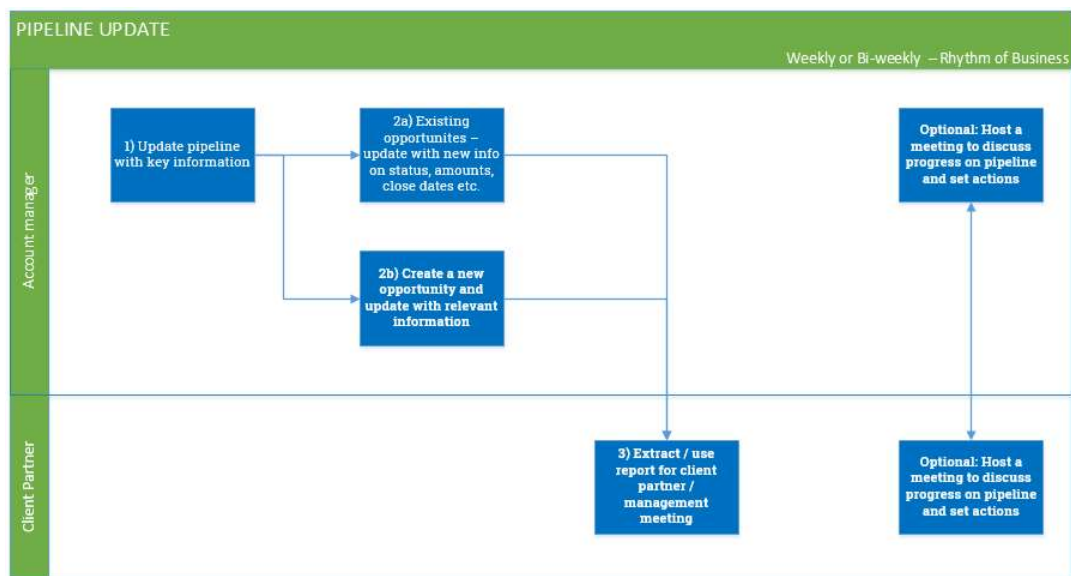
Process example 1 - A:

- 1) You have won the opportunity with the client
- 2) You change the status of the opportunity to won in CRM
- 3) You at the same time click convert opportunity to job and you can now start the normal project execution process as described earlier.

Process example 2 – B:

- 1) The opportunity reaches a planning stage, where you want to plan the opportunity in terms of doing a brief and creating a quote to the client (for example).
- 2) You convert the opportunity to a job and a job is created in status quote.
- 3) You start estimating and quoting the job. The opportunity will still be there and they are now connected to each other. You can still block the job so no hours are registered against it

4.4 Update Pipeline



As an agency, the fluctuation in incoming revenue streams impacts planning significantly. We therefore recommend to use the pipeline in the CRM solution of WorkBook to ensure that you always have an instant view of potential incoming orders.

1) The pipeline should generally be updated when things are changing on the opportunities, but to be sure, we suggest that on a given day of the week all account managers must update all pipeline information.

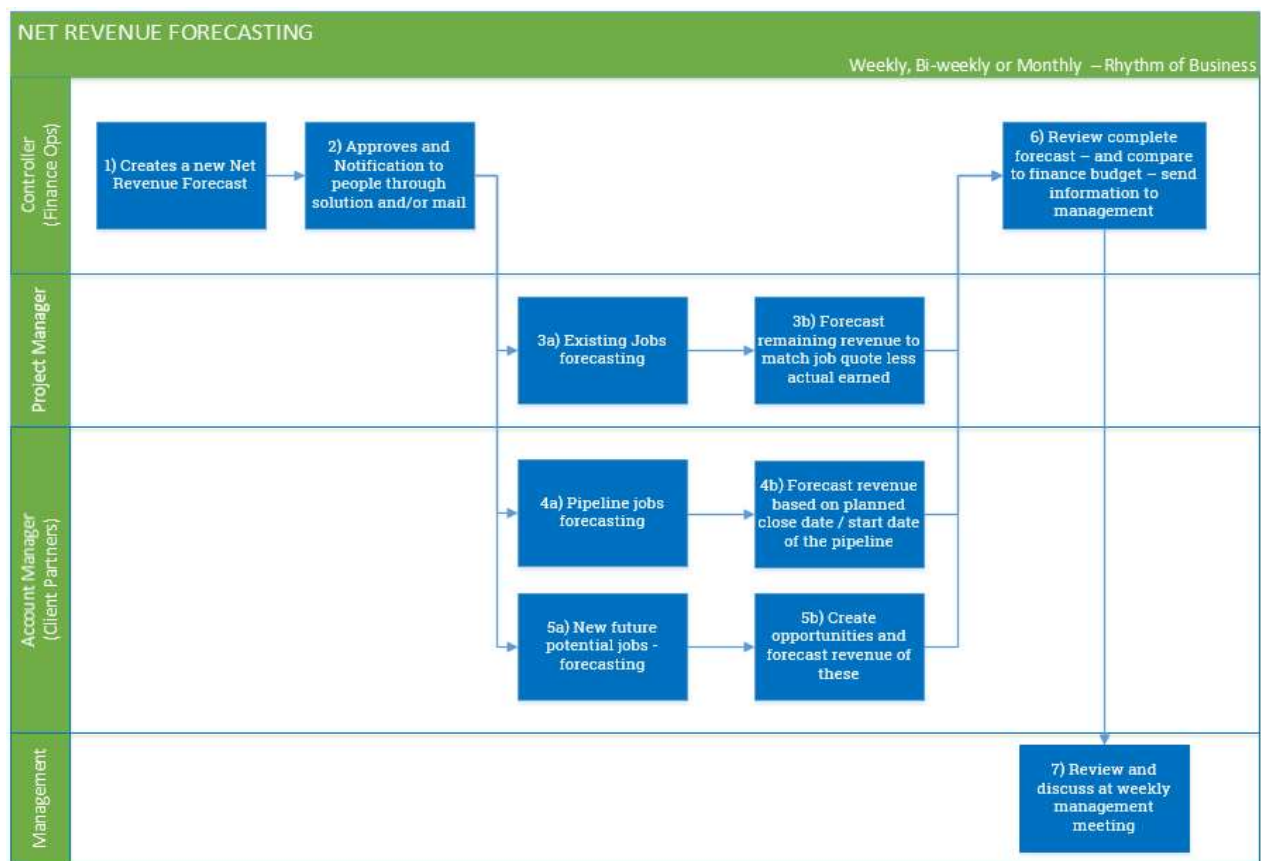
2a) On an existing opportunity the following information is crucial to update; new information on status, amounts and close dates, and any next actions.

2b) For opportunities that have arisen since last week, the account manager must create a new opportunity and update with relevant information.

3) The main person responsible for the clients (you may call that person a CCO, Client Partner, Client Director) will require an update from all account managers in order to extract a full pipeline report and be able to analyse the situation – this is available in the solution both as report and as a dynamic view with direct access to the single opportunity.

Optional: Based on the updated information it is recommended to host a weekly check in with all account managers and the CCO to agree upon next actions on relevant opportunities.

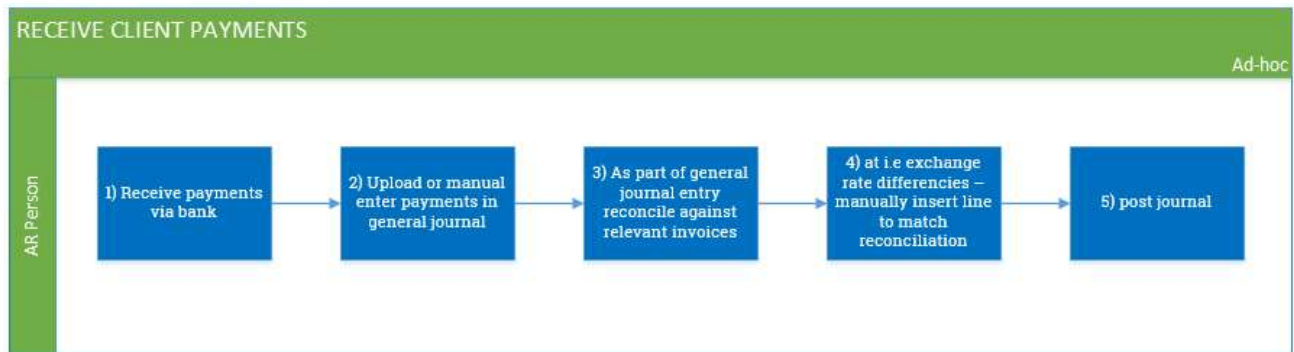
4.5 Client revenue forecasting



Reviewing the pipeline as described in section 4.4 gives a “total” value overview of the potential pipeline, but in order to understand how the revenue flow is for the coming months, it is necessary to forecast the revenue stream for the backlog of projects as well as the potential future opportunities. Without this insight it is difficult as an agency to get a picture of whether you should expand your team setup, continue or reduce your future freelancer usage. We recommend that the above process is applied at a minimum of once a month:

- 1) The controller will create a new “net revenue forecast” in WorkBook, i.e. “Forecast April 2020”.
- 2) Either through the solution or via an email, they will inform project managers and account managers about updating the forecast.
- 3) The project managers shall update the net revenue forecast for the projects they are managing, this will be done with spreading the numbers on a monthly basis.
- 4) The account managers shall update the forecast for all jobs that are in the pipeline. This is done by considering how the expected contract value will be delivered over the coming months after the close date.
- 5) Finally, it is the job of the account manager to also create opportunities for potential work that is not even in the pipeline yet, but will impact revenue in the forecast period.
- 6) After all project managers and account managers have updated the forecast, the controller will check that all numbers are in the system, and consolidate a view to management reflecting the coming months forecast.
- 7) It is recommended that management have a monthly meeting (for example) to discuss the forecasted revenue and forecasted resource situation and how this should impact the people situation – hire/fire?

4.6 Receive client payments

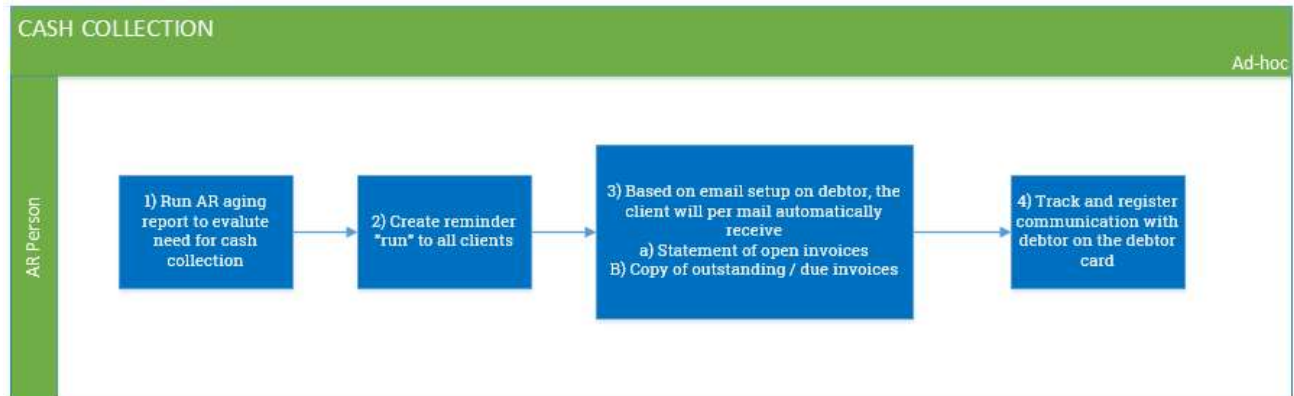


This section describes the process around receiving payments from clients – payments of invoices

- 1) On an ongoing basis, clients will pay invoices and the money will be received in your company's bank account.
- 2) There are 2 options to get these payments registered in the solution. You can either upload from a bank payment file into the general ledger, or you can enter the paid amounts into a general journal.
- 3) As part of the payment general journal entry, the AR person can manually select the client invoices that they want to reconcile the payment against.
- 4) In some cases, there might be exchange rate differences and in order to match this to the actual invoice amount, the AR person can insert a manual line with the exchange rate difference to ensure that it matches.
- 5) Once all entries are entered, the AR person will post the journal.

Note that receiving client payments is part of the finance solution within WorkBook and requires this module / package.

4.7 Client Cash collection



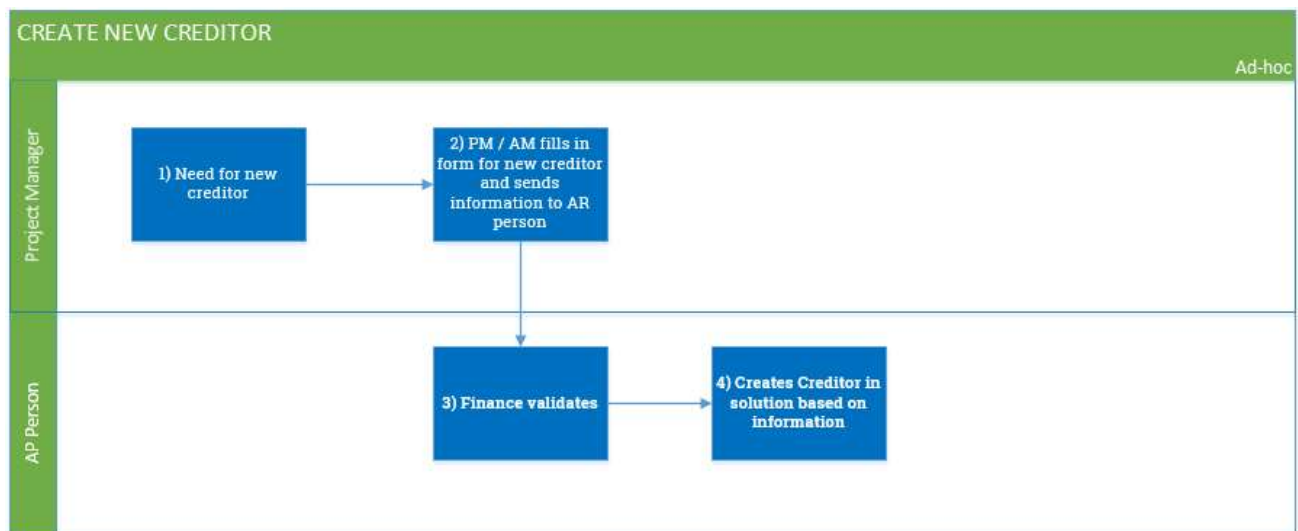
As part of ensuring that unpaid invoices are paid, a process is available that will help enable the collection of cash.

- 1) The AR person will run an AR aging report frequently to identify whether there is a need to follow up on client payments. Prior to doing so, it is suggested that the process in section 4.6 is executed to ensure that all incoming payments have been registered and you are not pushing for payments that just haven't been registered yet.
- 2) The AR person creates a reminder run to all clients.
- 3) Based on the email setup on the debtor, this will generate a mail to each client which will give them both a statement of open unpaid invoices as well as a copy of any due invoices.
- 4) Any conversation with the client around payments can be tracked on the debtor card – i.e. information around expected payment dates etc.

Note that client cash collections is part of the finance solution within WorkBook and requires this module / package.

5 Finance - Supplier processes (AP)

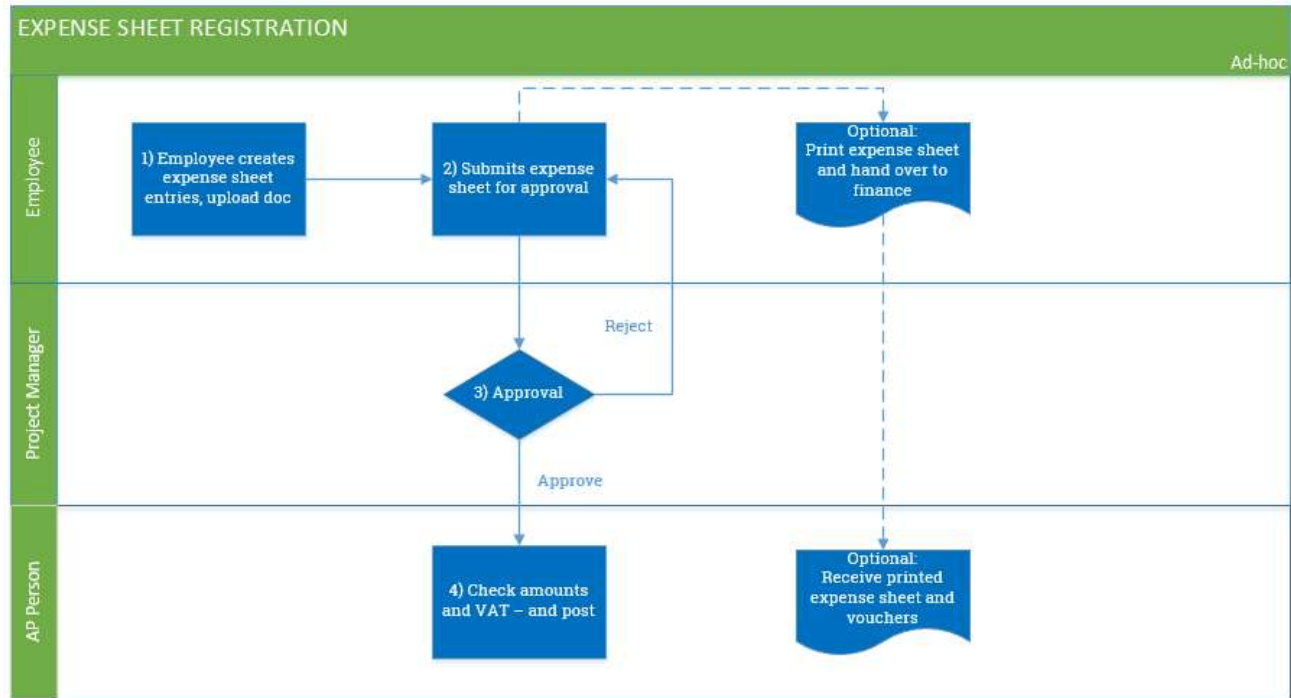
5.1 Create new Creditor



When work or potential work starts with a new vendor, you should create them as creditor so that you can register incoming costs for them.

- 1) The need for a new creditor arises and the project manager takes the initiative to create a new creditor.
- 2) PM fills in a dedicated form for this and sends it to the AP person in the finance team (alternatively this can be just an email).
- 3) AP person validates information.
- 4) AP person creates creditor in WorkBook based on the given information and can "attach" the creditor to a supplier, which is the summarized level above.

5.2 Expense sheet registration

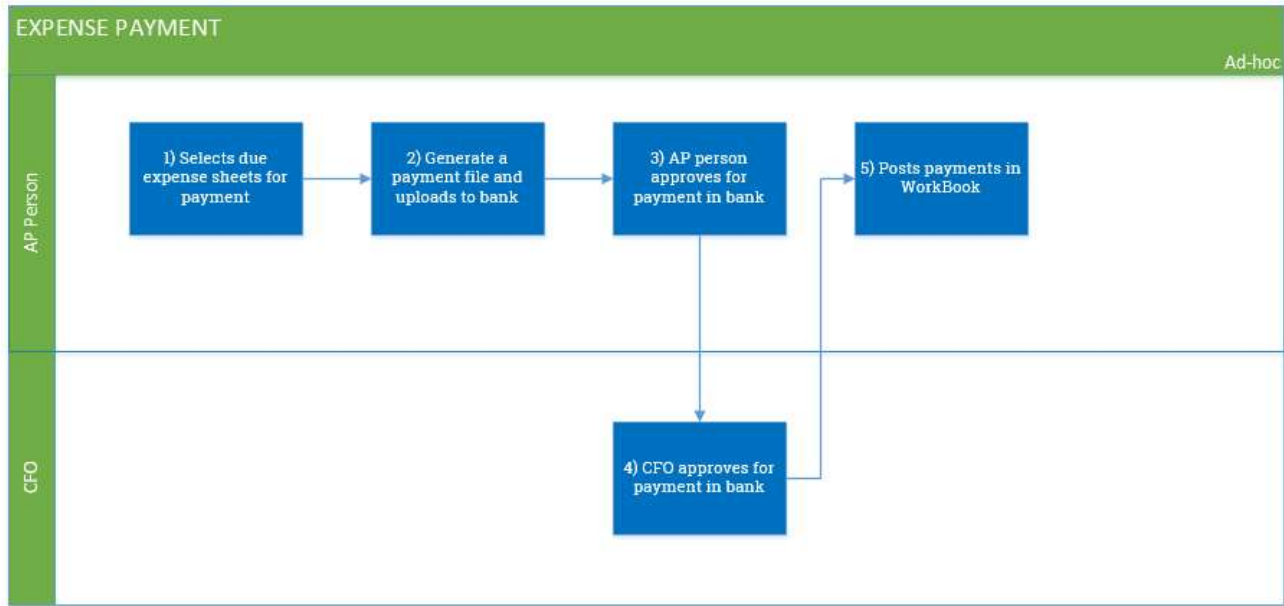


For personal expenditures, employees must submit an expense sheet and get reimbursed by finance. This process covers the submission of expense sheets.

- 1) Employee creates an expense sheet, enters expense sheet lines, and uploads photos of expense vouchers as documentation.
- 2) Upon completion the employee submits the expense sheet.
- 3) The project manager will then receive information in their inbox to approve the expenses for their job. The project manager then approves or rejects the expenses. In case of rejection, a notification goes back to the employee.
- 4) After approval by the Project Manager, the AP Person will validate, check amounts, and check that VAT is correctly registered i.e. are the right tasks applied. After the AP's approval the expense sheet is posted.

Optional: If your company wants, it is possible to print the expense sheet, attach the vouchers to the expense sheet, and hand in the documentation to the finance department. This is not necessary if your company follows a process where the employees upload scanned documents for all vouchers.

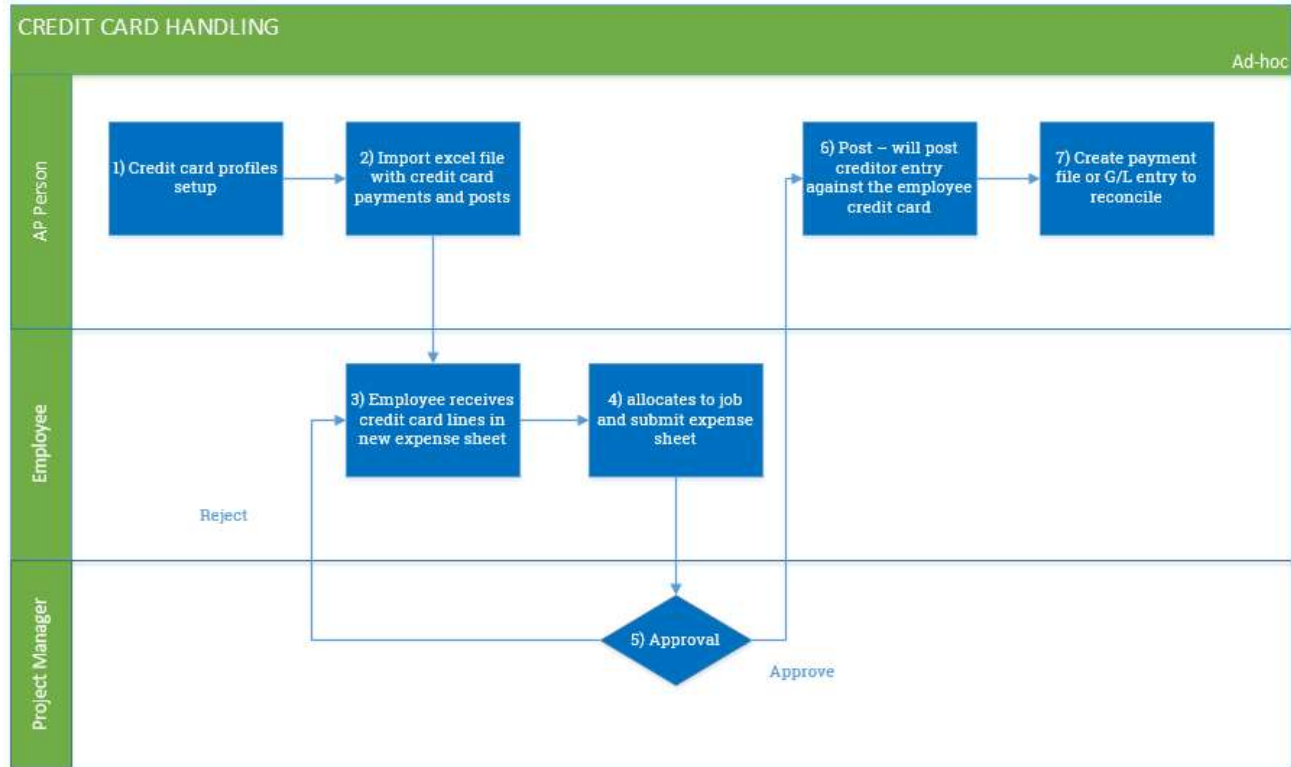
5.3 Expense sheet payment



Bi-weekly, or similar, the AP person ensures that expenses are paid out to the employees.

- 1) The AP person selects due expenses (approved expenses) for payment.
- 2) The AP person generates a payment file and uploads to the bank.
- 3) The AP person approves for payment in the bank solution.
- 4) A second approval is needed for payment, where the CFO logs in to the online bank solution and approves the payment.
- 5) After the bank has now paid out the expenses, the AP person will now post the payments in WorkBook.

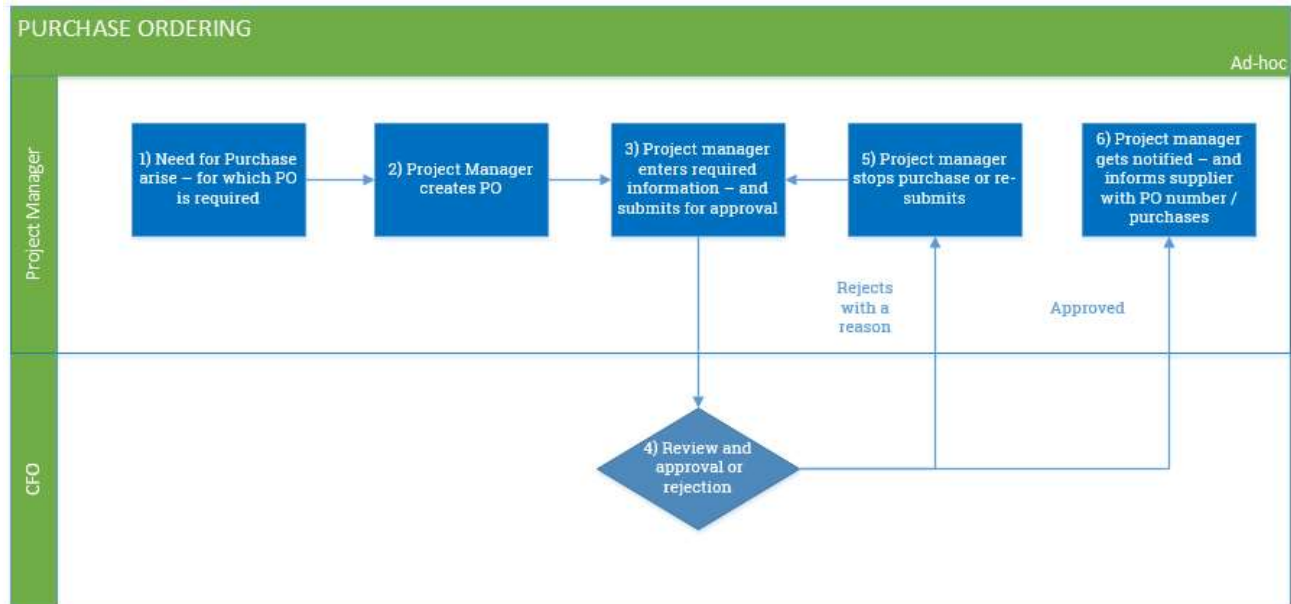
5.4 Credit card handling



As part of your implementation you may want to use WorkBook functionality to manage company paid credit cards for selected, or all, employees and manage their expenses this way. The process bellows describes how this is handled.

- 1) Credit card profiles are setup – 1 per credit card making it easy to identify how the credit card is managed. The employee is linked to the credit card creditor.
- 2) All credit card lines are received in an importable format from bank (excel form). As an example, this will include information of entry date, description, amount, currency, credit card number etc per line. This is manually imported into Workbook and transferred to the employee by the AP person.
- 3) Employee will now automatically see a new expense sheet with their transactions from the credit card.
- 4) The employee allocates the entries to the right jobs and submits the expense sheet. The vouchers will be attached by the employee.
- 5) The project manager receives notification about approving the expenses. If the expenses are good these will be approved.
- 6) Upon approval, it will now be the AP person's turn to post the expense sheet and the credit card entries will now be posted against the creditor (the employee credit card).
- 7) In order to reconcile the payment immediately, the employee should not have the money paid out, but instead the bank will be paid (credit) and offset against the creditor (the employee credit card, debit). This is done either by creating a general journal or creating a "creditor payment" file, which will automatically create the journal entries.

5.5 Purchase Ordering

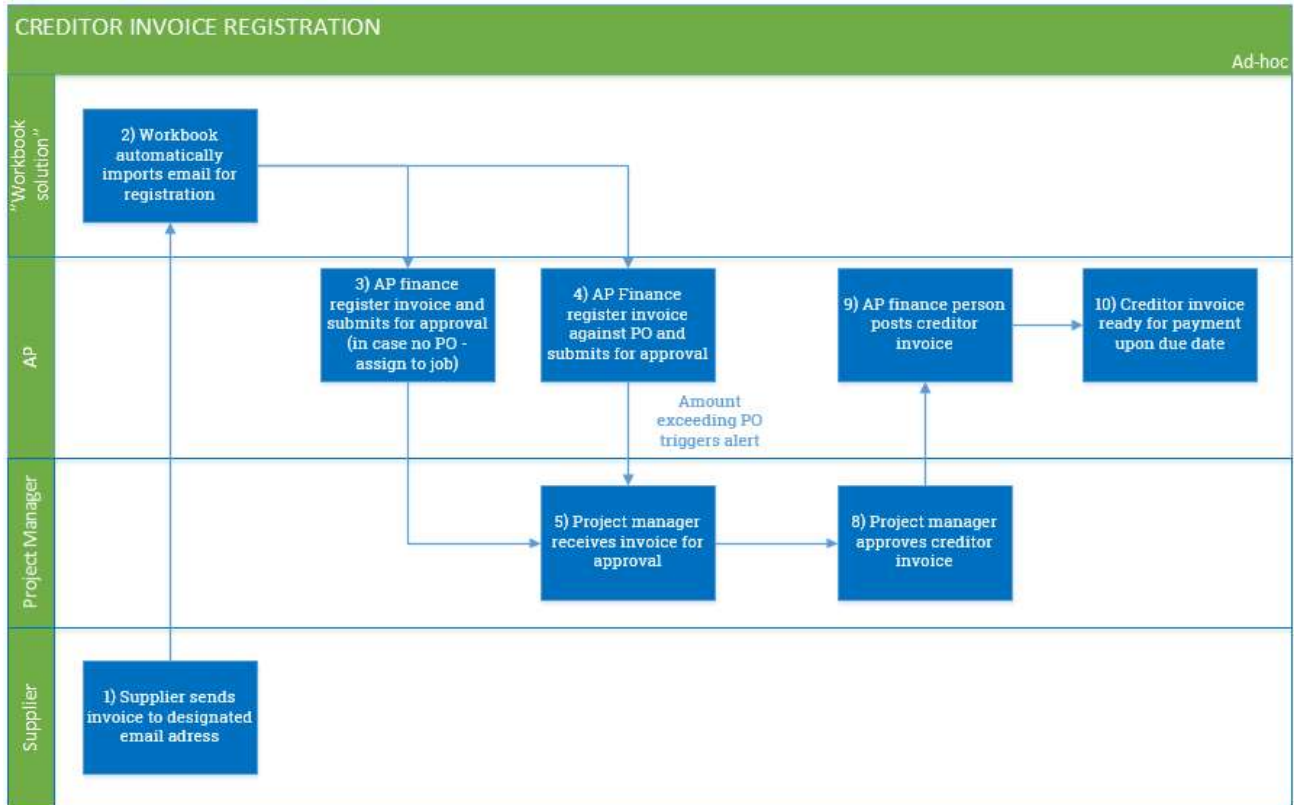


To ensure that no purchases happen without it being been agreed that costs should be spent, a process is available where project managers request approval for the purchase before it happens - meaning a purchase order flow.

This can be applied to all purchases or can be limited to just certain costs (costs related to jobs) and i.e. also for costs over a certain cost level.

- 1) The project manager has a need for a purchase – i.e. a subcontractor or a freelancer.
- 2) The project manager creates a Purchase Order.
- 3) The project manager enters required information on the purchase order, and submits the PO for approval.
- 4) The CFO receives a notification in the inbox with a requested approval needed.
- 5) The CFO might reject the purchase, in which case a notification goes back to the project manager.
- 6) The CFO approves the purchase and the project manager gets notified and can now inform the supplier / freelancer about the approval and the PO number, which the supplier must use when they send the invoice for the purchased services.

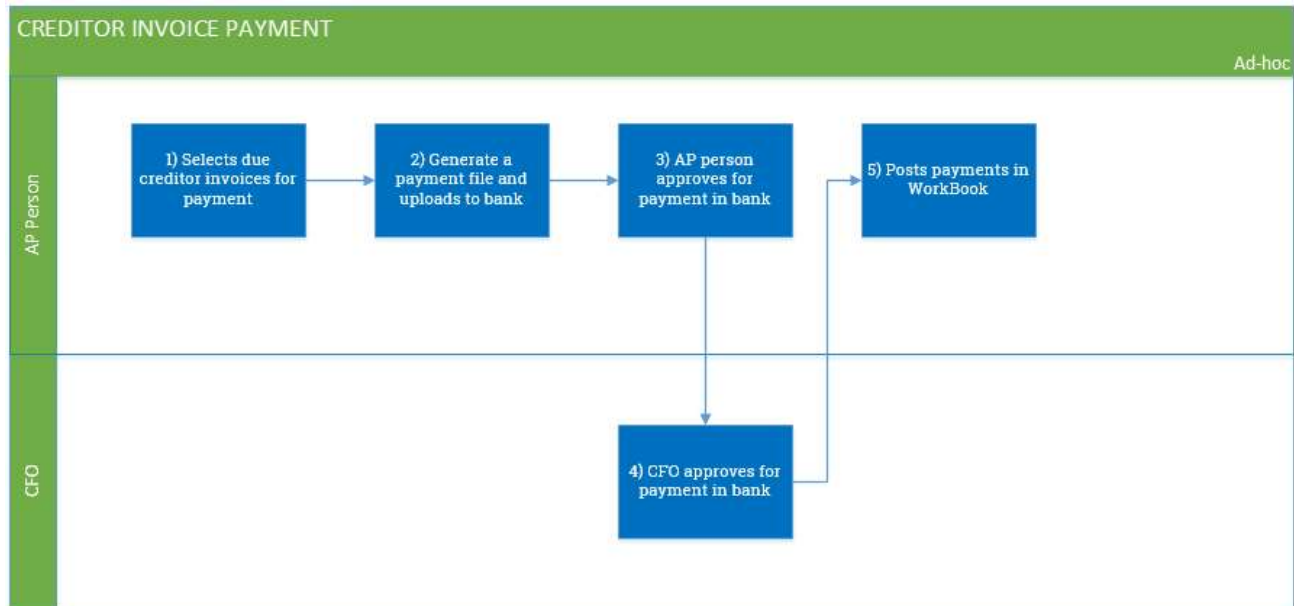
5.6 Creditor invoice registration



This process describes the workflow from when your company receives a vendor invoice, until it has been approved and the vendor invoice can be paid.

- 1) Supplier send an invoice to a designated email address.
- 2) Using this email, the WorkBook solution will automatically import the invoice for registration.
- 3) The AP person registers the invoice and submits it to the relevant project manager for approval (no PO).
- 4) Alternatively, the AP person registers the invoice against a PO and submits it for approval (if the amount of the invoice exceeds the PO amount, this triggers an alert to the Project manager).
- 5) The Project Manager receives invoice for approval.
- 6) Project manager then approves the supplier invoice.
- 7) The AP person can now post the vendor invoice.
- 8) This will mean the vendor invoice is ready to paid on the set due date.

5.7 Creditor invoice payment

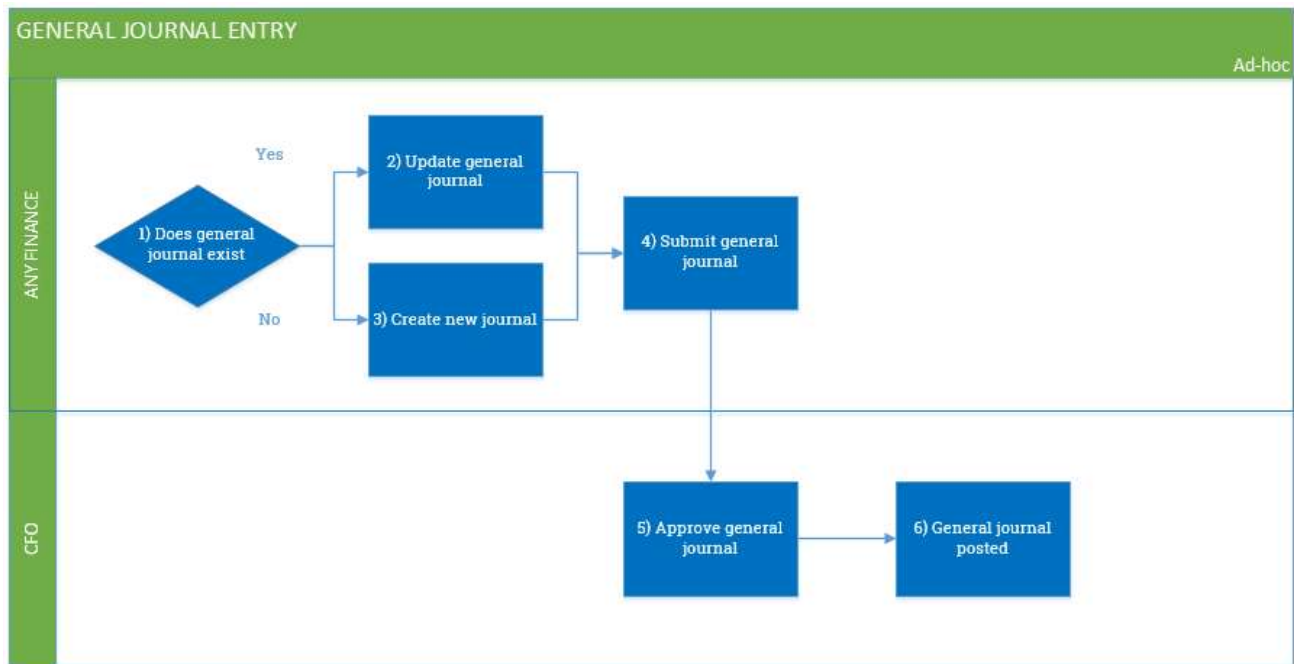


Bi-weekly, or similar, the AP person ensures that due vendor invoices are paid out to the vendors.

- 1) The AP person selects due creditor invoices (due date to be exceeded) for payment.
- 2) The AP person generates a payment file and uploads to the bank.
- 3) The AP person approves for payment in the bank solution.
- 4) A second approval is needed for payment, where the CFO logs in to the online bank solution and approves the payment as a second approver.
- 5) After the bank has paid the vendor invoices, the AP person will now post the payments in WorkBook.

6 Finance processes

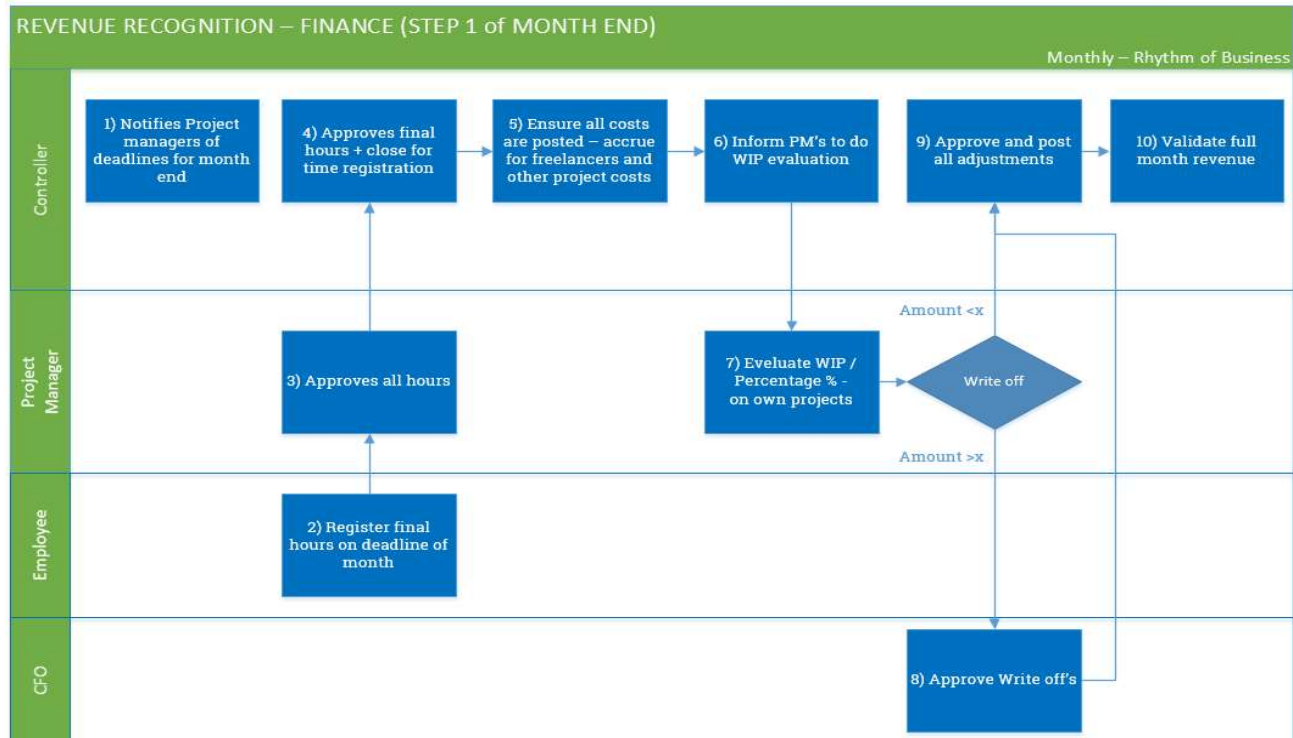
6.1 General journal entry



In the finance department, there is often the need to create a general journal in order to post and register cost, or post an adjustment to an already created entry.

- 1) A need for registering a general journal
- 2) You either register in an existing general journal
- 3) Or create a new journal
- 4) After registration of the entries the general journal is submitted
- 5) Then it will be possible for the CFO to approve the general journal
- 6) It will then be posted

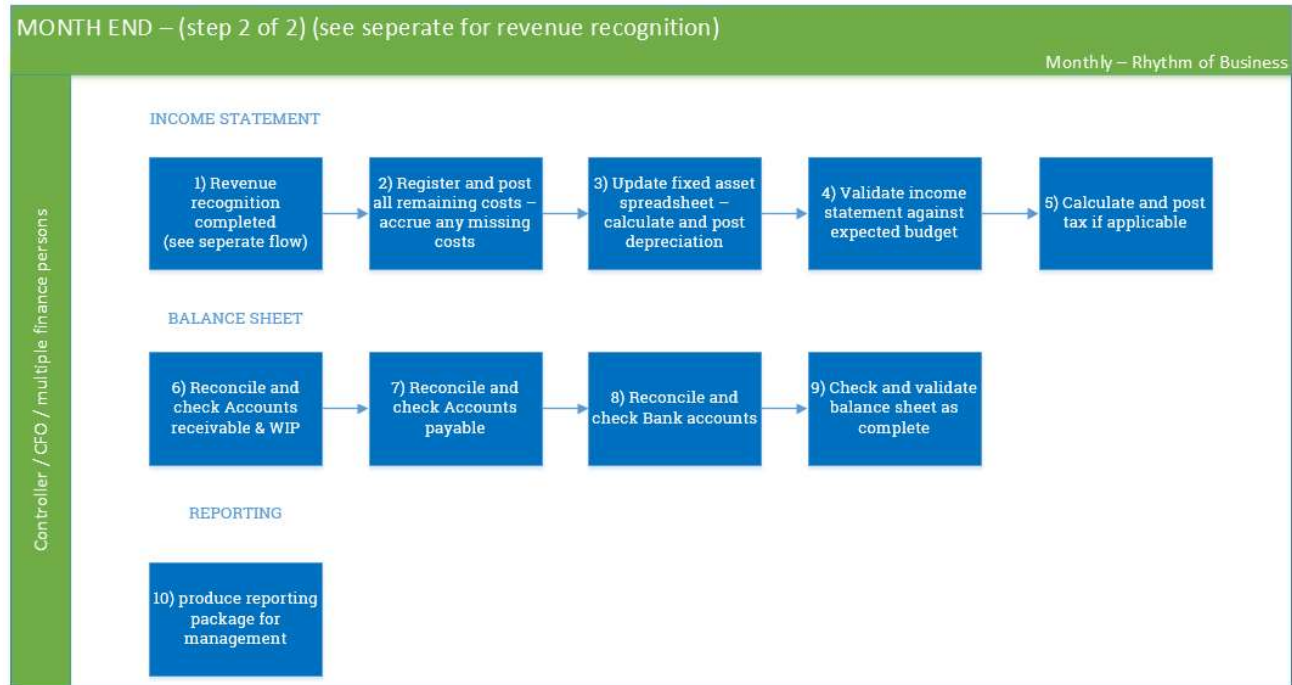
6.2 Revenue recognition – (step 1 of month end)



As part of month end, a crucial step is to define how much revenue can be recognized. This happens through a strong process between the finance department (controller) and the project managers who evaluate the progress on the projects. The crucial part is to be able to ensure this is as automated as possible and with as accurate a revenue value as possible, as well as within a short period of time (typical 2 working days at month end)

- 1) The controller notifies project managers of deadlines for month end, meaning when they can expect all costs and hours to be in, so they know when they should evaluate WIP and progress.
- 2) The employee submits the time sheets for the last work week of the month.
- 3) Project managers approve hours within the deadline given by the controller.
- 4) Should there be hours that are not approved, the controller will approve the remaining hours and close the job part of the Workbook solution for time registration.
- 5) As the next step, the controller will ensure all project related external costs are posted and for any costs that haven't been received, i.e. a Purchase order is in place and the work has been conducted, the controller will create a general journal and accrue for the costs.
- 6) As all costs and hours are now posted, and the associated revenue has been recognized, the controller will inform the project managers that they can evaluate the value of their projects.
- 7) The project managers will assess the projects and either evaluate the WIP value or set the % completion.
- 8) In case the evaluation triggers a write off, it is possible to set up the write off to be approved by the CFO or controller.
- 9) After approval, the controller will go through all evaluations and approve and thereby post the adjustments.
- 10) Once the controller has conducted and checked that all projects has been evaluated, he will validate the full revenue for the month through a report that shows revenue by client, by project.

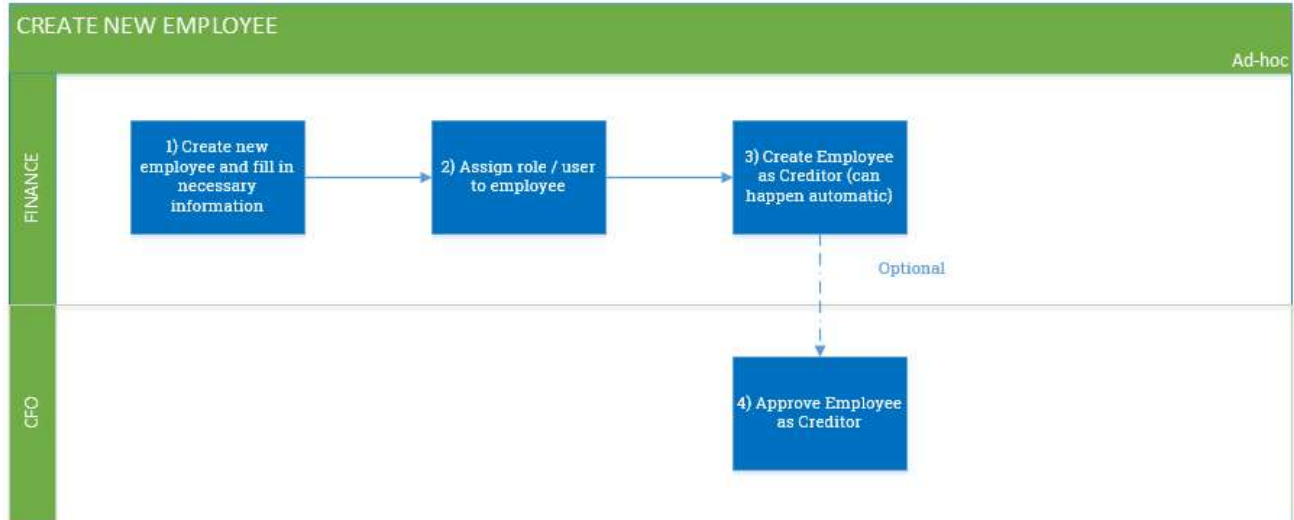
6.3 Month end – step 2 of 2 closing the month



After the process of revenue recognition is completed, a number of additional month-end tasks must also be completed in parallel in order to produce a full income statement and balance sheet for the month. This involves a number of people in the finance department (depending on how big the finance department is, and what they have access / responsibility for).

- 1) The revenue recognition process as described in section 6.2 is completed.
- 2) The controller makes sure that any remaining costs are registered – typically fixed costs that are not job related, could i.e. be house rental or other fixed costs.
- 3) As a company you may maintain a spreadsheet with your fixed assets, and based on this you will identify how much depreciation shall be posted, and post this as a general journal.
- 4) As all revenue and costs are now posted the CFO / controller will validate the full income statement and measure it against the set budget – if all is fine this completes the income statement.
- 5) Applicable tax can now be calculated and posted in a general journal.
- 6) The next step is now to reconcile the balance sheet. The task is to check accounts receivable, check the WIP, and make sure it reconciles against all payments made, meaning that the balance sheet expresses the correct value.
- 7) Similar to this, the AP person will check and reconcile the accounts payable balance.
- 8) Finally, the controller will check the bank accounts and match and make sure it is reconciled to what is stated in the bank accounts in the balance sheet.
- 9) After this the balance sheet is fully validated.
- 10) The controller can now produce any reports to management that reflects the full ‘monthly management’ reports.

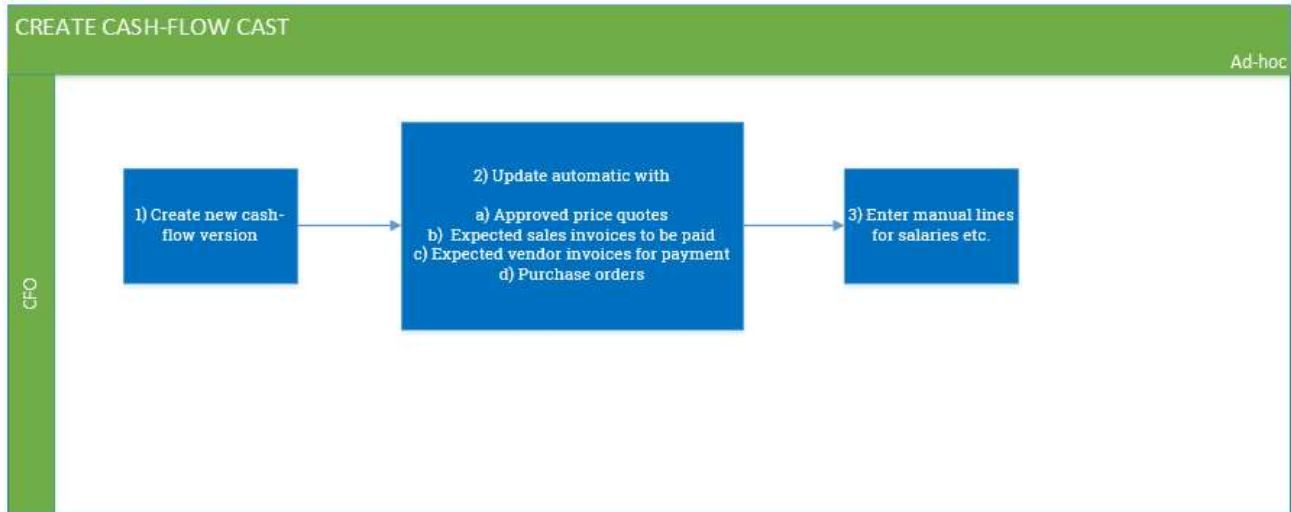
6.4 Create new employee



When a new person starts in the company, the employee must be created in the solution as an employee and as a user.

- 1) A new employee is hired and the controller creates a new employee in the Workbook solution.
- 2) The controller assigns a role / user to the employee – i.e. as project manager, which will control what functionality he / she has access to.
- 3) The employee can automatically be set-up to be created as a creditor, alternatively this can also happen manually.
- 4) The CFO approves the creation of the employee as a Creditor, ensuring that there is compliance (segregation of duties).

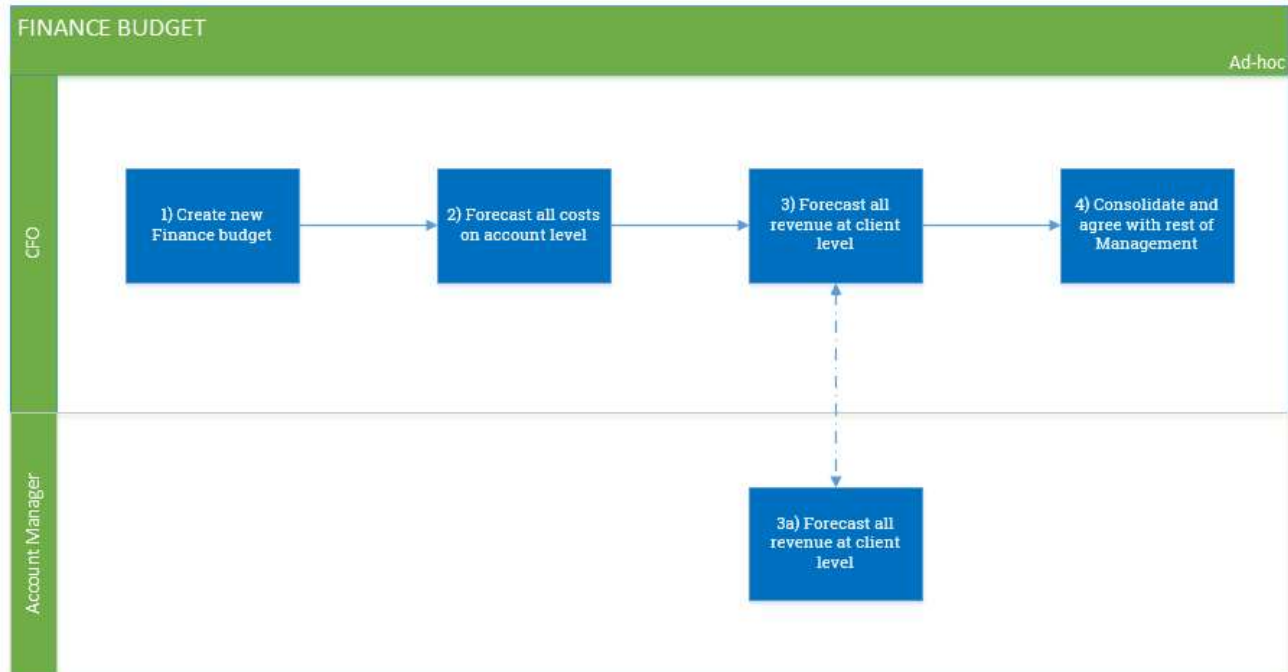
6.5. Create cash-flow forecast



In order to ensure that the company is on top of cash-flow, the CFO has the ability to create a forecast of expected future cashflow.

- 1) The CFO creates a new cash flow version.
- 2) The WorkBook solution will be based on the created cash flow version, which now automatically update the forecast with:
 - a. Approved price quotes, which will generate a suggested future positive cash-flow.
 - b. Expected future cash flow, which will be based on raised sales invoices and their payment dates.
 - c. Negative cash flow, based on registered invoices and expected payment dates.
 - d. Negative cash flow based on raised purchase orders.
- 3) Further to this, the CFO can create manual lines for expected future cash – in and out flows – which could be payment of salaries for example. Finally, this gives a full suggested cash-flow forecast.

6.6 Create a finance budget



If you as a company want to measure financial progress (your income statement) against a set budget, it is possible to set a month-by-month finance budget in the WorkBook solution.

- 1) The CFO creates a new finance budget version.
- 2) The CFO will now create a budget for all costs, by month, on the account level.
- 3) The next step is to create a budget for revenue, for this part you will typically forecast it by client. You may want to decentralize this to the account managers so they can enter the forecasted monthly revenue by client for the remaining months – or utilize the latest “net revenue forecast as input”.
- 4) Finally, the CFO can now consolidate the full income statement in the budget and agree with the rest of the management through a printed overview.

Note the above budget is done on company level. It is possible to do this on department level as well, but this would be a change to the current pre-packaged setup.