Accounting, HR, IT: The Holy Trinity of the Back-Office

When we formed the Pacific Crest Group in 2003, our mission was to help business owners focus on the core activities that would help them succeed. We realized that as any company starts to grow, back-office operations become a distraction. And as we offered accounting services to our clients, we discovered that accounting was intertwined with human resources and computer operations. No matter what your business, you need to have reliable systems in place to support accounting, HR and IT in order to free yourself to succeed.

Accounting Meets HR

You can have a clean payroll system that handles paychecks, payroll taxes, and reporting, but what happens when the payroll system runs into HR issues like vacation requests? The solution is to create integrated systems to deal with routine problems, such as tracking paid time off, that doesn't disrupt operations.

One of our clients complained that by oversight both of his engineers went on vacation at the same time. The problem was that sending an e-mail or a verbal note for vacation approval is not an integrated system. Instead, we developed a vacation approval procedure, including a form to apply for time off, establishing who is responsible for approval, and tracking proper vacation accrual in payroll. We helped write policies into the employee handbook and wrote a procedure so everyone is clear that vacations are granted on a first-come, first-served basis. And we established a process to show that paid-time-off reflected on payroll stubs matched the approved paperwork in the employee's file.

The Role of IT

In all businesses today you need a reliable and secure computer infrastructure in place to maintain the main business application, accounting and HR systems. Consider the challenge we encountered with another client who was in the process of selling his company. In the course of performing the due diligence the computer with the accounting software crashed, and since there was no backup of the specific accounting file months of bookkeeping data was lost.

We make sure we have strong IT policies and procedures in place, such as blocking all unauthorized downloads. (We had one client whose eight-year-old daughter crashed the entire office network for a day-and-a-half when she downloaded a game.) You also need to have a solid spam and malware blocker and daily backups to an offsite or Web-based location so you don't lose your backup tapes in a fire or flood. We even have failover Internet access from a backup provider; a lesson we learned the hard way.

Systems Promote Success

The key to success for any business is to remove the stress of the back office by creating consistency and reliability for routine tasks. You need to align accounting, HR and IT so they work for you in an effortless fashion so you are free to focus on what makes your business grow.

For example, in our own business, we use a web-based electronic time-tracking system called QuickBooks Time Tracker. Our employees track their hours using Time Tracker, and the data is imported into QuickBooks to generate invoices. This avoids double data entry, eliminates errors, and gives us a lot of versatility for invoicing so we can expedite accounts receivables to improve cash flow. At the same time, we can see where people spend their time and isolate staffing problems. It's a great tool to identify who is underproducing and who is overproducing

So no matter what business you are in, look at ways to systemize routine back-office processes using reliable technology. You'll quickly recover the cost of your investment through greater efficiencies, lower operational overhead, and an expanding business.