



## **CASE STUDY**

Account Outsourcing:  
Backing up the company  
with the Backup

## Overview

N R Doshi and Partners provide a wide range of outsourcing services related to accounting and human resources. The current case study deals with a trading company based in Dubai, UAE. The company conducts the trading of raw material required for computer printing and packaging. The company has four divisions which are divided as per the goods and items they trade.

The company used to purchase items from all over the European and Asian markets and sell them to the customers based in various Middle-East countries. Tasks related to all the four divisions are conducted on the same premises.

## Challenge

The company wanted us to conduct a combined accounting for all four divisions. However, they also wanted us to prepare a division-wise profitability report. Improvement in decision making was expected by the client and he wanted us to make sure that accounting information is made available timely.

The company was unable to track the position of unused facility amount with various banks, due payments, due receipts which ultimately led to poor cash flow planning. As far as inventory management is concerned, there were a lot of non-moving items that were required to be identified. Necessary actions were required to be taken.

As we discussed above that the accounting was done combined for all four divisions, it was tough for us to identify the profit for individual division. Therefore, we looked for methodologies that can support us to efficiently create the division-wise profit report. We also needed to make sure that the report clearly delivers the information about the performance.

We were also asked to frame a plan on how incentives and commissions will be provided to a person based on the total sales and performance of individuals in the company considering the budgeted sales, desired contribution and feasibility.

## Challenge Accepted

First, we concentrated on creating daily fund reports. Usually, accounting firms manage to create weekly and monthly reports. We wanted to provide them a better view of their funds and everyday expenditure.

As there are multiple banks, a comprehensive report was prepared on a daily basis to know the exact position of bank balances with details such as:

- Cheques deposited in the banks which were not credited
- Cheques paid but not cleared
- Letter of credits opened with a bank
- Letter of credits getting matured for payments and many more attributes were added.

We even prepared reports delivering the information regarding the overdue amount receivables from all the four divisions which also showed the amount of the last receipt as well as remarks filled up by the sales personnel regarding the status of the payments to be received.

For this report, the study of the all-inclusive system study was undertaken where flow charts were prepared, and roles & responsibility matrix were designed.

Similarly, we also provided a graphical representation of sales made during the period for all the four divisions. The report contained the details of sales made by an individual salesman. This helped the company to learn about the efficiency of their work force.

For identifying the non-moving items, we created a stock ageing report according to which necessary actions were taken.

## N R Doshi's Account Outsourcing Service

We, as one of the top accounting services in Dubai, have served numerous companies situated in free zones in UAE; we are the best experts of the local market. These markets are composed of several industries (Retail, Hospitality, Jewelry, Real estate, and infrastructure, etc.), and we have worked with all of them. Therefore, if your company is located in UAE, you won't get a better accounting firm than N R Doshi & Partners.

We have a keen knowledge of international accounting standards, and we follow them without compromise. For all your accounting and bookkeeping services in Dubai and other emirates, we own solutions.

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## Challenge Accepted (cont.)

We made sure that while creating the Division-Wise profitability statement, the common expenses get apportioned based upon the predefined ratios. This was shown along with the graphical presentation of different ratios in order to have a clear eye on the performance every month and also generated month-wise and division-wise comparisons.

We designed an incentive plan according to which employees were getting paid as per their performance and target fulfilment. Based on the total sales and amount of receivables collected, the incentive, and commissions are calculated.

For the preparation of daily reports, we created templates where the concerned person needs to enter the data. This made the data entry job easier and faster. This made every accounting task online and therefore, we were able to submit monthly financial statements in the first week of every month.

Apart from these, day to day activities such as payment to suppliers on due dates, repayments of availed bank finance on maturity dates, monitoring of bank balances, etc., were also performed.

A huge fire broke out on the premises of the company and hence complete inventory and administrative office of the company got burnt due to fire. As a policy, we used to take up the back up of software data on a daily basis. On that day, since the Company's data server got burnt due to fire, the company was clueless regarding how to submit the claim. When they consulted us, we informed them about our client's data back-up policy which enables them to retrieve their data back up till the day the fire broke. Since the accounting was outsourced to us, we were also in possession of the company's accounting documents in electronic form such as sales invoices, purchase invoices, bank statements, Journal vouchers, etc. Submission of these electronic documents was considered as a major evidence of the actual transactions of the Company during the Insurance Claim evaluation process. With the support of N R Doshi and Partners, the company was able to submit and obtain the claim of AED 2.5 million from an insurance company and hence was able to build the company back. We were there to help them in anyway as client welfare is our main motto.

## Conclusion

We have gone through all the aspects of the business and learned about the business model. This made it possible for us to streamline the cash flow. The founder was pleased to learn about the detailed financial status of the company. The daily report helped him a lot in decision making.

They expressed gratitude for the support we provided them after the fire broke out at their office. They used the backup as the legal proof of their business which was the biggest tool, they used to overcome the unfortunate event that they faced.

N R Doshi & Partners will always be with their clients during a tough time. Our aim is not just the profitably but also to flourish better business all over to the world where optimum client satisfaction is guaranteed.

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## About N R Doshi & Partners

N R Doshi and Partners prides itself on being a firm that does not only meet but exceed client expectations every single time. This has only been possible due to our talented and dynamic team, comprising of versatile, qualified, and creative individuals.

The company has travelled a thirty four years-long journey of experiences and reached to a height where the name itself has a branding symbol. N R Doshi & Partners, headquartered in Dubai, holds offices at seven different locations in the UAE. As we are affiliated with DFK International, we get the expertise of various local markets. This provides support to our global clients who wish to start their businesses at the locations where our DFK associates are situated.

We enable business owners focus on the core/sole aspects of their business. We are here to handle the core business processes which are present in any business you own. If our client offers us an opportunity to serve them, we will make sure that their burden gets lower down.

Learn More at  
[www.nrdoshi.ae](http://www.nrdoshi.ae)

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