STATE ADMINISTRATIVE PROCESSES EMBRACE THE NEW DIGITAL

IMPLEMENTING A FULLY ELECTRONIC TRAVEL AND EXPENSE MANAGEMENT SYSTEM WAS ONE OF THE KEY INITIATIVES THAT THE DANISH AGENCY FOR GOVERNMENTAL MANAGEMENT LAUNCHED, TO BRING STATE ADMINISTRATIVE PROCESSES INTO THE DIGITAL AGE. THE STREAMLINED AND ELECTRONIC WORK PROCESSES ARE EXPECTED TO GENERATE CONSIDERABLE SAVINGS AND FREE UP RESOURCES FOR MORE STRATEGIC ACTIVITIES. AS A RECOGNITION OF ITS SUCCESS, THE DANISH AGENCY FOR GOVERNMENTAL MANAGEMENT AND BASWARE WERE AWARDED DENMARK'S NATIONAL DIGITIZATION HONOR FOR THE COST SAVINGS ACHIEVED THROUGH AUTOMATION AND PROCESS IMPROVEMENT.

The Danish Agency for Governmental Management, which is part of the Ministry of Finance, is responsible for supporting and developing administrative processes throughout the entire government. Its clients include 155 of the government's 176 ministries and agencies, as well as 250 independent institutions, such as schools. The objective of the Danish Agency for Governmental Management is to ensure efficiency and sound economic management in state institutions.

OPTIMIZING ADMINISTRATIVE PROCESSES ACROSS MINISTRIES

In 2007 it was decided that, as part of the government's optimization plan, the state administration would undertake a cross-ministry cooperative effort to reduce administrative tasks. The state wanted to optimize and free up resources from administration for direct municipal contacts. This was the impetus behind the Danish Agency for Governmental Management's Economic Service Center's (ESC) initiative in 2008 to standardize, digitize, and coordinate administrative operations.

The goal was to optimize the state administration activities, and realize productivity gains of 11-40%, similar to those that have been achieved in the private sector. In addition, by optimizing administrative operations, the Danish Agency for Governmental Management expects to achieve considerable improvements in quality, service, and transparency.

NEW SYSTEM REDUCES TIME AND IMPROVES QUALITY

An automated and digitized travel and expense management system delivers many benefits. The system builds on best

CUSTOMER:

ØKONOMISTYRELSEN

INDUSTRY:

Public Sector

LOCATION:

Denmark

BASWARE SOLUTION:

- Basware Travel & Expense Management

basware

Simplify Operations, Spend Smarter.

WE NEEDED A SYSTEM THAT COULD STANDARDIZE AND DIGITIZE THE TRAVEL EXPENSE MANAGEMENT PROCESSES

practices (as do all of Basware's systems), which optimize processes for travel and expense management. Resource-intensive and unique, manual routines are replaced by automated, digitized processes that speed up expense report entry and reduce costs. At the same time, the quality is improved because automation significantly decreases the error rate.

According to industry standards, a typical travel and expense report costs DKK 150 (around 20 Euros) per entry. Given that the Danish Agency for Governmental Management's clients need to prepare expense reports for 90,000 to 110,000 trips annually, and that a typical Basware client experiences cost savings of over two thirds compared with manual preparation methods, the Danish Agency for Governmental Management can expect to benefit from substantial savings using the new system.

AUTOMATED SOLUTION ADDRESSES DIVERSE USER NEEDS

Ida Wollenberg Juul, project manager at the Danish Agency for Governmental Management, is responsible for managing the implementation of the new travel and expense management system in its 155 agencies and 250 institutions. She says, "We needed a system that could standardize and digitize the travel and expense management processes. Naturally this process brings its challenges, given that we had to integrate 405 different ways of processing travel expenses into one system. We met with our ministry and independent institution clients who had advanced SAP solutions and were almost – but not entirely – capable of doing what we needed, and other clients whose travel and expense management were based on homemade, manual systems. In other words, we were looking at a truly disparate group of existing solutions."

Basware's travel and expense management system provided a solution that enabled the Danish Agency for Governmental Management to both standardize the workflow and to provide individual solutions for travel and expense management. To develop best practices for implementation and to meet the need for individual solutions in a single system, Basware worked closely with the Danish Agency

"WE CONDUCTED AN INDIVIDUAL WORKSHOP WITH EACH NEW CLIENT CHANGING OVER TO THE BASWARE SYSTEM, WHERE WE REVIEWED THE CLIENT'S SPECIFIC NEEDS. THEN WE CONDUCTED THREE LEVELS OF NEW USER TRAINING - FOR SYSTEM USERS, SUPER USERS AND ADMINISTRATORS. IN ADDITION, PEER-TO-PEER TRAINING, PROVIDED A VERY POSITIVE EXPERIENCE FOR USERS."

Henrik Sjøqvist
Basware's Key Account Manager

for Governmental Management's clients one by one.

The massive project required a two-year timeframe which included the roll-out and training

of more than 60,000 users across more than 500 governmental clients.

USER-FRIENDLINESS WINS OVER STAFF

Anyone who has worked with the implementation of new systems knows how important it is to be received favorably by users. The Danish Agency for Governmental Management recognized that the system must be intuitive and the system must enable easy access and reporting of travel expenses.

One of the agency's clients is the Ministry of Food, Agriculture and Fisheries, where accounting manager Eyvind Nygaard says, "In order to ensure that the system was customized to our exact needs, our three super users, Basware and the Danish Agency for Governmental Management held a workshop, in which we reviewed all possible user scenarios and processes. We now have a system that is the right fit for us, and which allows us to make changes in the underlying accounting entries. Our users are now working with an intuitive system, in which they no longer need to enter countless data that our old system forced them to do."

After the implementation was complete, the department's 150 employees, from three different departments began to use the system.
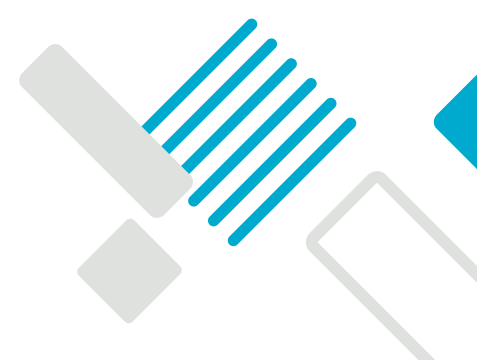
"The system is so easy to use that after demonstrating it in a departmental meeting, we just gave people passwords without further instruction so they could try the system out for themselves. If they had questions, they came to us and we assisted them. It's going very smoothly, and we have been getting very good feedback from our staff.

They have gained a much better understanding of the processes involved in travel expense reporting because the system continually monitors the status of the entries and alerts them to anything that is missing," remarks Eyvind.

Previously, the department had problems physically managing the numerous paper attachments accompanying expense reports. "Now all the attachments are scanned into the system, so we can finally get away from having receipts flying all over the office," Eyvind says.

"AS A PUBLIC ENTITY WE HAVE TO MEET TRANSPARENCY REQUIREMENTS. THE MEDIA OFTEN REQUESTS ACCESS TO DOCUMENTS, AND MINISTRY TRAVEL EXPENSES HAVE LONG BEEN A SUBJECT OF MEDIA FOCUS. OUR NEW TRAVEL EXPENSE MANAGEMENT SYSTEM MEANS THAT WE CAN QUICKLY AND EASILY FIND ALL RELEVANT INFORMATION, WHICH IN TURN MAKES IT EASIER TO MEET THE VARIOUS REQUIREMENTS INVOLVED IN AN ACCESS-TO INFORMATION SITUATION."

Ida Wollenberg Juul
Project Manager,
Danish Agency for Governmental Management

BEST PRACTICES AND AUTOMATION INCREASE CONTROL AND SECURITY

The Danish Agency for Governmental Management gained many advantages by following best practices in travel and expense management and automating processes.

"Previously, travel expenses were sent from the employee to the manager and then on to the account supervisor. If there were errors, the expense report would be sent back to the employee through the manager. Now we have changed the process so that the reported expense goes directly from employee to supervisor and then to the manager for confirmation only once everything is correct," notes Eyvind Nygaard.

AN AUTOMATED SYSTEM FREES UP RESOURCES AND PROVIDES MAJOR SAVINGS

The state currently requires 43 people-years annually to exclusively handle travel and expense management tasks. Once all agencies and institutions have implemented the new system, it is estimated that this figure will be cut by more than half, so that only 21 people-years will be required. In monetary terms, this will translate into a yearly savings of DKK 16 million - approximately €2,5 million.

Beyond these major cost savings, the Danish Agency for Governmental Management will also benefit from improved documentation and traceability as a result of standardization and systematic metrics of administrative procedures.

BASWARE TRAVEL AND EXPENSE MANAGEMENT – A PRIZE-WINNING SOLUTION

In the spring of 2010, the Danish Agency for Governmental Management won Denmark's national Digitization Prize. The jury said, "The electronic travel and expense management solution illustrates how digitization, combined with a well-planned standardization of processes that were previously fragmented and disparate can result in major business savings."

Both Basware and the Danish Agency for Governmental Management are very proud of the award.

"ALL OF US APPRECIATE THIS NEW PROCESS, BECAUSE IT SAVES US A LOT OF TIME. THE BEST THING MIGHT BE THE FACT THAT THE SYSTEM IS WEB-BASED, AND THIS PROVIDES AN ENTIRELY DIFFERENT LEVEL OF OPERATIONAL SECURITY THAN OUR OLD SYSTEM."

Eyvind Nygaard
Accounting Manager,
Ministry of Food, Agriculture and Fisheries

"It's definitely a recognition that really means something, and reflects all of our efforts," remarks Ida Wollenberg Juul from the Danish Agency for Governmental Management.

THE JOURNEY

Phase 1: Standardized and digitized administration of travel deductions

The clients of the Danish Agency for Governmental Management include institutions ranging in size from 50 to 1,500 employees. Each client had their own, partly manual and paper-based, travel deduction processes. By fully digitizing and standardizing these processes, the Danish Agency for Governmental Management anticipates it will save two thirds of the time and cost spent on travel deduction management tasks.

Phase 2: Millions in savings through a transfer of resources from administration to municipal citizen service departments

The implemented best practices in expense management allow clients of the Danish Agency for Governmental Management to free up numerous resources, which were previously laden with inefficient routines and processes. The anticipated yearly savings of DKK 16 million - approximately €2,5 million - would be directly transferred to the municipal service departments.

Phase 3: Rapid implementation ensured acceptance and use of the new system by 60,000 users

The roll-out of the travel and expense management system, including user training to 155 clients in less than 23 months, demanded a dedicated focus. The user-friendliness and built-in process intelligence of the system made it easy for end-users to accept the new standardized system and abandon old processes.

Phase 4: Network for knowledge sharing

The Danish Agency for Governmental Management has created an internal network for users of the new system. The users can interact with one another, which gives them much greater ownership of the new system.

ABOUT: DANISH AGENCY FOR GOVERNMENTAL MANAGEMENT

The Danish Agency for Governmental Management focuses on improving the efficiency of the public sector. It serves 155 ministries and agencies as well as approximately 250 State institutions. Its mission is to continuously develop finance management in the public sector.

http://www.oes.dk

ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organisations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

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