

# Administration & Finance Section

## e-communicqué

Spring 2001

### From the Chair

By: Sam Clinch

Wow! What a great technology program we had in San Diego. Over 100 attendees and 20 exhibitors participated in the program. A big thanks goes to the technology committee who planned relevant topics and came up with wonderful speakers. Thank you to Donna Fouste, Julie

Armstrong, Dave Blaner, Toby Brown, Dalton Menhall, Linda Oligschlaeger and Rod Wegener. A thanks also goes to the NABE staff. In particular, Libby Bullock, Shelley Joksimovic, Maria Johnson and Elizabeth Derrico. I learned first hand just how valuable they are to our section.

The section has agreed to produce two programs in Chicago. The first will be a follow up to the technology program and the second is tentatively called "Wiring the Bar." Further information will be sent out in the near future.

Greg Derwart has been voted the newest council member of the Administration and Finance Section. Greg and his wife Kelly also just had a new baby girl named Hannah. Congratulations Greg on both accounts!

Enjoy the articles in this issue of the *e-communicqué* and I will see you in Chicago.

### Unclutter Your Life

By: Stephanie Denton

Clutter (n) 1. a crowded or confused mass or collection. 2. interfering echoes visible on a radar screen caused by reflection from objects other than the target.

– Webster's Dictionary

Someone mentions "clutter." Close your eyes. What do you see? If you're like most, the image closely reflects Webster's first definition. Clutter equals junk. It's stuff that's all mixed up. Although valid, this illustration is not complete, as it depicts only what clutter is without considering what it does. It portrays clutter as passive, without consequence. Yet clutter does have repercussions. It impacts your life. As



articulated in Webster's latter definition, it interferes.

Clutter diminishes clarity. It occupies space, both physical and mental. It impedes movement and progress, and detracts from efficiency and effectiveness.

Getting rid of clutter is not about cleaning. It is about increasing focus and decreasing interference. Far from a low-level task best relegated to the night time janitorial crew, it is a process whose return on investment grows exponentially the more potential value you have to contribute.

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#### Section Leadership

Sam Clinch - *President*  
Donna Foust - *Vice-President*  
Craig Combs - *Secretary*  
Fred Parker - *Treasurer*

#### Council

Charles Lorenzetti (2002)  
Pat Dieken (2002)  
Julie Armstrong (2001)  
Greg Derwart (2001)  
Greg Martin (2001)

## Unclutter Your Life

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The benefits of getting rid of it are physical, financial and emotional: Physical because you have more free space, and it's easier to find what you're looking for. Financial because you zero in on targets, accomplishing what's important in less time. You don't purchase items you already own but forgot you had or couldn't find and you allocate fewer dollars to unnecessary storage. Emotional because you have more energy and less stress and a reduction in the overwhelming feeling there's not time to do it all.

When you are drowning in clutter, the cost to you and/or your company is great on many levels. Once clear, however, you can more easily access the resources, physical and mental, that you want or need at any given moment.

### So What Is and Isn't Clutter?

The bottom line is that clutter is "things that are not where they are supposed to be." Making this classification is an individual judgement. After all, sometimes the optimal location for an item is the garbage can (or recycling bin.) But who's to say what belongs in the garbage? As the saying goes . . . one man's trash is another man's treasure.

The key is to remember that it's only clutter if it interferes, and it only interferes if it's not where it's supposed to be. Think of it in these terms:

### Clutter Is Unrelated Things Mixed Together

It's certainly not realistic to expect that you will never have papers out on your desk. After all, you have work to do. But clutter is not one project all spread out; it's

when you get unrelated projects mixed together - or various thoughts muddled together. Think how hard it is to move forward when you feel your brain is jumbled.

### Clutter Is Things You Neither Need Nor Want

Remember the 80/20 rule: Eighty percent of the value comes from 20 percent of any group. Think about your closet: You wear 20 percent of your clothes 80 percent of the time. Eighty percent of your income comes from 20 percent of your clients. It is even estimated that 80 percent of the papers you file, you never need look at again. There is more information and opportunity available to you or thrust upon you than ever before. That doesn't mean that you have to keep a copy of all of it.

### Clutter Is Things Left Out Because They're Unfinished

How many times have you said to yourself, "I'll put it here for now because I'm not finished with it?" As soon as these words leave your lips, you're challenging your brain to remember this temporary location. Even if you can remember it, why use your creative energy in this way? You have more important things to do. Another oft-recited phrase is "I'm leaving it out to remind me to do something." Leaving things out doesn't alert you to what needs to be done. Instead, it distracts you from what you're doing at the moment.

### Clutter Is Things You Haven't Made a Decision About Yet

Often, clutter results because you've postponed making decisions. Like cars being driven down the road, if they all get to the intersection and no one decides which

direction to turn, they're going to pile up. Does that mean that when you first set out on a journey, you know all of the turns you're going to make? No. It's just saying that each time you have the opportunity to make a decision, make it.

Where is your clutter? It may be anything from notes stuck to your computer monitor to the extra, ummm, you know, words you inject into conversations to the thoughts and worries buzzing about in your head. It may be in your memos, on your desk, in your computer or in the manner in which you structure your day. Whatever the area, uncluttering it positions you to soar.



### NOW YOU'VE FOUND IT ... HOW DO YOU GET RID OF IT?

Since clutter can be physical and/or mental, these strategies are most effective when put to use in both venues.

### Know What's Important

It's hard to decide what to get rid of if you don't know what is important to you in the first place. Imagine sorting through boxes in your basement. How can you possibly decide what to keep if you haven't set any parameters? And consider the fact that, at last count, research showed the average corporate worker sends and receives over 175 messages and documents per day. At that rate, the amount of potentially important information can quickly become overwhelming if you don't have a triage method.

A mission statement, a strategic

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## Unclutter Your Life

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plan or simply knowing that you are going to keep only good photographs and pitch the blurry ones - any of these is a statement of what's important. Without such a statement, anything is potentially important.

### Group Related Items Together

Doing so gives you an overview. It alerts you to purchases required, and saves you from wasting time and money acquiring goods you already have. Group your thoughts together too. Merge those "things I gotta do" that keep coming to mind with the million dollar ideas you've scribbled on napkins into one master list. It's only by seeing it all together that you can begin to appropriately prioritize.

### Get Rid of What You Don't Need or Want

If it's hard to part with things, do it in stages. Divide piles into three categories: Keep/Maybe/Pitch. Immediately get rid of "Pitch" items. At your next uncluttering session, again divide what you have into three categories and get rid of the "Pitch" pile. Gradually, you'll pare down.

If a bulky item holds a special memory for you, perhaps because your child created it, consider photographing it. You can preserve the memory without hanging onto it. Keeping something because you "paid good money for it"? Realize that it has served its purpose. After all, when you pay good money for an elegant meal, you don't expect to hold onto that forever. Don't forget that sometimes the garbage can you need is a mental one. So while you're uncluttering, get rid of "what ifs" and "shoulds."

When you catch yourself thinking, "But I might need that some-

day," refer back to your statement of what's important. Remember, everything is potentially important, and if you keep everything you're going to need a warehouse. Rely on the instincts that led you to create your statement of importance.

### Designate One Logical Place for Everything

When everything has one "home," it's faster to both put things away and find them later because there is only one place to go. The designated location should be logical. Avoid "Where can I put this," "Here's an empty spot" and "I'll stash it here for now." These rationalizations encourage you to select a location you won't necessarily remember later. Instead, think, "Where would I look to find this?"

Keep items in their designated home, no matter their stage of completion. Don't leave a project out just because you don't want to forget about it. Remind yourself of what needs to be done with a list system. Retrieve resources only when you are going to work with them.

### Compartmentalize

Compartmentalizing is an extension of the principle "designate one logical place." Imagine shopping for groceries if all of the items are somewhere in the store, but not separated into aisles. Even though you know the logical place to go for food - the supermarket - it is hard to find what you want if the space inside isn't appropriately allocated. It's only by compartmentalizing a larger area that you can locate specific items.

Apply this concept to everything from your closet to your desk drawer to your computer files. Even use it for your to do list. Separate tasks

from phone calls from outside errands to be run. These are distinctly different activities, most efficiently accomplished if batched together. When they are listed this way, you can quickly see all the tasks in each category.

It's always easier to find what you want if you only have to look in one compartment, as opposed to the entire space.

Uncluttering your life is a powerful experience. It creates space for you to transform data, information and opportunity into knowledge, wisdom and action. It creates clarity.

### PERSONAL COACH

1. Don't mix the paperwork of unrelated projects together. Keep your activities separated.
2. Keep only the paperwork in permanent files that will be of value to you after you have finished the project.
3. If you haven't finished a project, put the materials away in the proper place until you can complete the work. Don't stash them in a place where you will be reminded of them - put them away.
4. Every time you have an opportunity to make a decision about a stack of papers, a letter, a correspondence, etc., do it. Get it off your work area.
5. When getting organized: Group related items together. Get rid of what you don't need or want and allocate a logical space for needed items.

*Stephanie Denton, a Cincinnati-based organizing expert, travels the country uncluttering the desks and lives of CEOs.*

## Finding a True Performer

By: Mike Callen

Not only is it hard to find good employees, but it also can be expensive. Completing the selection process only to hire the wrong staff member is a loss that most employers can't afford. The U.S. Department of Labor estimates that replacing an employee can cost an organization as much as one-third of the new hire's annual salary. More and more, associations are looking for cost-effective solutions to help them find and retain the best employees.

### Testing applicants

Some of the most difficult positions to fill are entry-level administrative jobs. And, as many human resources departments already know, not all resumes give an accurate picture of an applicant's skill level. In today's automated environment, the traditional duty of typing is joined by a host of other skills, including word processing, spreadsheets, data entry, database management, 10-key calculator, and financial record-keeping abilities.

When a new employee is not qualified to handle routine tasks, it costs the organization time and resources to provide training – training that could have been circumvented had the organization tested the employee's skills.

New software programs that use automated testing and validation systems are now available to help associations screen potential candidates. These programs are economical, self-administering, and score applicants in three areas:

1. general clerical and administrative skills;
2. application-specific software

3. knowledge tests customized to the association's needs.

The general clerical and administrative segment tests applicants skills in keyboarding, 10-key calculator, data entry, proofreading (grammar, spelling, punctuation, etc.), alphabetic and numeric filing, basic math, and bank reconciliation and petty cash.

Software-specific tests cover word processing programs (Microsoft Word, WordPerfect), spreadsheet

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### Testing can help you meet the challenge of separating substance from style in the interview process.

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applications (MS Excel), database management (MS Access), and Windows 95/98/2000/NT.

Customized multiple-choice, true-false, and fill-in-the-blank tests on industry-specific or office-specific issues also can be created. Customized tests can include embedded sound files, images, video clips, hyperlinks, symbols, and full-text formatting. Items may be grouped into domains or categories and may be weighted by their importance or relevance to the topic being measured.

The ability to custom-design tests is a plus. For positions in which turnover is high, this feature can save

an organization time and money. Software programs also can test for knowledge of work procedures and language skills.

### Step-saving strategies

Automated skill testing takes the guesswork out of the hiring process. Applicants who do not possess the skills and abilities necessary for entry into a position can be identified up front.

Tests can be administered to applicants on a standard PC, and employers with computer networks can test multiple candidates simultaneously. Once an employer determines which candidates have the necessary skill sets, they can then focus the interview on other areas that will help them determine which of the applicants best fit the culture of the association.

Using automated testing systems provides testing tools that clearly establish the qualifications of applicants. In addition, applicants' scores can be exported into a spreadsheet or database program for external analysis.

Reliable, efficient, pre-employment screening tools benefit organizations with a lean human resources department, as these easy-to-use, highly automated tests can be administered by junior-level human resource employees. Best of all, testing can help you meet the challenge of separating substance from style in the interview process. After all, hiring the best candidate is still one of the best ways to retain good staff.

*Mike Callen is director of OPAC Testing Software, Sacramento, CA*

## Total Comp Statements Emphasize Value in Non-Salaried Benefits

By: Greg Dermart

As non-profit bar associations, we don't always have the opportunity to provide our employees with lucrative salaries and signing bonuses. However, compared to many for-profit corporations, we often have the ability to provide valuable non-salaried benefits that should not be overlooked by staff.

A useful recruitment and retention tool is the Total Compensation Statement. Human resources professionals consider total comp an employee's wages/salary, as well as the employer's costs for all employee benefits. Specifically, compensation programs can be classified into the following categories:

- **Base Salary** – the fixed amount to be paid (often for performance) according to a system of job classification or market based criteria.
- **Incentives** – additional variable pay based on performance

against objectives and payable in cash, stock or tax-deferrable arrangements.

- **“Protectives”** – programs which insure employees against loss of life or earning ability, and which insure against major current expenses:
  - life insurance
  - medical insurance
  - survivor's income
  - dental insurance
  - disability income
- **Capital Accumulation** – programs, usually stock plans, that provide the opportunity to establish a personal estate under attractive conditions. Phantom equity arrangements and long-term incentives can also be included under this category. Such programs should serve the owners by aligning management's interests with that of the shareholders.
- **Retirement Income** – plans that defer income for services

rendered to a later payment date (qualified plans such as pensions, profit sharing, and thrift plans as well as supplemental programs and employment contracts).

- **Perquisites** – company paid allowances beyond direct pay (free parking, automobile and operating expense, expense allowance, total medical reimbursement, club memberships, etc.).
- **Paid Time Off** – vacations, holidays, family leave, jury duty, etc.

*Source: Effective Compensation Inc. (ECI), Lakewood, CO*

Total comp statements should be a personalized, confidential report provided to each employee. If you don't have time to collect the information manually, and you don't have the financial resources to hire a HR consultant, there are now several software programs that can help you collect and prepare your data (try a web search for “total compensation software”). The statements do not, necessarily, need to be provided annually. However, every three years or so, employees should be reminded of valuable benefits that too often go unnoticed.

If anyone has distributed a total compensation statement in the last few years, please share your experiences with us on the Administrative & Finance Section's listserv at [nabe-adfin@mail.abanet.org](mailto:nabe-adfin@mail.abanet.org).

## NABE Compensation & Benefits Survey Coming This Spring

NABE's Surveys Committee is currently putting the finishing touches on the bi-annual Compensation & Benefits Survey. This year the Committee decided to distribute the survey to executive directors in the fall so that the results could be distributed by late spring – the time of year that most people want the valuable information. At press time, the Committee reported that the survey

results would be available in 4-6 weeks. (Executive directors that completed the survey will automatically receive a complementary copy of the survey results.)

Special thanks go to Committee Chair Dennis Harwick, Executive Director of the Kansas Bar Association, and Cynthia Spanhel, Director of Research & Analysis of the State Bar of Texas, for their worthy efforts.

## The Value Proposition for Electronic Billing

*Electronic bill presentment and payment (EBPP) has become a “killer application” for the Internet in the US and is on the road to becoming one in Europe, with the UK leading the charge.*

By: David Saul

This article looks at why electronic billing is so tantalizing, examines the differences between consumer “billing” (EBPP) and business “invoicing” (EIPP) and explores some of the integration issues when businesses try to exploit EIPP.

### What’s the difference between a bill and an invoice?

A bill is a repetitive time-based event; an invoice is a one-off event. Bills are something you get when you subscribe to a metered service such as a telephone or water supply. At prearranged time intervals (e.g. monthly) the supplier will send a bill for the usage to date. In quantity terms, most bills go to consumers, but in value terms, big bills go to businesses.

An invoice is something you receive after placing a specific, one-off order. Consumers generally buy things for “cash” and get a receipt, not an invoice. They may buy things on credit, either by credit card or under an agreed payment schedule – but in either case the payments are one step removed from the decision to purchase or any complaint about the goods.

Businesses, however, buy virtually everything on credit. The ordering process itself needs budget approval, physical deliveries need proof of delivery, the invoice will be matched against both the order and delivery, and a payment approval process invoked. An accounts function will be tasked with managing costs, budgets, and cash flow.

The supplier’s sales order process is inextricably linked to the customer’s purchasing process with a paper flow in both directions.

### EBPP – What’s in it for businesses?

According to research firm Killen Associates ([www.killen.com](http://www.killen.com)), US consumers receive some 18 million bills per year and UK consumers receive 4.8 million. In either case, this averages out at about 12 per household, per month. Some of these are technically invoices according to my own definition (e.g. book club purchases), but for consumers the distinction is often one without a difference.

Volume business-to-consumer (B2C) billing organizations – mainly utilities, telephones, and credit card (statement) issuers – see three main advantages in switching to EBPP:

- **Cost savings.** Printing/mailing bills and handling paper-based payments costs anything up to \$1.50 per bill, whereas presenting and managing payments over the Internet should save at least 50% of the costs.
- **Customer service.** Most B2C organizations bear huge costs in handling customer care relationships. Customer satisfaction/care is seen as a key part in competitive positioning and customer retention.

Most businesses lead this activity with call centers, whereby the average call costs at least \$5 to handle. If their customers could be persuaded to adopt “self-care” – the best vehicle for which is the Internet – then customer care costs could be greatly reduced. Activities ranging from change of address, new meter readings, credit requests, complaints, requests for service, fault-logging, information – right through to trouble ticketing – can all be handled with Internet customer care (ICC).

If an organization wants to adopt a strategy to migrate customer care to

ICC, there is no better catalyst than to start with EBPP since this will “push” customers onto the Internet.

• **Sales.** So now we have got customers regularly using the Internet and enjoying the benefits of customer self-care. We can now start cross-selling and up-selling.

We have a large amount of transaction data about them, a certain amount of lifestyle and we can add lots more. Because of the ICC activity, we can subtly, hopefully, gather even more. Now, using customer relationship management (CRM) techniques, we can target products, services, promotions, and so on to an audience of one . . . Further, this can be done in an attractive, multimedia way with vast amounts of sales collateral available when needed.

Studies in the USA show that promoting via the Internet is at least an order of magnitude (10 times) more successful than “stuffers” in envelopes.

In conclusion, EBPP is not really about, . . . well, EBPP – its drive is much more from the billers wanting to create Internet usage, save costs, create customer lock-in, and leverage new revenues from their customer base.

### Three stages to EBPP

EBPP develops in three clear stages. First, the billers grasp the long-term value and start to offer EBPP. This ranges from over simplified in-house HTML bill offerings, through to full-blown implementations (e.g. Egg and British Telecom, where customer can see historic and even current billing data online – if

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## E-Billing

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they are persistent and patient!).

Stage two is where the payment processors, usually banks but also independents like Clear Money or National Post Offices (for example, Canada's postal service), get in on the act and try to retain their control over and consequent income from handling payments. They do this by offering bill consolidation services, allowing an individual to look at summary bills online and allocate payments.

Stage three is when there are sufficient bills available online, consolidation is working well, and consumer adoption finally starts to take off.

The US is undoubtedly well into stage three, but Europe is in the overlap between stages one and two, with the UK leading. Forecasts of how consumer adoption rates will grow vary, but the US is already at 5% (i.e. 5% of all bills are viewed online – with 15% paid online), growing, according to Killen, to 70% in four years. Europe will catch up fast, with adoption growing from near zero now to somewhere between 20% (source: Ovum) and 40% (source: Killen) within three years.

### EBPP implementation

B2C billers are facing a dilemma. On the one hand, failure to participate in stage one and/or to have a serious solution in stage two puts them at a serious competitive disadvantage. On the other, the return on investment is only in stage three and the risks are high in reaching that stage.

So while bigger organizations can

afford an in-house solution – either self-developed or using one of the better packages like Solant, e-docs, or Marco4 (ISI) – a better solution for most companies will be to go for a comprehensive EBPP solution from an application service provider (ASP).

In the UK, one of the only companies offering an ASP solution that succeeds in addressing the three drivers (cost, customer care and sales) is the Ebillity service from Idesk plc. The key to their positioning is not just the comprehensive service offering, but the integration with their own e-mail and technical support services. Idesk has a number of utility organizations using Ebillity, including South East Water.

Integration with existing systems is usually not a major problem with EBPP. Payments can easily be reconciled and yes, migration to ICC with existing call center processes needs a clear strategic plan, but with the bridging technology for managing e-mail based queries, the problems are small.

### Drivers behind EIPP

Electronic invoice presentation and payment (EIPP) is very different from EBPP. The drivers behind EIPP are for suppliers to get faster and cleaner payment, while locking their customers in and consequently increasing revenues.

Some industries produce vast quantities of invoices, whereas others produce fewer, but perhaps of higher value and with more complexities in the total cycle. Very few companies receive a significant proportion (say, over 5%) of their purchase invoices from one supplier.

This latter point is the first

challenge for EIPP. If the customer receives only one invoice electronically, but all the others on paper, how can he take full advantage of the electronic relationship? Some organizations, for example General Motors, have solved this problem by saying they will only take electronic invoices from suppliers.

The real answer lies in broadening the scope of EIPP to include both sides of the cycle and to redefine the boundaries between the two processes. The supplier should offer not only electronic invoicing, but also access to an electronic archive of other key documents, such as the original order, the delivery note and certain reports from their sales ledger. In addition, the supplier should offer workflow routing of documents into the customer's organization via the Internet in order to facilitate speedy and trouble free approval. In some instances it is easy to see how integration of manufacturing processes with component supply would be possible. Then add the international dimension . . .

### Integration not trivial

This is where the real fun begins, since integration of these components, driven via Web interfaces, is not trivial. In reality, the wise EIPP-enabled supplier will offer his customers a range of options from the very simple to the more wide-ranging.

In short, EIPP is really a document management problem and electronic document management (EDM) will bring the solution.

*David Saul is a Director of several European-based companies, both large and small, responsible for strategic direction and implementation of Internet solutions. He can be reached on +44 (0) 118 972 4870 or [ds@drats.co.uk](mailto:ds@drats.co.uk).*

