MasterControl Streamlines Workflows and Improves Regulatory Compliance in the Cloud

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Corporate Controller, MasterControl

Company at a Glance

Location: Salt Lake City, Utah
URL: www.mastercontrol.com

Nexonia

Partner Name: Nexonia
Location: Toronto, Ontario, Canada

MasterControl provides process and document management software solutions that help highly regulated life sciences companies implement and follow government quality guidelines and regulations.

Challenge:
Many of MasterControl's customers have large government contracts that require them to audit suppliers to ensure compliance with applicable laws and regulations. MasterControl needed to improve its compliance with tax and P&L reporting regulations to meet these customer demands.

Solution:
A cloud-based expense reporting solution from Nexonia, operating fully within NetSuite workflow streamlines expense reporting.

Results:
Full compliance with government regulations while saving hours of manual data entry, calculation and reconciliation work for end users and accounting staff.

Nexonia and NetSuite Streamline MasterControl's Expense Reporting and Ensure Compliance

While MasterControl’s products facilitate regulatory compliance, the company needed to practice what it preaches.

Highly regulated life sciences companies use MasterControl software to comply with quality standards and government regulations. But many of MasterControl’s customers have large government contracts, and when the government awards millions of dollars in business it expects not only its contractors, but also their suppliers—companies like MasterControl—to fully comply with applicable federal, state, and local regulations.
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Meeting these customer demands meant that MasterControl’s own business processes needed to be efficient, effective and compliant. But until recently, MasterControl was unable to ensure that it was accruing use taxes properly and consistently. For example, the State of Utah demands use taxes when a purchase is made through an online vendor that doesn’t collect sales tax. The company also needed to simplify its overall expense reporting and accounting process to better comply with P&L reporting requirements.

The company was using a solution that required a cumbersome and error-prone manual process to calculate and track use taxes for expense reports. It took users between three and five minutes to enter a single line item on their expense reports. Because people dreaded filling out their reports, they procrastinated. This avoidance behavior slowed down expense accruals across the company and made it difficult to address P&L reporting requirements.

To ensure consistently correct entry of use taxes into employee expense reports and streamline expense reporting for employees and accounting staff alike, MasterControl began exploring new expense reporting solutions that would integrate with its core NetSuite ERP system, which had been in place since 2010.

Improving Business Processes and Saving Time

Nexonia, a provider of leading web and mobile financial management solutions headquartered in Toronto, Canada, was a natural fit. A NetSuite SuiteCloud Developer Network (SDN) partner since 2010, Nexonia’s simple-to-use applications are fully integrated with NetSuite and are designed to streamline the expense reporting and approval process and enhance operational efficiency.

“The ability to fix our broken business process by simply switching to a new expense reporting software provider was a huge benefit for us,” said Jeffrey Kessler, Corporate Controller for MasterControl. “We chose Nexonia for its tight integration with NetSuite and for its highly configurable options. Because Nexonia has empowered us to implement user feedback quickly and in a precise manner, people love the system and we’ve gotten tremendous buy-in.”

Today when an employee fills out an expense report, Nexonia Expenses directs them to enter whether or not a use tax is necessary. If it is, users simply click on the use tax button and the system automatically calculates the right amount and accrues it directly into the correct account in the NetSuite P&L. Not only has this eliminated a tedious manual process that took 3-5 minutes per line item, it ensures accurate use tax reporting to the State of Utah.
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Nexonia has greatly streamlined and sped up the overall process of creating expense reports, allowing MasterControl to meet strict rules that require its P&L to accurately reflect expenses. Mobile capabilities allow end users to snap a picture of a receipt on their mobile phone, use an app to add a line item to their expense report at the click of a button and submit the report automatically. Automated credit card capabilities feed company credit card charges as they occur into Nexonia; an “auto nag” feature reminds employees at regular intervals to file the corresponding expense report. Kessler estimates that these capabilities have reduced month end accrual time by roughly 50 percent.

Back-end accounting processes have dramatically improved as well. The full integration between Nexonia and NetSuite means that expense data is instantly accessible in the General Ledger, sparing the accounting department from time consuming data extractions and imports. Accountants and auditors also save considerable time researching expenses. To answer a question about a journal entry, they can instantly drill down to the related expense report and see a PDF of associated receipts without having to log into a separate system and do a manual search. These improvements have saved the accounting department 20 hours a week—the equivalent of half a head count.

Overall says Kessler, “In a highly regulated industry, our customers can’t do business with just anyone. They come onsite and audit our company, looking at all our processes, procedures and documentation to make sure we comply with all government regulations. With the Nexonia Expenses integrated with NetSuite ERP, when customers audit our business processes and compliance, we have a system in place that’s very good, automated and transparent.”