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## **Climate-friendly digitalisation: How companies benefit**

### **Converting to a paperless office, start with accounting**

By Thomas Breit

How can digitalisation create value not only for companies, but also for the environment? There is no clear answer to this complex question. One of the negative examples is online trading with its immense packaging and transport logistics. There is no doubt that positive effects come about when paper-based processes are digitalised and intelligently networked. My own experience shows that digitalising the day-to-day operation of an office is an effective step towards saving resources and costs. Now that all of my work processes have been perfected, I no longer even need a printer in my office.

### **Separating growth from resource consumption**

Scientific studies show that digitalised processes can significantly reduce greenhouse gas emissions. Example: the study #SMARTer2030 by the Global e-Sustainability Initiative and the consulting firm Accenture. Twelve different fields of application were examined. According to the study, implementing digitalisation solutions could reduce global CO<sub>2</sub> emissions by 20 percent by 2030. This would separate economic growth from resource consumption.

### **Saving materials, improving processes**

If all processes in a company, that have to date been paper-based, are digitalised, using paper almost becomes superfluous. Due to the fact that employees then print considerably less, paper is not the only thing to be saved. Printers and accessories, such as toner, are needed to a lesser extent. Consistent use of electronic mail, especially e-billing, leads to a further reduction in CO<sub>2</sub> emissions from logistics vehicles.

Examples from my practical experience show that small and medium-sized enterprises (SMEs) can embark on digitalisation by taking just a few small steps. I recommend accounting as the first area of implementation. As I have been developing digital processes since 2011, testing hardware and software and working completely paper-free with my tax firm since 2014, I know that automated financial accounting is the ideal starting point for a digital roadmap. Entrepreneurs who want to go the whole way and develop a holistic digital and company-wide strategy will not only save resources, but also systematically align their business model with future requirements.

## **Initial step: To digitalise accounting system**

SMEs can implement a digitalised accounting solution themselves or call in an expert like me. They need a special scanner, a laptop, a cloud connection and a coordinated system for financial accounting, for example, from providers such as DATEV, AGENDA or DMS. I provide my customers with the cloud and only charge for setting up the software.

The user's bank data is stored in the cloud and is an essential element for automated digital accounting. The companies now handle 80 percent of their payment transactions via the new accounting solution. 90-99% automation can be achieved in the area of dunning and remittance advice. At this point, my clients decide whether they want our accounting partner to further handle the processes or whether they want to handle the entire process themselves. In this case, the accounting processes are integrated into an Internal Control System (ICS) in the company, which also provides an interface for Tax Compliance Management Systems (Tax CMS). In the Tax CMS, taxation processes can be defined as work instructions, ensuring a release from liability vis-à-vis the tax authorities. This is how maximum clarity and legal certainty can be created.

My clients invest a net amount of around 4,500 euros per digitalisation stage (60, 80 or 95 percent). My experience: After about 6 months, level 1 already reduces administration costs by 30 percent. The lasting effect on protecting the climate and resources is also significant.

## **Second step: Software tools for all paper documents**

As soon as accounting has been converted, the remaining paper-based workflows can follow, for example, all correspondence in the company. A Document Management System (DMS) not only saves paper. The system also brings more transparency and structure to the processes, which benefits every single employee.

In the next step, the most important existing paper documents can be scanned and stored in the cloud. This also brings SMEs closer to full digitalisation and saves tangible storage costs. We already have an oversupply of technical possibilities and clouds. The decisive factor for success is in selecting a single software solution that is as flexible as possible and adapted to fit the company.

## **Third step: Identifying and building on strengths**

In order to seize all opportunities, it makes sense to not only approach digitalisation as an efficiency project for IT structures. An interlock between the digital and company-wide strategy puts a special focus on high-yield processes. It means they are analysed and redesigned – forming the basis for tomorrow's business success.

What initially seems tedious in the implementation phase can pay off for entrepreneurs in several ways. Here are just a few of the most important advantages of digitalisation:

- Faster internal processes, increased transparency

- Environmentally friendly working methods – also a plus for employees
- Elimination of considerable costs, e.g. for archiving
- Becoming a company that is prepared for the next successor generation
- Increased company value as revenues are higher and the processes are state-of-the-art

## Inspiration and sharing views with other professionals

When I exchange ideas with professionals from other business areas, for example, with my friend Boris Herrmann, who took Greta Thunberg to New York on his sailing yacht, I feel that my assumption is true: Climate protection is initially expensive and uncomfortable. But there are no alternatives if you have the big goal in mind. And if you take the right approach, you can combine technology and ecology in a forward-looking manner. Faster, greener, smarter – that is also the philosophy of the yacht builder Axel Hackbarth, with whom I am in touch. Even if we stay in the traditional business world, we can develop environmentally friendly solutions that go beyond national borders. I am currently liaising with Dario Castiglioni from the Italian management consultancy firm F2A regarding new company models for international customers. Digital concepts and tax CMS also play a role here and will ensure that less resources are used. I hope for much more inspiration of this kind and look forward to hearing from new fellow campaigners with whom I have not yet been in contact: [t.breit@steuerberatung-breit.de](mailto:t.breit@steuerberatung-breit.de)

About the author:

### **Digital pioneer and successor specialist**

The tax consultant, Thomas Breit, has assisted some 1,400 clients to date, primarily in inheritance and succession planning as well as corporate transformation. His firm is 100 percent paperless. As a digital pioneer, Thomas Breit can support his clients in implementing their digital transformation projects in an extremely efficient manner.

The Hamburg-based consulting firm works with a network of renowned experts that includes auditors and national and international law firms. Thomas Breit is also a guest lecturer at the Fresenius University of Applied Sciences Hamburg and the FOM University of Applied Sciences Hamburg.  
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