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Building a Robust Finance Function Through ERP Implementation: Addressing Inefficiencies in Accounting, Reporting, and Cash Flow Management

A Case Study of Trickle Up Pvt. Ltd.

By:

Muhammad Jawad Amir	01-321251-018
Umair Hassan	01-321251-029
Muhammad Yaseen Shafiq	01-321251-022

Supervisor: Dr. Lubna Marouf

MBA – Finance

HR and Management Department

Bahria Business School

Bahria University Islamabad

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Names of Student(s):	**Enrolment #**
• Muhammad Jawad Amir	01-321251-018
• Umair Hassan	01-321251-029
• Muhammad Yaseen Shafiq	01-321251-022

Class: (MBA/Finance)

Approved by:

_____

(Dr. Lubna Maroof)
Supervisor

_____

Qurat Ul Ain Waqar
Research Coordinator

_____

Dr. Aftab Haider
Head of Department

Abstract

The finance function in a small or medium-sized service organization is rarely the bottleneck people expect it to be. It is, however, frequently the function least equipped to handle growth. This project documents how an unstructured, spreadsheet-driven finance environment at Trickle Up Pvt. Ltd. which is a UK-registered service business with operational activity in Pakistan which was systematically redesigned through the implementation of a cloud-based ERP system.

The study adopts a qualitative, applied case-study methodology. Existing financial records, invoice trackers, expense logs, and management reports were examined to identify operational weaknesses. Tools including root cause analysis, SWOT analysis, and a requirement-mapping matrix were used to translate observed problems into a concrete set of system and process requirements. Xero was selected as the ERP platform after weighing organizational scale, multi-currency needs, and cost-of-ownership considerations against the alternatives.

The implementation was carried out in five sequential phases covering data review and cleansing, system configuration, migration and training, testing and validation, and structured go-live with post-deployment monitoring. A parallel-run testing approach was used to verify integrity of invoicing, accounts receivable ageing, accounts payable, multi-currency bank reconciliation, and intercompany accounting between the UK and Pakistan entities.

The findings indicate that the inefficiencies observed pre-implementation were not isolated operational lapses; they were systemic outcomes of an absent control architecture. After Xero deployment, the month-end close cycle reduced from an estimated 18–20 working days to approximately 6–8 working days, debtor days improved through automated AR ageing and follow-up, multi-currency reporting became reliable, and management visibility over cash position improved materially. Internal controls – including segregation of duties, approval workflows, and system-generated audit trails – were embedded into routine activity rather than bolted on afterwards.

The project concludes that ERP adoption in a service-based SME is best understood as a finance-transformation initiative rather than a software-replacement exercise. The proposed framework is generalizable to similarly structured cross-border SMEs and provides a practical roadmap for transitioning out of spreadsheet-dependence. Recommendations include phased automation of payroll and expense approvals, integration with Power BI for management reporting, and progressive alignment with audit-readiness standards as the organization scales.

Keywords: *ERP Implementation, Xero, Service SMEs, Cross-Border Finance, Cash Flow Management, Month-End Close, Internal Controls, Financial Reporting, Multi-Currency Accounting, IFRS for SMEs.*

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Muhammad Jawad Amir

Umair Hassan

Muhammad Yaseen Shafiq

Bahria University Islamabad

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List of Abbreviations

AP – Accounts Payable

AR – Accounts Receivable

COA – Chart of Accounts

COSO – Committee of Sponsoring Organizations of the Treadway Commission

ERP – Enterprise Resource Planning

FX – Foreign Exchange

GAAP – Generally Accepted Accounting Principles

GBP – Great Britain Pound (UK currency)

GL – General Ledger

GR/IR – Goods Received / Invoice Received

ICAP – Institute of Chartered Accountants of Pakistan

IFRS – International Financial Reporting Standards

KPI – Key Performance Indicator

OCR – Optical Character Recognition

P&L – Profit and Loss Statement

PKR – Pakistani Rupee

ROI – Return on Investment

SaaS – Software as a Service

SME – Small and Medium-sized Enterprise

SOP – Standard Operating Procedure

SOX – Sarbanes-Oxley Act

SWOT – Strengths, Weaknesses, Opportunities, Threats

TB – Trial Balance

UAT – User Acceptance Testing