

The value of having automated systems with up-to-date information to hand.

Overview

With multiple sites and business entities all using different accounting systems, the client was not only running inefficiently, but also at an elevated risk of non-compliance. Following our assessment, it was evident that efficiencies could be made across almost all areas of the business from compliance to cashflow not to mention the ability to make quicker decisions. The case study below demonstrates the value that businesses can drive from having automated systems with up-to-date information to hand.

The problems

With 10 sites from head office to shops to warehousing and rental properties, Polski Sklep Smaczek Limited has 5 separate VAT registered legal entities in the UK.

Financial records were being maintained on an outdated system, with no cloud connectivity and each site being set up as a separate entity. This meant a large amount of data was being run for each. The upshot being that each time a VAT return was prepared and each time a set of statutory accounts were completed the information needed to be drawn from several company set ups. With Making Tax Digital going live from 1st April 2019, the client was keen to ensure their compliance. Especially given the lack of internal systems and processes meant that the records were not up to date and they often missed statutory deadlines thus incurring fines.

The solution

Firstly, we needed to undertake a full assessment to determine if a transfer from the existing system to Xero would be suitable for the business. It gave us the opportunity to consider how the client could use a cloud based accounting platform to drive efficiencies within the accounting function and provide better, more accurate information.

Our conclusion was that not only would they benefit from improved efficiencies within their accounts department, but the management would also be able to make quicker and better informed decisions, with access to up to date management reporting. Moreover, with the introduction of additional software, there were also opportunities for improved cashflow. This could all be achieved with a migration to Xero.

Stage 2 - Set up

As the existing system was being used across multiple areas of the business, with no interconnectivity, it was soon evident that data transfer could not be automated. Instead it was decided that to conserve the data, a manual process of extracting information from the existing system was the most suitable way forward. Manipulating

Case study / Cloud accounting

Polski Sklep Smaczek Limited

the data and importing it into Xero with lots of data checks along the way to ensure the balances agreed, meant that we could optimise the setup whilst minimising any legacy issues.

Stage 3 - Getting the most of the data with additional functionality.

With the set up of Xero there were integrations with other systems to consider:-

- Banks – we introduced live feeds from bank accounts allowing the client to view their cash position in real-time
- EPOS system – we worked with the client's EPOS provider to ensure that their EPOS could talk to Xero and transfer data
- Data entry – we introduced additional functionality with Datamolino and Receiptbank to assist with the streamlining of the supplier invoice entry and receipt management
- Reporting - we introduced Spotlight reporting which allowed the client to view the business as a whole as well as being able to assess each entity individually.

Stage 4 - Process review

As the Accounting platform was implemented, processes were considered and documented which would allow the finance team to work as efficiently as possible and produce timely information for the management.

A draft process document was provided ready for discussion and implementation.

Stage 5 - Training

With every set up of a new system there is an element of training. The draft process document was used as the agenda for the training session.

There is an internal team of 5, each of whom have their own responsibilities in relation to the accounting as well as other responsibilities within the business. The training was carried out over a number non-consecutive days. It was tailored to their needs at a pace allowing questions to be asked along the way.

Stage 6 - Ongoing Support

To ensure deadlines were being met we put together an internal timetable which aimed to have tasks completed ahead of the statutory deadlines. We continue to work with the external accountant to monitor the tasks ensuring statutory deadlines are met.

The client said

“We are very happy with the Xero implementation and would like to thank you for your help in making this so straightforward for us”

We said

“They were a great team to work with and were very adaptable to change. It's great to see the impact it has made on the business and the fact that the director/ shareholder can now see his finances from wherever he might be in the world. Oh, and the cakes were great!”

Zoe Hellmuth, Associate Director,
Wilson Partners