



**CHARTERIS
& BARNES**
CLOSE CORPORATION

CHARTERED ACCOUNTANTS (SA)

CASE STUDY: Implementation of a Cloud Based Back Office System for A Large Multi Office Accounting Firm

"We increased debtors collection receipts in December 2016 by over 50%"

"Our practice efficiency has improved substantially"

Andrew Alt - Partner

The Firm

Charteris and Barnes CC (member firm of A2A Kopano Inc) is a home grown Eastern Cape accounting firm that is almost 100 years old. The firm originally Sampson, Ryder & Co, was formed in Queenstown in 1928. In 1990, Charteris and Barnes CC opened an office in East London – today there are offices in Port Alfred, King Williams Town, Queenstown and East London each manned with over 40 professional staff. Over the last fifteen years the firm has grown into one of the leading independent firms in the country.

Today, there are 9 partners, 185 staff and over 3,000 clients which expands to about 5,000 taxpayers.

System History

Charteris and Barnes have been using Accfin Software's **Professional Series** for the last 15 years. In the beginning it was quite adequate to cater for the firm's needs. However, as the firm grew there were issues in regard to sizing of the systems and significant repetition of paper and data capture.



What the firm really wanted was one integrated system to run the whole group across all the branch offices. The firm ran Accfin's Professional Series using a dedicated virtual network between the offices, but as it grew soon found that the software was not adequate for the size of the firm. Branch information was captured using the "Remote Time Sheets" application and then imported into the main system.

The Biggest Headaches

One of the biggest issues was to process 185 time sheets every two weeks. Partners review timesheets and work in progress and invoice as much as possible at the end of every month. The firm was making use of Accfin's remote timesheet system which was not a real-time system, as at the end of every fortnight or month the data had to be collected and imported into the main timesheet system. By its very nature this was time-consuming and prone to errors as one can imagine the kind of things that can go wrong with 185 people processing timesheets. In addition, the debtors and WIP modules were not capable of processing transactions in the new month, so until all invoices had been prepared and reports captured, no new timesheets could be imported, data captured or invoices prepared. The problem began to significantly impact the firm's ability to get statements out and this would often result in month end statements and invoices being sent well into the middle of the next month.

The Research Process

The firm realised that they needed to find a better way of running the various departments in the firm, making use of one truly integrated master client file to serve all disciplines. Time Sheet processing had to be real time and available for checking by managers and partners.

In late 2015 the firm started detailed research on all the major competitor back office products. There were essentially three contenders, Sky Software

from Accfin, Competitor 1 and Competitor 2. The research project led by Andrew Alt, the partner charged with the process, took some time as it was a complicated project and the firm wanted to make the right decision.

One of the most significant aspects of the software had to be strong integration with all the disciplines of time, debtors, tax and company secretarial practice.

Unfortunately the Competitor 2 system, driven by four different applications with weaker data integration had to drop out early.

So the choice really became the difference between Competitor 1 and Sky. Now the question was to look at the individual functionality of the applications. Both systems had pretty decent Time Ledgers with the Sky being easier to set up and implement, but with fewer features. The Secretarial products were very similar in output, with Sky being much easier to use. Competitor 1 Debtors had more management features than the Sky debtors, but when it came to tax the Sky product was far superior in terms of functionality. The decision to proceed with sky was driven by the superiority of the Tax product, the desire to go to a cloud based system, integrated master files and the vast improvement in the Time and Debtors module over the previous Proseries offering – key being an open month end.

A question which arose is which company could convert the data best keeping the data integrity intact? Sky in fact was not an upgrade to Pro Series but a totally new system with a totally new technology. The problem when doing conversions is, if they are not done properly would cause huge problems for the firm in the future. As Accfin controlled the data in both Sky and Prof Series the conversion would be a much smoother process.

Which Company Would Respond Quicker To Queries

Support factors in making a purchase decision would be how quickly the selected vendor was able to respond to support issues and how quickly the company was able to change the software to cater for the volatile tax changes in South Africa.

As the Firm had been dealing with Accfin support for many years they had a pretty clear idea of the support capabilities of Accfin. Taking on a new vendor would always be a risk because there was no history. The Firm had information about other member firms in the A2A Kopano group dealing with other competitors which helped them make a decision. In addition, the key consideration was the immediate access that Accfin would have to the live data on a cloud implementation.

High Weighting for Tax

As with most accounting practices that deal with medium-size small business, the number one issue is tax compliance. A huge weighting had to be given to the abilities of the vendors in regard to tax in making quick changes. In doing his research Andrew Alt advised that that he was told by a number of accounting firms that when it came to tax Accfin was in fact the best product. His evaluation of this aspect proved this to be true.

Price Considerations

Price considerations also had to be taken into account and, after detailed discussions on price with Accfin, consensus was reached.

A major factor was that Sky provided the Firm with an unlimited user licence for all the applications which would have a major impact on everyday work.

Planning the implementation

A great deal of planning went into the conversion and implementation of the system from Professional Series to Sky. Accfin's technical director Sini Naransamy prepared a detailed implementation plan with all dates and timelines being approved by Charteris Barnes.

Getting the infrastructure right

The Firm had to decide exactly what infrastructure they were going to use. They advised Accfin that they required a cloud-based system and they asked that Accfin would help with the management of the system.

They started with taking space at a cloud service provider which was not adequate in terms of speed. The firm eventually settled on a dedicated server and changed cloud service provider. They upgraded their own server and fine-tuned it to produce the maximum speed possible. After the implementation the firm is running with more than adequate speed, however there may be times where there is a speed issue on heavy duty processing but it is totally adequate for all data inputs. During this early stage Accfin fine-tuned the speed of the heavy-duty processes (and continues to do so). The Firm found that the all-round benefits of running the system far exceed a few speed issues.

The Conversion Process and Implementation

A huge amount of effort went into planning the conversion process. A trial conversion process was undertaken well before the take-on date in order to test that everything would come through properly and allow the integrity of data to be tested. This process in fact alleviated many potential problems when the conversion was run live.

An essential element that eased the conversion was the extensive efforts made BEFORE conversion to ensure that the data in the old system was as



clean as possible. Many “conversion” issues are in fact issues in the current data.

It was agreed that implementation would take place after the May 2016 month end.

All the work in setting up the systems was done in the Accfin Johannesburg office before the firm closed May 2016.

After conversion two Accfin consultants went down to Queenstown and proceeded with the training of the systems which took three days.

The June debtor’s statements were sent out within two weeks of the June month end.

There were in fact some issues getting statements and reports to the firm’s exact requirements, but Accfin was able to provide the firm with everything they needed in a relatively short time span.

All the support issues and set up situations like statements and tax letters were handled from the Johannesburg office electronically and the firm reported that they were very happy with the implementation as it went relatively smoothly with some minor hiccups.

The biggest challenge was the roll-out of the timesheet system to 185 staff members. If anyone could break a system then trainee accountants could do it! There were some minor issues that were quickly rectified by Accfin support personnel. At any one time there are in excess of 100 people in the system.

Results of the Implementation to Date

Accfin went into this implementation knowing that they could add more functionality to debtors. A bank statement receipting import facility was

added to the software resulting in much reduced posting of receipts and the reducing the time the debtors' department spent receipting.

The ability to "hang over" a month end has dramatically improved the firm's ability to process and integrate data. The mad rush to catch up processing that piled up waiting for month end has disappeared, all data is now live: receipts are imported daily, timesheets are in WIP as soon as they are processed, invoices are immediately viewable.

A management Debtors collection system was implemented with sticky notes and an ability to allocate duties to various people in the organisation and export facilities to send reports around the office to partners.

The firm processed the August 2016 provisional tax without a hitch.

The implementation of the Sky Software system was highly successful with very limited downtime. The methods used were so successful that Accfin is totally convinced that that it can upgrade any competitive system to Sky Software using the methods implemented in converting Charteris & Barnes.

Comments by the Firm

The Firm reported that the software had a major impact on the operations of the firm. It is quite rare that the implementation of a new system in any firm has such a major impact.

Some of the feedback that Accfin received was that the debtor's statements for November went out on 30 November 2016 resulting in cash receipts improving in December by over 50%.

Quote from Andrew Alt - Partner

"I can assure anyone looking at back office software that Sky Software is the real deal, we are so happy with the way it's improved our practice efficiency."



Quote from Tracy Wormald – Practice Manager

“I just love Sky!”