



Case Study – Priestmangoode



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Company Information:

Type: Design Consultancy

Size: Medium

Date Period: February 2017 - ongoing

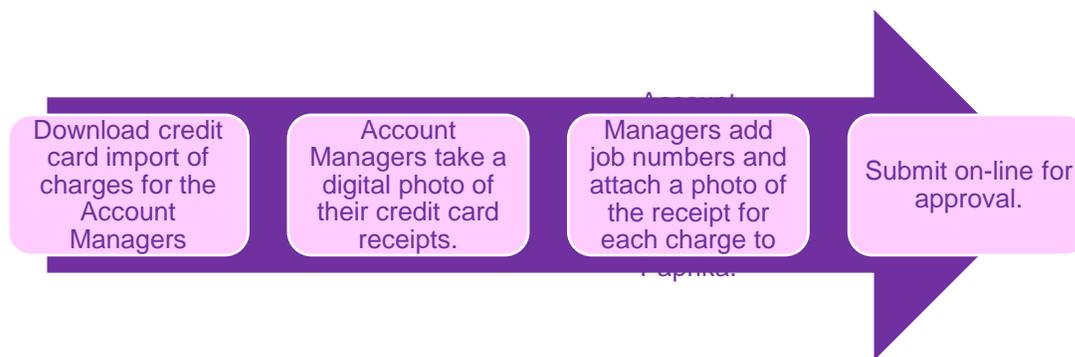


The Initial Prognosis:

- ✚ The company had moved onto a job costing accounting system called Paprika two years earlier, but they continued to run their first accounting system (TAZ) in tandem,
- ✚ All financial data was inputted twice. The two sets of data were reconciled every month. Excel spreadsheets supported the data input into TAZ. Running two systems had cost implications (employing the people to do this), time implications (the time it took) and health implications (repetitive strain injury,)
- ✚ The finance procedures were mostly manual,
- ✚ When I started, the finance team consisted of the Accountant and the Studio Manager, which was not suitable for the size of the company. The Accountant spent most of their time keeping up with the two systems. The studio manager was not only responsible for the studio, but the reception and part of the finance function,
- ✚ Just in my first six months, the Accountant had a number of chest infections, an arm operation on their elbow, and repetitive strain injury problems in her wrists (not sure how much of this was work related),
- ✚ A major clear-up of projects was required, including proposals, time and costs. These projects were not being managed on Paprika and The Account Teams were too busy to effectively manage job profitability,
- ✚ The business credit cards system was not working. The teams were always late submitting the details onto Paprika. The knock on effect, was lack of clarity around job costs and an impact on client billing,
- ✚ The company wanted to grow, however with the current systems and procedures, there was a lack of financial clarity on the projects, which would affect the decisions taken as to which jobs were profitable and worth doing again.
- ✚ Reluctance to change.

Remedial Actions:

- ✚ I have helped to get them onto one system; to date they are around 90% there on this,
- ✚ Helped the Accountant to become more confident with working on Paprika; helping them to understand it operationally and giving continued support,
- ✚ Implemented a supplier purchase register so that all invoices are uploaded to Paprika digitally. This means it is now easier to locate and see any invoice,
- ✚ Implemented a digital credit card procedure:



- ✚ The new credit card procedure removes the paper element and the risk of losing receipts (if a photo is taken sooner rather than later), and saves each account manager approximately 5 minutes a month; for 22 credit cards this is approximately 2 hours per month.
- ✚ I helped with the implementation of training for the Account Managers on job profitability, including tracking their time and costs for each job. This means the account teams are thinking differently about the system and finance,
- ✚ Implementing a system for putting job proposals onto Paprika in a certain way so that the Account Managers can manage their jobs easier,
- ✚ I am in the process of creating a regular system to check work in progress on the jobs. This system flags sales invoices which need to be raised; the costs are then matched to the relevant sales invoices. This is really important because it helps get the profit and loss correct,
- ✚ I helped to find a part-time finance assistant to add to the team.

The Final Result:

- ✦ While work is still going on to improve the systems and procedures, there is now a more positive outlook regarding the finance systems,
- ✦ The Accountant is more confident with the changes that have taken place, and is now thinking of other ways that the systems can be made digital,
- ✦ Accountant's health has improved (not sure how much credit I can take for this),
- ✦ The Account Managers have appreciated the new systems, and are grateful for the time-saving elements,
- ✦ They are recruiting people who are systems minded,
- ✦ The Finance Team, Account Teams and the Directors are working together to address concerns and challenges with regards to Paprika; this collaboration means that the new systems are being embraced with a more positive attitude; this bodes well for the future implementation of further finance systems, and this taking place quicker.

