

inTechnology



InTechnology Transforms its Purchase-to-Pay Processes with PROACTIS

UK's leading managed IT services provider eliminates manual purchasing processes and streamlines Accounts Payable

Goals

- Replace paper-based processes with electronic
- Gain a structured approach to purchase ordering
- Ensure all purchases are authorised by the relevant manager
- Manage and track stock for spend allocation
- Streamline invoice processing
- Fully implement the Finance and eProcurement system within 3 weeks

Profile

InTechnology plc, is UK's largest pure-play managed IT service provider; and the only service provider to offer a mix of value-added hosting, voice and data services that are integrated and delivered over an end-to-end quality assured IP network. With an annual turnover of £50m, they employ 220 staff across three locations and are the outsourcing provider of choice for over 800 UK businesses.

Challenge

Prior to PROACTIS, InTechnology's purchase ordering was spreadsheet-based and there was no real control over what was being bought within the organisation. All processes were paper-based which was manually intensive and meant that purchase orders often went missing, it was difficult to match POs to invoices, and there was not always signed approval from the relevant manager. In addition to these processes being very time consuming, they resulted in a lack of control and visibility of company spend.

When stock was ordered (e.g. telephone lines, servers, etc.) there was no controlled way of tracking which customer the order should be allocated to which made margin analysis by customer very difficult.

Divisional Director of Finance at InTechnology, Estelle Croft, says: *"We always knew we needed a more structured approach to purchase ordering and understood the benefits we could gain from implementing an electronic system, primarily being able to efficiently manage all company expenditure and streamline the Accounts Payable processes."*

InTechnology sold its storage and security distribution business, and along with that, the ERP system they used. At that time the managed services part of the business was smaller and therefore dominated by systems and processes used by the distribution business. Selling this division and its Accounting system offered the perfect opportunity to implement a new finance and eProcurement system that would meet the new needs of the business as a managed IT service provider.

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Results to Date

- Implemented finance and eProcurement system within 3 weeks
- Reduced headcount in Accounts Payable
- Quicker authorisation on orders
- Increased control on all company spend
- All spend now with approved suppliers
- All purchases tracked in stock management system
- Supported company growth and increased transactions

Why PROACTIS?

With the sale of the distribution business and its accounting systems, InTechnology had a very short timescale in which to implement a new system. They selected PS Financials as their finance package but also needed a system that would provide control over their purchase-to-pay process, including stock management.

"The stock management system within PS Financials didn't have the functionality we required so they recommended PROACTIS which has strong integration to PS Financials, amongst other systems" says Estelle. *"We looked at two other best-in-class systems, but PROACTIS really stood out – from the demonstration it was clear that it had everything we wanted."*

In addition to moving from paper-based processes to an electronic system, InTechnology needed a system that could be configured to the way their business works. Estelle explains: *"We needed to be able to define our own controls and security within the system. PROACTIS provides this and other key features, such as upfront coding, electronic matching of invoices to purchase orders, order authorisation by email, and standard purchase order templates."*

"And with having such a short timescale for implementation, we needed a system that could be up and running and integrated to our new finance system within three weeks" adds Estelle.

Results

InTechnology rolled-out the accounts system and PROACTIS within the planned timescale of three weeks. Now everyone in the company uses it, from general purchasers (e.g. Marketing) to Procurement, Finance and Contract Management.

The biggest impact that PROACTIS has had on business is in processing: *"It's speeded up processes from start to finish. By streamlining processes we've been able to reduce*

headcount in Accounts Payable by one FTE and dedicate time to more value-add activities" says Estelle.

In addition to the increased efficiency in Accounts Payable, InTechnology also has more control over spend within the organisation. Employees can only buy from approved suppliers, which are fed directly into PROACTIS from the accounts system. They also now have the correct people signing off purchase orders, which is managed electronically within the system through workflow and approval rules. There is no longer a paper-chase, purchase orders are not lost and authorisation is not delayed from passing paper orders between offices.

Estelle explains: *"Before using PROACTIS, capital expenditure for example, would be approved, but not to the extent it is now. It needs Board approval and it's not possible for unauthorised purchases to slip through the net like they did before. Now it's all controlled."*

Another problem before using PROACTIS was not being able to track ordered stock to customers. Now the coding is done upfront which means margin analysis is much easier.

Since implementing PROACTIS, InTechnology has grown and the system has dealt with this expansion. *"There haven't been any problems with PROACTIS coping with the increased growth of the company. There's just more transactions going through the system now"* says Estelle.

Because PROACTIS was implemented in a short timescale, InTechnology did not initially take full advantage of all its features. Estelle says: *"PROACTIS has really speeded up our purchasing and Accounts Payable processes and does what it says on the tin – it's spend control. But we're still not actually using it to its full potential and now that we've got our purchasing processes in order, we're looking at extending the scope of PROACTIS, for example with supplier punch-out so staff can order goods straight from a supplier's website. There's also more we intend to do on the contract management side."*

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Estelle Croft Divisional Director - Finance, InTechnology plc