Newlon Housing Trust

THE NEED

To implement a procurement solution to provide spend visibility and control.

THE SOLUTION

iPOS eProcurement for Infor SunSystems from Professional Advantage (PA) was chosen, primarily due to the close development relationship between Infor SunSystems and PA, alongside XMPro.

CHALLENGES

Newlon had been struggling with a very inefficient paper-based purchasing system that created budgetary control challenges, primarily poor cash flow and impaired budgetary visibility.

- 20 – 40 days invoice approval cycle reduced to just 7
- More integrated and efficient way for staff to work with Improved cash flow and budgetary visibility
- Comprehensive audit trail, for greater accountability, auditing and charity governance
- Budgetary control: enforce the authorisation limits assigned to different job holders
- Easy, automated end-to-end process, from requisition, through to purchase order, goods receipt and invoice

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Solution Snapshot

iPOS eProcurement for Infor
SunSystems/XMPro

Newlon Housing Trust is a charitable housing association providing nearly 8,000 decent and affordable homes for people in north and east London. The organisation provides homes for people waiting on the Local Authority waiting lists as well as specialised accommodation for key workers, plus supports commercial shared ownership homes.

Its roots are based in Hackney, London where Newlon refurbished street properties into flats at a cost of £10,500 in 1967. By contrast, the Ashburton Triangle which Newlon constructed and which provides homes for over 500 people was completed at a cost of £33m.

Newlon Housing is justifiably proud to have been involved in the "Arsenal on the Move" regeneration project - one of the UK's largest and most high profile projects of its kind. This landmark regeneration scheme has completely transformed the area around the Emirates Stadium and provides new and sustainable opportunities for local people through work. Newlon received the Housing Corporation's Gold Award for Housing Excellence for the project.

Along with the housing tenant side of the Group, Newlon also includes a number of associate organisations such as 'Outward' (supported care homes for people with special needs) and NewlonFusion which delivers the regeneration programmes in partnership with local authorities and community groups.

Like all such organisations, Newlon takes pride in judicious budget management, crucial for cost control. However, performance was being hampered by a creaking, paper-based purchasing system. As Group Finance Processing Manager Jane Sampoh recalls, "You would staple a piece of paper on the front of the invoice and take it round to different officers, who would fill in the paper form, get it signed off and bring it back and then Finance would enter it into the accounts system. There was no automation whatsoever."

As a result, it was difficult for staff to track expenditure as it was incurred, just as it much was difficult for senior staff to properly manage their budgets. "We were getting more invoices coming through than the number of purchase orders being raised. You didn't know about any spend that had taken place until an invoice was placed in front of you," admits Sampoh.

Clearly, something had to change. But while fully automating the processing of purchase order invoices from the start of the requisition all the way through to posting it into the accounts system for payment was a stated goal, Newlon wanted a controlled approach to finding the most appropriate technology solution to deliver this.

Newlon also made the decision to find a technology solution that would sync with its back-end accounting platform, Infor SunSystems. To that end, it looked at other procurement systems, selecting iPOS from Professional Advantage because of tight integration with its core accounting platform and the fact it is a truly end-to-end solution.

So it decided to take a 'stepped' approach, with the first stage being (in late 2008/ early 2009) an implementation of both the Professional Advantage XMPro workflow solution, as well as the iPOS procurement system from the same leading technology firm to manage the invoice to payment part of the procurement process, rather than the raising of requisitions and purchase order invoices.

"When the invoices came in, what we used to do was to scan them, and then use XMPro to save it electronically to the different officers in the organisation, who would then code it to a particular budget," says Sampoh. "XMPro would then send that coding with the attached scanned invoice into iPOS so that it could be approved and then posted into our accounts system for payment."

The second step of its implementation of iPOS was a full e-procurement solution, which went live in April 2013. Why the two-step process? Sampoh and her team were concerned that the move from all paper to zero paper may be too drastic a cultural change, so wanted to stagger the switchover phase.

"We didn't want it to be too much of a culture shock," explains Sampoh. "At first it was just to get the team used to this whole electronic processing process - and after two or three years had passed and they had become accustomed to the electronic versions, we are now using iPOS as it is supposed to be used, i.e. raising a requisition, getting it approved for a purchase order, goods receipt matching to the invoice and the invoice getting processed to our accounts system."

GETTING AN ACCURATE PICTURE

The great news is that the full iPOS solution also been successfully adopted at Newlon, helping management to gain more visibility of the current financial state of the business. As senior Officer Ken On explains, "Previously, what our accountants were doing was go through a pile of invoices sitting on the shelf and making assumptions. Now, they have a much more accurate picture."

Another benefit of the iPOS technology centre is its ease of use when making orders and requisitions. In fact, with 250 licenses, and 203 active users, the system is being used by a wide variety of staff across the organisation, and it is proving to be a major help in meeting its budgeting needs, for a mixture of products and services, e.g. office stationery to computers, as well as some services for its properties.

"Now you are approving the expenditure before it is spent, rather than after it has been spent. And it also helps the reporting teams because they are able to record expenditure and approve things accordingly," confirms On. "In terms of Purchase Ledger, whereas before that team would be spending a lot of time finding out who the invoice needs to go to for them to code the invoice for a particular budget for approval, the process now begins with the Officer that wants to spend the money – which means that all we have to do is scan and match invoices to the purchase order."

Sampoh and her team also appreciate that, through the use of iPOS, the system means improved accountability through a comprehensive audit trail – indispensable for accountability and to stay the right side of charity law.

"Prior to working with Professional Advantage, it was purely on pieces of paper throughout the organisation. Now, in contrast, we are able to see the moment you record something on iPOS, as there is an audit trail attached to it. You can see at a glance if there are any queries outstanding or purchase orders that are waiting to be goods receipted. These are all easily able to get a report on. When an auditor comes in and asks who approved the order, that means we can log into the system and show them who approved it with a time and date and it is there for all to see."

The automation and integration with the financials means processing of the invoices is much quicker, according to On. "Usually an invoice would take about 20 – 40 days to be approved and paid. Now, most invoices are paid within 7."

Another attraction of the iPOS approach was the tight financial control it has helped Newlon managers exert, e.g. to enforce approval rights or authorisation limits assigned to different job holders: somebody in a certain position can only authorise up to a certain amount.

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"I would also like to say that iPOS also helped us enforce our standing orders," says Sampoh. "By standing orders I mean the approval rights or limits that we assign to different job holders. With iPOS you are able to easily assign to people whatever approval limits you agree. It won't allow anyone to approve anything above their authorisation limit.

"That is something that we find really useful, because we like everything to be approved by two specific people and we are able to assign who can approve what spend and at what amount and iPOS does the rest."

A PROFESSIONAL APPROACH

Newlon also appreciates the Professional Advantage approach to training and its handling of support queried: "Support is very good, enthuses Ken. "If I have a query, I email the support desk; they will get back to me within an hour or so. They'll tell me what the solution is, what to do."

Staff at Newlon are still adjusting to the systems and are being trained on its full potential. "We're still getting more invoices coming through than the number of purchase orders being raised. But as people get more and more used to the idea of

obtaining approval before they go out and spend, then the volume of purchase orders raised will increase," predicts Sampoh.

The training has gone very well and as it continues new starters who come on or people that need refresher training have it available to them, she adds.

WHERE NEXT?

As for next steps, Sampoh can already see where additional functionality could really help. Future extensions, for example, will include using document management and scanning technology to drive iPOS deeper into the organisation.

And with the introduction of iPOS, Newlon is also reviewing its whole procurement process and starting to produce an approved list of suppliers, streamlined so it can start looking for even more cost-savings through striking truly optimal deals with its supply chain.

Through the use of iPOS from Professional Advantage, productivity in relation to requisitioning, ordering and budget management has been radically improved for this busy London housing body.

About Professional Advantage

Professional Advantage is one of Australia's most awarded solutions providers, with over 25 years experience in helping organisations improve their business systems through industry leading software solutions. Our 250-strong team in 6 offices across Australia and internationally has successfully worked with over 1000 organisations.

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