ReadSoft lays the foundations for Accounts Payable efficiency across the Midas Group

The business problem

Leading construction firm Midas Group was spending a disproportionate amount of time processing its supplier invoices manually and wanted to streamline its Accounts Payable process.

The solution

ReadSoft's invoice processing solution, which automatically scans invoices, eliminates the need to manually input data, and integrates seamlessly with the Midas Group's workflow system.

Business benefits

- *Headcount reduction of 40%* (down from eight to five people), saving around £60,000 a year in salaries alone

- *Potential savings in storage costs* of approximately £15,000 a year

- *Speedier payment cycle* enables Midas to take advantage of early payment discounts if commercially desirable

- *Time-savings of up to 20%* for AP staff in dealing with internal invoice queries as all employees have visibility of the process

- *The ability to cope with increased invoice volumes* without a corresponding increase in staff due to a more efficient Accounts Payable process.

> *"I'm very pleased with the ReadSoft solution. Implementation has been pretty painless and it does exactly what it says on the tin"*
>
> Mark Adkins, Financial Controller, Midas Group

The Midas Group is one of the largest independent property services providers in the UK. It has offices throughout the South West and South Wales and specialises in construction, retail, interiors, affordable housing and property development. The group employs nearly 400 people and turnover has grown tenfold in the past ten years.

Midas processes around 4,000 supplier invoices per month and, before switching to its current automated system, found this to be a laborious, time-consuming and inefficient task.

One person was employed solely to open envelopes and input data into Midas's Accounts Payable system. Invoices then had to be married up with purchase orders and Goods In paperwork. Finally, hard copies of all the paperwork would be despatched for storage at local offices.

When queries were received at Midas's Newton Abbot office, this would involve a lengthy search through voluminous files to find the relevant documentation and, if the paperwork had already been sent to divisional offices, the invoice would need to be recalled. Financial Controller Mark Adkins knew there must be a better way.

The Midas Group explored the possibility of outsourcing various document processing functions, including Accounts Payable, but found the cost prohibitive. Furthermore, there were issues around supplier invoices containing sensitive commercial information being sent direct to a third party before even being seen by Midas itself.

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RedSky IT, the financial software specialist for the construction industry, introduced Midas to ReadSoft, one of its key partners and the established leader in the document capture market. ReadSoft recommended its proven invoice automation product, which it adapted to integrate with Midas's bespoke workflow system.

> *"We found ReadSoft's track record of experience in the field very reassuring"*

While Midas considered other providers, ReadSoft was able to offer the most cost-effective solution. But price wasn't the only factor, as Mark Adkins explains, "We found ReadSoft's track record of experience in the field very reassuring. I was confident they knew what they were doing." His experience since bears out his initial impressions. "Implementation was relatively painless - the biggest difficulty was scheduling the implementation at a time to suit all parties! Any minor issues that arose during implementation and the first weeks of operation were dealt with efficiently and without fuss. It is doing exactly what we wanted it to and I'm personally very pleased with the way it's working."

ReadSoft software scans all incoming invoices, regardless of their format, extracts the relevant data and automatically feeds this information into the group's workflow system. The accounts function now has total visibility of the whole process and it hopes to extend this to all employees so they are able to track the progress of an invoice from receipt to payment. This has dramatically reduced the amount of time members of the Accounts Payable team spend resolving internal queries.

Mark Adkins comments, "Before, paperwork delays could result in a supplier putting us 'on stop' – refusing to deliver goods and services due to late payment. But now because we have all the information at our fingertips, queries can be resolved quickly and invoices paid within agreed payment terms."

Midas expects to save at least £60,000 per annum in processing costs, resulting in payback within two years. Alongside the considerable cost savings, automating the Accounts Payable process has had numerous other benefits.

Mark Adkins says, "Members of the Accounts Payable team can now take ownership of specific supplier relationships instead of everyone having shared responsibility. This means we can allocate suppliers to designated individuals and ensure workload is spread fairly. More importantly, it allows team members to build relationships with their nominated accounts. This will result in them giving suppliers a more personal, responsive service and hopefully the group receiving a better service in return."

In fact, the ReadSoft solution has been so successful to date that Midas would consider extending the system to cover other areas that are currently processed manually.

The Midas Group will reap the full benefits as the economy improves. Mark Adkins notes, "Staff very quickly became familiar with using the ReadSoft system and we are now well positioned for the upturn. I am confident we will be able to handle a significant increase in invoice volumes without a corresponding increase in the number of staff."