

Success Story

Sage helps Malcolm Horton & Co achieve 'best year on record'

The accountancy practice has established a reputation for technology-driven efficiencies and boosted revenues thanks to Sage

“Since our Sage Practice Success Manager told us about Sage Online Bureau, we've never looked back.”

Phil Richards

Managing Partner, Malcolm Horton & Co Chartered Accountants

Malcolm Horton & Co (MHCo) is an accountancy practice based in Gravesend, Kent, that specialises in providing management support and advice around cash flow and raising funds, as well as the more traditional accountancy and VAT services.

The company's clients range from start-ups to larger clients in an assortment of industries including manufacturing, construction, retail and more. The firm is run by managing partner Phil Richards, who has more than 17 years of experience, and the company's namesake, Malcolm Horton also continues to take an interest in the company.



Key outcomes

- AutoEntry saves the company 130 hours per month in manual data entry.
- Sage 50cloud Payroll Bureau saved the company more than 10 days per month in payroll time.
- Transformed the practice and helped MHCo have the best year in its history.
- Onboarded 80 new clients during the pandemic due to effective working from home with cloud software.
- Introducing Online Payslips has added an extra £22K in revenue, producing a cost saving of £2k per annum on postage.

Company

Malcolm Horton & Co
Chartered Accountants

Location

United Kingdom

Industry

Accountants

Sage Products

Sage Accounting, AutoEntry,
Sage 50cloud Payroll Bureau,
Sage Online Bureau



About Malcolm Horton & Co

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High growth

Following the acquisition of a neighbouring accountancy practice in 2015, Phil, who already had a keen interest in technology, spent time evaluating the accountancy software market to understand which could help him automate his practice to support growth plans. He also wanted to ensure greater consistency across all services, regardless of which colleague, or practice, was working on it.

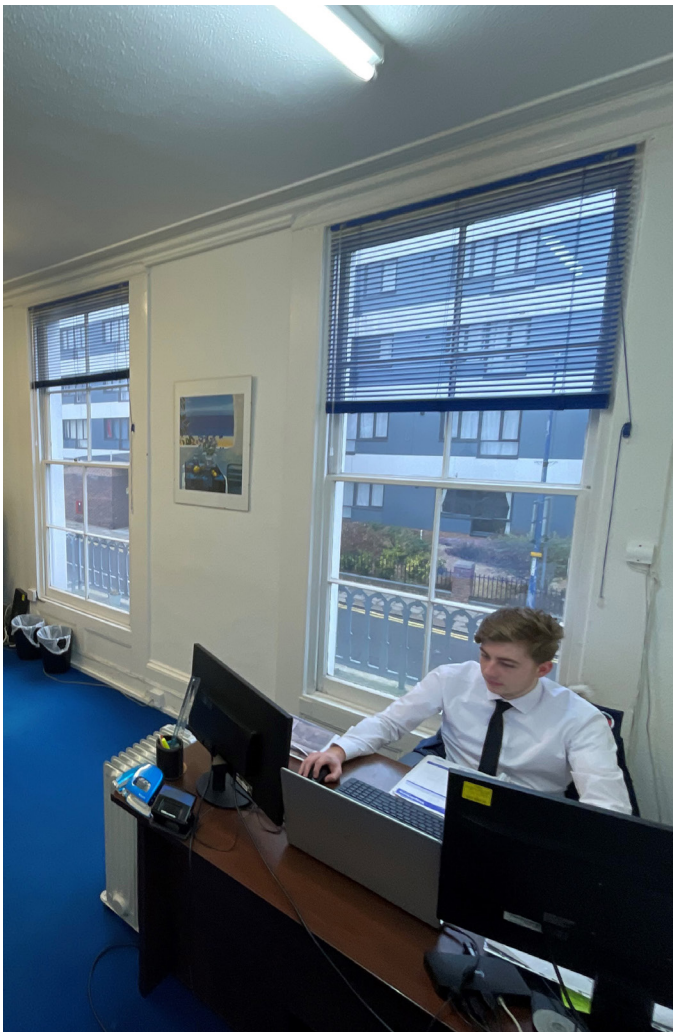
“The accountancy firm we acquired was running Sage 50cloud Payroll, so we decide to get the same solution too. But then we were running two payroll systems, which was complicated,” Phil explains. “That was when our Sage Practice Success Manager, Chris Mason, told us about Sage Online Bureau and from there we’ve never looked back.”

Growing efficiencies

MHCo migrated its payroll clients onto Sage Online Bureau just as the market was beginning to move towards the cloud, and Phil wanted to see the impact that this move would have on his practice.

Combined, Sage 50cloud Payroll Bureau and Sage Online Bureau, changed the way the firm operated, according to a happy Phil.

“For us, it meant 300 payrolls and 1,000s of weekly payslips were now online so no-one was calling up and asking for lost or missing payslips, which is time-consuming for the team. With the other manual entry tasks we would previously have done, we think having Sage has saved us at least 10 days per month on payroll alone,” he adds.



Malcolm Horton & Co has made an additional £22k in revenue with the introduction of Sage Online Bureau.

Driving revenue and saving costs

The increased efficiency of using Sage Online Bureau also meant the firm benefitted from additional cost savings. Having fewer people perform payroll meant they could be deployed elsewhere, and because the task was more efficient and effective, the company could charge clients a little extra for the improved service.

“When we costed it up, we made £22k additional revenue. That doesn’t include saving £2k a year in postage - now just £200 a year—let alone all the paper and printing costs for weekly payslips,” Phil says.

Having so many clients on weekly or monthly payroll also meant it was a fraught time for the practice and stressful for everyone involved. “Having everything online makes it much easier for the team. I can feel the whole practice is more relaxed and you can’t put a price on that,” he says.

Stress-free accountancy

Following on from the success achieved through moving payroll to the cloud, MHCo decided to also adopt AutoEntry.

“Every three months the tension would rise—people don’t want to spend days and days doing data entry. Then afterwards we’d have a lull where the team recovered from it all. It just wasn’t productive,” says Phil.

Phil likened AutoEntry to having another person in the office, saving the team around 130 hours per month on data entry time. And it goes beyond that, Phil notes. He says a person would cost around £1,430 per month, whereas the firm spends on average only £460 per month on the technology and can use the extra hours to bring in more fees.... “so it’s a win/win”, he says.

“With AutoEntry, our clients just snap pictures, upload them and everything we need is there in real-time. It’s not only helped us save ridiculous amounts of time and money, but it’s also now become a verb in the practice—when something comes in, we just say ‘let’s AutoEntry that one’ and it’s done!”

Simplified, automated processes

By alleviating the manual data entry tasks, the company has been able to expand its bookkeeping services while also making its own internal processes more efficient.

Every morning at the company meeting, Phil would go through the ‘to pay’ folder. Now, due to the pandemic, he encouraged the firm to go completely paperless. Everyone emails invoices to Phil, who has a rule in Outlook which pushes the file into the invoice folder within AutoEntry.

“This is what we do for clients now. With Covid-19 everyone now gets invoices via email, so clients have email rules and we give them the purchase invoice address from the backend and then we get notified and it’s done,” Phil says.

“The clients love it! And with easy bank statement reconciliation, it means no sitting there ticking everything off.” Why have a human do this, when the computer can do it for you, he adds with a smile.



Implementation of Sage Accounting has been seamless.

Insightful business decisions

The combination of the pandemic and Phil's eye for technology, meant it wasn't long before MHCo adopted Sage Accounting. He says the implementation was seamless and has helped the company further transform.

Previously, the firm hadn't chased debtors too much or worried about bills because there had always been money in the bank. But with Covid-19, the firm felt the need to get everything consistent and systemised properly. Now Phil says, he "knows my business better than I ever have because of Sage Accounting".

In the morning, he loads his laptop with the latest transactions, and once at the office, he has a list of debtors ready for someone to look after. He then reconciles with the bank and then looks at cashflow from multiple accounts.

"Now I'm seeing the actual trends our business goes through—I've never had this much insight before," Phil says. "I know what time of the month we'll have a boom as our direct debits come in, and when we'll have a lull. I see everything day-to-day, month-by-month, so I know the best time to make business decisions like onboarding new clients or new team members," he says.

Creating industry efficiencies

A further way Sage has enabled MHCO to run more efficiently is through the built-in Construction Industry Scheme (CIS) functionality within Accounting, where CIS transactions are quickly and easily recorded. Due to its acquisition, and client preferences, MHCo had a range of software for different tasks, but Sage Accounting is helping to standardise this. "It was getting messy with modules and licenses specifically for the CIS," he says. "But then Sage Accounting introduced the CIS functionality and it was like serendipity—perfect timing for us."

"Some of our CIS clients we now run through the cloud, we do their bookkeeping through it and everything is in one place. In the next 12 months, we won't have anything on desktop—everything will be cloud-based and fully functional for us," Phil says.



“Working with Sage is a game-changer. It has helped us build a brand that people have bought into. We’ve got a reputation for being a highly efficient, technology-driven accounting practice.”

Phil Richards

Managing Partner, Malcolm Horton & Co Chartered Accountants

Transforming business

Overall, Phil says Sage has helped transform the practice. The accounting sector has been through an evolution of what’s expected from an accountant, and in partnership with Sage, MHCo has been able to find its own niche, he says.

“Working with Sage is a game-changer. It has helped us build a brand that people have bought into. We’ve got a reputation for being a highly efficient, technology-driven accounting practice.” This reputation has helped MHCo take on 80 new clients during the pandemic and have the best year in the firm’s history, Phil says. “People know we can help them. Sage enables us to take on more clients without more staff costs and we don’t need to be the most expensive accountancy practice because we’re just a lot more efficient. We could not have achieved what we have this year without Sage.”



Sage

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