

Case Study

Advanced Business Solutions supports new focus on service provision at Action for Children

Client: Action for Children

Sector: Charity

Project: OpenAccounts

Action for Children, the UK's leading children's charity, is preparing for the future by restructuring its organisation to reflect service provision rather than geography. Its new Advanced Business Solutions financial management system is playing a central role in this strategic change of direction as well as boosting efficiency and providing annual cost savings exceeding £100,000.

Leading charities today are multi-million pound businesses. Action for Children, for example, has an annual turnover of approximately £200 million and employs 6,500 staff at more than 600 locations. Action for Children is the UK's leading children's charity, running more than 500 projects for vulnerable and excluded children and young people. In all, it supports more than 178,000 people at children's centres throughout the UK. It also promotes social justice by lobbying and campaigning for change.

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Paul Addington commented:

Because of the way the Advanced Business Solutions system opens up finance to non-specialists, we have been able to implement financial accountability across the organisation and adopt the best structure for moving forward. Without this system, we couldn't have achieved our strategic goals and priorities.

Just like a large company, a charity such as Action for Children needs an effective financial management system. Indeed, due to the Charity Commission's stringent charity accounting guidelines and regulations, such a system is an absolute requirement. In the case of Action for Children, the introduction of a new financial system was part of a broader initiative aimed at restructuring the entire finance function to support new strategic imperatives.

"As an organisation, we decided to move away from geographical management structures and focus instead on service provision across the UK," explained Paul Addington, Finance Change Programme Manager from Action for Children. "This, we knew, would make our services more fit for purpose in the longer term, and it would also make us more competitive when tendering for projects."

Action for Children was well aware that its existing financial system could not support the required changes. As well as being inflexible, this system offered limited functionality. Reporting was particularly weak; management reports took a long time to produce and there was minimal scope to query the system in different ways. As a result, duplication of effort was rife as different teams developed and maintained their own reporting systems.

"In order to structure our organisation by service provision rather than geography, we needed a much more integrated approach to financial management. This meant developing an integrated, Action for Children wide finance function based on a leading system platform," explained Addington.

Support for growth

Action for Children wanted a financial management system that would be sufficiently scalable and flexible to support growth and change in the future. Sophisticated reporting functionality was an essential requirement, as was the ability to support a broad-based user community made up of non-specialists as well as finance staff. From a shortlist of 13 vendors, Action for Children selected the OpenAccounts financial solution from Advanced Business Solutions, together with eBIS, a web-based tool with built-in workflow capabilities.

"OpenAccounts had a broad range of modules that would allow us to extend the finance function as we needed to." said Addington. "The availability of web-based access meant that project managers and administrators, fund-raisers and other budget-holders across the UK would be able to consult the system for information about their respective areas of responsibility."

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Paul Addington
Finance Change
Programme Manager
from Action for Children

The fact that OpenAccounts was integrated with the VersonOne document management system was an added benefit. Action for Children could see the potential for making significant efficiency gains by scanning invoices as they were received and processing them electronically.

During the first phase of the project, Action for Children implemented several core modules of OpenAccounts together with VersonOne. In the second, it provided web-based access for a much larger number of users, with electronic workflow for approving orders, invoices, expense claims and payments. About 2,000 people, or nearly one in three of Action for Children's employees, currently make use of the system in one way or another.

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In conjunction with the implementation, Action for Children set up a shared-service centre, which assumed responsibility for core transaction processing across the organisation. It also established an integrated strategic planning and control function. The former regional teams are currently being aligned to support the focus on service provision. New Advanced Business Solutions functionality will be implemented in the near future, including purchase order processing and commitment accounting; and credit control. In addition, the potential of using VersonOne's document management in areas other than finance is being investigated.

Important contribution

According to Addington, the Advanced Business Solutions system provides full support for the changes that Action for Children is making. People working on any project can now access the most up-to-date information whenever they need it, regardless of location. This means that they are better informed and can make better decisions.

The same applies to senior management, who tended to steer clear of the old system but now access OpenAccounts directly to get financial information in a format they readily understand. This puts them in a much stronger position to develop and monitor strategic plans and forecasts. A better understanding of costs also enables Action for Children to produce more competitive tenders for local authority and other projects; this is essential in the current climate.

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Paul Addington commented:
We were also impressed by Advanced Business Solutions' presence in the care market. This translated into a good understanding of our requirements, particularly in the key area of income processing.

As well as providing management information, the new system supports data entry by nonspecialists. In combination with electronic workflow and the VersonOne system, this means that invoices can be entered, processed and approved very quickly, with the result that suppliers are paid more promptly. In addition, the number of discrepancies and queries is greatly reduced because people can consult the original invoice onscreen.

The move from paper-based to electronic processes has saved Action for Children a lot of money by reducing expenses associated with postage, photocopying, faxing and document storage. Auditing expenses are also reduced because auditors no longer have to spend time extracting paper copies of invoices.

In all, Addington estimates that the implementation of OpenAccounts and VersonOne has already saved Action for Children more than £100,000. In addition to direct cost savings, substantial efficiency gains have been made in terms of reducing staff time on routine transaction-related tasks. The introduction of automatic bank reconciliation, for example, had an immediate impact, while the reduction in invoice-related queries has made a big difference to the work of the finance department. In addition, the unnecessary duplication of effort associated with the old fragmented approach to reporting has been eliminated.

All these changes free up Action for Children staff to focus on more important priorities.

"The ultimate criterion for everything we do is whether it benefits the youngsters in our care," explained Addington. "At first glance, financial management may seem far removed from this, but there is in fact a clear link. If we have more efficient systems that support best practices, then our staff can spend more time helping children."

The same over-riding goal lies behind the restructuring that Action for Children has undergone recently. Here again, Addington readily acknowledges the importance of Advanced Business Solutions' contribution.

About Business Solutions

Advanced Business Solutions, an Advanced Computer Software plc company, provides leading integrated business applications and services that enable public, private and third sector organisations to retain control, improve visibility and gain efficiencies whilst continually improving corporate performance. It's award-winning software systems comprise core financial management, procurement, human resource and payroll systems, integrated with a range of collaborative, document management and business intelligence solutions. It also provides managed and bureau service options.

Advanced Computer Software plc is the UK's leading supplier of software and IT services to the health, care and commercial sectors. It comprises 3 main divisions and has 7000 customers and 800 staff worldwide.

For more information

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