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“Virtual Cabinet is a breath
of fresh air”

Jon Barron, Hazlems Fenton, Partner



HAZLEMS FENTON
chartered accountants

An in-depth Case Study



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Hazlems Fenton LLP ("HF") is a medium-sized firm of Chartered Accountants situated in the heart of London's West End, just minutes away from the buzz of Oxford Street and 'yards' from the London Palladium theatre. HF is a member of the AGN global network of accounting firms. Their central London location is key to easy access for the firm's UK and international clients as well as professional contacts.

The firm's IT systems include a 'paperless' office, implemented in June 2005 -- originally centred on increasing efficiency so that its partners and staff could focus on client services -- which has also led to better use of office space, replacing rows of filing cabinets with desks. The firm was able to dispose of 50 or 60 filing cabinets following the introduction of its first document management system.

Hazlems Fenton's adoption of Star Computers' first generation of Windows Practice Management software back in 1997 was an early step towards reducing reliance on paper documentation and its associated costs of printing and storage. Today, the firm uses the latest Microsoft .net iteration of the program, with its sophisticated time recording and billing capabilities along with the Star TaskCentre module, which means that much of the information people need can be viewed and routed on-screen rather than printed out.



The core time and billing module is built around the central database which supports integrated WIP and receivables ledgers. These are updated automatically with all transactions, with unlimited history giving unrestricted reporting on both current and historic data. The time recording procedure is very user-friendly, enabling time and expenses to be entered quickly and easily, through configurable on-screen timesheets.

These are overlaid by Task Centre -- a suite of BPM (Business Process Management) technologies that

automate manual processes and staff-driven tasks.

In 2005 HF installed its first document management system but it wasn't until it was replaced with the Virtual Cabinet solution in 2012 that a truly 'paperless office' moved closer to realisation.

"Virtual Cabinet is a breath of fresh air," said Jon Barron, the Hazlems Fenton Partner responsible for IT. "In essence, Virtual Cabinet is an integrated system that enables us to store, locate, control and share documents electronically-- so we don't have to search through traditional filing cabinets looking for a physical file, which then may be missing because someone else has it sitting on their desk. Once in the system, any item, whether scanned paper document, email or electronic file can be called up instantly. All of the documents in the legacy document management application were transferred electronically into Virtual Cabinet."

Virtual Cabinet was developed by Lindenhouse Software-- Star Computers' preferred document management partner-- and simplifies all types of filing, including scanned, PDF and MS Office documents. E-mails can be automatically filed into the client correspondence file in the Practice Management system. If an e-mail address is stored against the client record, any e-mail to or from that address will automatically file itself in the client correspondence file in Virtual Cabinet, if this facility is switched on.

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Documentation can be searched for in many different ways. This could be for just a client file or combined with some further refining criteria such as a specific engagement date, but any of the document references are searchable, as well as the document content itself. An outbound filing facility allows printed documents to be captured automatically into Virtual Cabinet. So client-related documents printed from the Practice Management System can be captured, imaged and stored direct onto the client file. This cuts out the need to print, scan and file.

Hazlems Fenton has also implemented the cloud-based Virtual Cabinet Document Portal which allows the firm to publish and send a wide variety of documents to people through a secure environment. The Portal is particularly useful for dealing with tax returns. These are prepared on Digita and uploaded to the VC portal for secure transmission to clients. They receive an email with instructions on how to access the documents and how to electronically authorise the Return for submission to HMRC. In each case, a copy is also immediately filed on the

client's VC file. The portal facility can be used for other documents, not just tax returns and is more secure than sending by simple email.

The latest development in the firm's anti-paper crusade has been the introduction of Star Computers' e-Billing and e-Statement functions.

"This initiative is another building block in the move towards even less dependence on paper," Jon Barron continues. "A significant number of fee notes go out to clients by email with accompanying correspondence. This is easily processed within Star Practice Management. When a client pays and the cash is recognised by the system, it generates a VAT invoice. Every Monday morning TaskCentre makes this an automatic process instead of being handled manually -- as long as the client-relevant email address is in the system. Previously, printing out VAT invoices was done monthly and used to take forever -- and clients were often on the phone chasing them up. This was also a sizeable expense in stationery, postage and people's time.



"E-Statements are run within two days of month end. Before automation, we could be sending out 600 to 700 client statements a month. We have noticed a positive client response from e-Statements which act as a prompt to authorise payment. Most people act on emails straight away, whereas with paper statements you can't even be sure they have been received, never mind looked at.

"Our credit controller is also enthusiastic. She has a dedicated inbox in Outlook for responses to e-Invoices and e-

Statements and it has made life so much easier. And, of course, faster payment usually equates to a reduction in debtors' days and better cash flow.

"An additional benefit is that sending documents electronically significantly enhances the firm's image as a modern and progressive practice."

A key element in the success of e-Invoices and e-Statements is the accuracy of client email addresses. But Jon Barron has risen to the challenge; ensuring accuracy is the responsibility

of partners and secretaries. When they raise a fee note, it generates a statement at the end of the month if the client hasn't paid. This prompts them to look at the client record on Star to make sure it has a current email address and all the relevant boxes are ticked.

Initiating the e-process has also helped improve the accuracy of client and contact data inside the Star system because bounce-backs flag up incorrect email addresses for someone to then follow up. Jon Barron is monitoring the situation and says it gets better with fewer undeliverables and bounce-backs month by month. It remains to be seen whether Hazlems Fenton will ever attain the holy grail of the entirely paperless office -- after all it has been talked about for at least 30 years. Star Computers has worked alongside the firm for nearly two decades of that time, a period during which the two firms have forged a very direct and mutually beneficial business relationship.

Perhaps they would settle on referring to the exercise as the 'less-paper' office. But one thing is certain -- Hazlems Fenton is far ahead of many other accountancy practices and professional organisations in general.

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