

# Shorthouse & Martin

*Accountancy practice Shorthouse & Martin has spent the past 30 years building a business based on two principles: delivering quality and value to its customers*

## *Shorthouse & Martin boosts output and profits with IRIS OpenResourcing*

The practice includes ten qualified fee earners supported by four support staff. The team provides financial and business services to more than 2,000 companies including many foreign businesses looking to establish operations in the UK.

### **Change that improves**

In order to ensure the delivery of quality and value to its customers, Shorthouse & Martin sets exceptionally high standards for its team while it invests in new technologies that drive efficiencies across the business.

Les Shorthouse, one of the founding directors, explains, "If we see an opportunity to improve the way we work, without sacrificing quality, then we'll embrace it. At the same time, we're extremely careful how we bring in new staff." He cites the firm's early adoption of IRIS practice software in 1989 as an example of this approach to improving business processes. "It was then, and remains today, a revolutionary application for the industry. Because IRIS could automate so many of our existing processes it quickly made our business much more efficient. We were able to share these efficiencies with our clients through more competitive rates and an even better service."

### **The struggle to recruit talent**

However, like many successful accounting practices in the UK, maintaining high-quality output while growing the team with like minded quality individuals was not so straightforward.

Finding the right accountants and bookkeepers for the job proved to be a constant challenge. As such, recruiting had proved to be an expensive, risky and time-consuming effort. Aside from the high agency fees and internal time associated with vetting candidates, it would typically take more than six months to identify whether a new hire was meeting the requirements of the job. Les Shorthouse says, "If the candidate hadn't met the grade

after this length of time, we'd be forced to start over, which was a very expensive proposition." Similarly, every time one of the bookkeeping staff moved on, the team would have to find the time to recruit a replacement.

Meanwhile, the business continued to grow which meant that the team's workload was reaching the limit. As such, the practice quickly needed to find another way to manage growth without sacrificing the quality or value of its service.

Assessing the potential of outsourcing Les Shorthouse looked into the option of outsourcing some of the practice's more routine tasks to a third-party specialist, most likely in India.

The benefits of outsourcing seemed obvious. By outsourcing certain tasks, the practice could give time back to its staff allowing them to focus on more profitable work while building closer relationships with their clients. It could also allow the practice to take on more work. In addition, outsourcing certain tasks to India could cost less than half what it might normally cost in the UK, ensuring that the practice remained competitive and delivered value while ensuring profitability.

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## Case study

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However, most UK practices had been wary of outsourcing even the most routine parts of their business due to perceived quality and control issues. For Shorthouse & Martin, to risk one of the practice's core principles, that of quality, was not an option.

### **A trusted outsourcing partner**

Les Shorthouse was about to drop the idea of outsourcing when he discovered that IRIS, his long-standing business technology partner, had built an outsourcing business in Chennai, India. He wanted to know if IRIS' outsourcing business, IRIS OpenResourcing, met the same quality and customer service standards that he'd experienced over the past 25 years with its accountancy practice solutions. If so, he would seriously consider making the move to outsource.

After conducting initial tests of the service, Les Shorthouse still had nagging doubts about the quality and reliability of the IRIS OpenResourcing facility in Chennai. Since it was a completely new business process he wanted to know exactly who would be handling the work for him before he entrusted his organisation to the process.

To see for themselves, Les Shorthouse and two colleagues flew to Chennai to meet the IRIS OpenResourcing team.

The trip proved highly worthwhile. Any reservations about the quality of the outsourcing facility were immediately dispelled. Les Shorthouse said, "We met with the most highly qualified, enthusiastic and well-paid team working in a modern facility. The level of professionalism was higher than any of us had anticipated, comparable to some of the best accountancy practices in the UK."

Recognising that IRIS OpenResourcing would help the practice meet its quality and value principles, the Shorthouse & Martin team immediately decided to continue down the outsourcing route. Les Shorthouse said, "The Chennai team had gained our trust. We knew that outsourcing through IRIS OpenResourcing was a smart opportunity to expand our business operations without sacrificing quality, allowing us to deliver greater value to our clients."

A streamlined and secure process Shorthouse & Martin committed to 300 hours each month of outsourced accountancy and bookkeeping services with IRIS OpenResourcing. The IRIS team in Chennai manage a number of processes for Shorthouse & Martin including bookkeeping, payroll, VAT returns, invoices and end-of-year accounts.

The process starts by scanning and uploading digital images of relevant documents, including receipts, cheques and invoices, into a secure portal. These are collected and processed by the team using IRIS practice software. Once processed, the files are securely delivered back to the portal where they are downloaded by the Shorthouse & Martin team and entered into the practice's own IRIS practice software system.

### **A profitable process**

Les Shorthouse estimates that he's getting the equivalent services of a full-time accountant and two bookkeepers. This

translates into cost-savings of between 50 and 70% in terms of salary and other costs associated with hiring UK-based employees.

Shorthouse & Martin has since been able to outsource its entire bookkeeping function to IRIS, which used to employ four people in the UK and cost more than £100,000 to IRIS. Even when factoring in the cost of several new Kodak scanning machines, and the time needed to get documents scanned, the overall commercial benefit of outsourcing has been hugely significant to the business. The option to insource too In the near future Shorthouse & Martin will move to the insourcing service. This means that the IRIS team in Chennai, using secure virtual technology, will be able to log directly into the practice's IRIS practice software system to complete many of the jobs themselves. "At this point the IRIS team will have become a truly integrated part of our business," said Les Shorthouse.

### **Quality control**

At the beginning, Les Shorthouse made a habit of regularly checking the work produced by the IRIS team. "We were taken aback at the precision and reliability of the work. Their work is meticulous and of a better standard than most firms in the UK typically deliver," said Les. Best of all, the time and effort required for Shorthouse & Martin to find and train the best bookkeepers and accountants has been outsourced to IRIS.

### **Conclusion**

IRIS OpenResourcing lets the team at Shorthouse & Martin deliver more for less, which has a direct impact on the practice's profitability. Even aside from the quality and cost advantages, outsourcing allows the practice to be more flexible and take on more business without adding significant overheads. Because the quality is comparable to, or better than, what is typically produced in the UK, Shorthouse & Martin fully expects IRIS OpenResourcing to play a central part in the practice's future growth.