

PROFILE

Platform is one of the largest housing associations in the Midlands and one of the top 15 nationally, with a portfolio of over 47,000 homes, including social and affordable rent and shared ownership properties. It has ambitions to double in size over the next five years.

Since its creation in 2018 as the result a merger between Fortis Living and Waterloo Housing Group, Platform Housing Group has seen significant growth, achieving over £300 million turnover. As a result, the quest for efficient finance operations became paramount.

In line with this growth, the Group embarked upon company-wide change programme which includes modernising its Finance function and systems which could evolve as the company grows.

AT A GLANCE

Challenges

- Lack of automation
- Tight timelines
- Complex delivery

Benefits

- Significant benefits were set out in the business case with a large portion predicated on Procurement savings but also digital elements and people savings:
- Quantitative Benefits: Net = £3.4m, Positive NPV £700k, ROI 29% & payback 6 years
- Qualitative benefits: Net = £8.0m, Positive NPV £3.49m, ROI 68% & payback 4 years
- Based on the upfront work, benefits tracking commenced with on-target projections.

OBJECTIVES

Following the merger, Platform Housing had a number of challenges. The finance function, played a traditional back office function, was overdue investment particularly in its systems, was still grappling integration to the new larger organisation. In 2020, new CFO Rosemary Farrar, took on the mission to establish a truly modern Finance Function which is efficient, mature processes, better data underpinned by a solid chart of accounts to enable financial information which is insightful and fast. Below are the specific objectives in scope:

1. **Implement immediate term improvements** to provision of services including Fixed Assets & Budgeting/Forecasting
2. **Significantly improve Source to Pay capability:**
   a. In-depth understanding of Sourcing to Pay processes (including a Report to Platform Executive Team)
   b. Define Sourcing and Contract Management solutions requirements
   c. Implement Invoice Capture solution (145,000 invoices manually processed)
   d. Define and implement Procurement Shared Service
3. **Major Process re-engineering** to include shortening Month End Cycles
4. **Improve Provision of Financial Information** – Chart of Accounts/ Data/ Reporting
5. **Full review and major overhaul of Service Charges** process & systemisation preparation
6. **Support Decision Makers** – Introduce and mature Business Partnering & Shared Service
7. **Implement Major New Solutions** and Process for Finance & Source to Pay

In response to these challenges, Future of Finance Consulting stepped in, commencing a phased approach to revitalise Platform Housing's financial landscape.

Phase 1: Deep Dive (November - December 2020): Initial comprehensive review immersed us in Platform's Finance function, giving an excellent kick start. We conducted an intensive appraisal of processes/ reporting/ in-flight projects, closely followed by planned reorganisation for improved efficiency. Report issued to CFO with recommendations to form a programme of work.

OBJECTIVES CONTINUED

Phase 2: Key Improvement Projects (January 2021 - March 2022): This phase marked the beginning of the Finance and Procurement transformation — the establishment of the Transformation Programme "Shaping Future Finance." It comprised a series of targeted improvement projects aimed at addressing pain points:

- Conducted S2P analysis to identify high-level issues and areas for improvement, followed by presentations to the Platform Executive Team.
- Undertook SDS Proval/Sequel Remediation, implemented new systems: Pamwin and Assets 4000, Month-End Improvements - all having process enhancements at the core.
- Performed comprehensive review and redesign of the Chart of Accounts (CoA) to align it with evolving needs which complemented putting in place improved reporting.
- Budgeting & Forecasting immature and so a new solution Infor d/EPM was implemented together with a new concept for Platform – the rolling forecast process.
- Service Charges required an overhaul so process review, site audits, lease reads, new pricing schedule & policy together with realignment of property hierarchy were delivered.
- Extensive target operating model piece of work followed, together with Service Definitions for all areas of Finance & Procurement. In parallel, skills development sessions were conducted to make step change in maturity of Finance Business Partnering Team, paving way for increased collaboration and effectiveness.
- Extensive market research culminated in the selection of Microsoft Dynamics 365 Finance as the core finance system, signifying a significant step towards system modernization.

Phase 3: Systems Preparation & Procurement (March 2022 – January 2023): This phase delved into requirements gathering, mapping existing/ future processes, prototyping Dynamics 365 Finance, crafting then refining programme business case, preparing the ground for systems procurement implementation.

Here is what we did and how we did it:

- **Established Strong Core Team** – We proposed and established the core Team consisting ourselves plus hand-picked independent consultants and specialists plus Platform employees/ leaders. This was a crucial building block, creating the engine room and strength client side ready to start the journey to new systems and new/ redesigned processes and capabilities.
- **Process/ Requirements Preparation** – Fundamental to procurement phase stage where we facilitated multiple workshops with the client to deep dive processes, pain points to establish status quo and the size of the prize. This was months of work - outputs: process maps, controls, MoSCoW requirements.
- **Data & Reporting (Cleanse/Prepare)** - We implemented short term data quality improvements significantly reducing month-end corrections, designed and implemented cost centre structures, planned the optimal approach for data migration in the new systems and started data cleansing.
- **Procurement** – We planned out and managed procurement phase from supplier engagement, exploratory workshops, presentations, scoring then working through award process with Platform's Procurement. Proactis were awarded Source to Pay solutions & implementation and Ernst Young awarded to implement Microsoft Dynamics Finance & Operations (F&O)
- **Discovery/ Mobilisation** – upon award, we coordinated extensive discovery sessions with the two vendors Proactis and EY. The Core Team with technical and business analyst skill sets played a lead role in these activities. This included detailed delivery planning.
- **Governance** – the foundation – three parties in a programme creates complexity. We carefully crafted, proposed and implemented governance incorporating a tripartite arrangement with Platform in control. This multilayered approach, kept all eyes on the ball from a top executive overall plan steering level, regular programme board senior leader level, weekly core team project checkpoints plus Design Authority to keep true to business case and design principles.
- A One Team approach at the core meant transcended commercial boundaries to get job done.

OBJECTIVES CONTINUED

- We adapted our **Methodology** for this purpose, utilising a blended waterfall/agile (wagile) approach. This meant that we had proper checks and balances through the gate review process (entry and exit) but ran agile sprints to keep momentum and energy levels optimised.

Phase 4 – Proactis Source Pay & Microsoft Dynamics Finance & Operations Solutions Implementation (February to December 2023) – following the defined governance approach and "tripartite" arrangements combined with our methodology, we provided consultancy to pioneer through the following stages of delivery:

- **Design & Build** – we kept the objectives and business case firmly in view - with the core team ensured that the Design pushed boundaries above existing processes. New capabilities were designed in, enhanced and simplified processes were designed then built. We ensured a firm grip on time coordinated using tooling inc Microsoft DevOps.

- **Test** – we coordinated specialist test expertise to drive robust and extensive testing which included end to end – this would de-risk go live issues.

- **Data & Reporting (cutover)** - We assessed the reporting requirements and delivered reporting utilising standard in system reporting and PowerBI based on an efficient design of BI data model and Microsoft Azure data platform. Delivered the data migration of all finance data in Proactis and Dynamics F&O utilising best in class migration tools to minimise effort for Finance team and ensure deadlines and quality standards are met.

- **Training** – One of the experts that we brought in was a dedicated change lead and training was carefully crafted out. Training needs analysis was the basis and a combination of classroom and online training sessions were established based on strong materials.

- **Communications** - We planned out the communications from the outset and created a regular drumbeat, exploiting the various channels. It was critical to get the pitch right and so we drew on lessons learnt enabling lean but effective, short and sharp information to the target groups at the right time.

- **Hypercare** - post go live, we drew and our experience and methodology to put in place a process for issues and bugs to be raised and addressed quickly. We worked with partners to establish paths for medium term improvements to processes and functionality.

CHALLENGES FACED

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SOLUTIONS IMPLEMENTED

There were multiple solutions implemented as part of the whole 3 year journey from Infor d/EPM Budgeting and Forecasting, Assets 4000 to Pamwin. These were then further built upon with wholesale systems implementation to replace the Finance & Procurement systems and processes.

The final phase major solutions implementation consisted of principally Proactis Source to Contract and Procure to Pay Solutions plus Microsoft Dynamics Finance & Operations. There was also a need to retrofit the Budgeting and Forecasting solution Infor d/EPM to the new chart of accounts.

Technology Integration: The foundation of reporting delivery was Microsoft PowerBI based on Microsoft Azure Data platform. Our team designed the Finance data model in the data lake using source data from Dynamics F&O and Proactis which was used to deliver a key set of Finance reports and dashboards through PowerBi.

RESULTS AND ACHIEVEMENTS

Key Improvement Projects Successes:

- Implement immediate Term improvements to improve provision of services including Fixed Assets & Budgeting/ Forecasting
- Major Process re-engineering to include shortening month-end cycle
- Support Decision Makers – Introduce and mature Business Partnering & Shared Service

Starting with an initial deep dive and review an initial set of initiatives helped take Platform Finance up the maturity curve. This was in the form of month-end improvement (month-end shortened by 4 days) new capabilities through systems, moving to a service approach with the implementation of Finance Business Partnering. We used our tried and tested programme and project management methodology to set out what needed to be done then track that to conclusion.

Significantly improve Source to Pay Capability:

- We conducted an in-depth analysis of Sourcing to Pay processes – what is being procured, how, why and when, This was summarised to a compelling report to Platform Executive Team which included specific information regarding control weaknesses and off contract spend.
- We supported project management and analysis to scope out target operating model and service definition then ultimately the Implementation of a Procurement Shared Service
- As part of the analysis, we set out the requirements for Sourcing and Contract Management solutions

Improve Provision of Financial Information – Chart of Accounts/ Data/ Reporting:

- Captured and conducted an in-depth assessment of reporting requirements and delivered those through the optimal method through source system and PowerBI.
- Designed the data structures in source system and the data model in BI so that key reporting is delivered effortlessly
- Migrated data to the new systems on-time ensuring complete data are in place prior to go live for testing purposes.

Full Review and major overhaul of Service Charges process & systemisation preparation:

Using our project management methodology, we defined a project to significantly improve financial processes in relation to service charges resulting in the following:

- Full lease read and site surveys
- Detailed analysis of actual costs to tie up with lease read and site surveys
- New pricing model with updated hierarchy to add in communal areas
- Updated service charges policy

Implement Major New Solutions and Process for Finance & Source to Pay

The final phase (4) of significant systems implementation was ambitious but we successfully delivered in 9 months punctually and with exceptional quality which was tough but our framework of governance and methodology together with a laser focused and robust data migration preparation then implementation enabled success. The solutions included:

- Implement Invoice Capture Solution (145,000 invoices manually processed)
- Sourcing solution which was end to end linking with P2P
- Contract Management Database to store contracts & with supplier performance monitoring and management
- Purchase to Pay solution with full workflow where invoices match automatically
- Microsoft Dynamics Accounts Payable, General Ledger, Fixed Assets, Project Accounting
- Power BI Reporting based on Microsoft Azure Data Platform

CONCLUSION

- **Phase 1: The initial Deep Dive** proved extremely valuable and useful for Platform and was a springboard for the future phases. This intensive piece of work was completed in 3 weeks and enabled decisions on priority projects to be brought to the fore and kicked off.

- **The next Phase 2 gave significant momentum**, we brought our project management framework, methodology and tools to bare which meant scoping out, monitoring and delivering value quickly. We enabled "getting things done" which has been a real issue prior to getting us on board. We also developed the transformation roadmap to set things out which started with a Target Operating Model through to full Service Design.

- **Phase 3 was imperative to the final solutions implementation**. We hear often "we need a new system" but there is no a magic bullet. The preparation phase is the key (on top of a TOM).
- What do the processes look like today? What is good and what is bad but also ugly? What are the key capabilities missing? What are the key control points?
- At Platform this was critical to get to grips with the detail but also boil that down to create a good overview. The requirements and the process analysis provided excellent foundations for the robust Procurement exercise that followed.
- The pain points analysis then the improvements in capability meant that itemised benefits could be established enabling a solid business case and post go live tracking.
- Our data approach using proven accelerators enabled high volume data cleansing supported the data migration preparation success – this was a differentiator.
- The in-depth reporting catalogue and detailed definition gave strength for the implementation phase – we helped Platform understand precisely the insights needed.

- **Phase 4 - Implementation**
- Time is money! The programmatic governance strength that we put in place (inc. close partner management) delivered on-time go live with excellent quality. This robust steering and tracking "machine", gave strength, visibility whilst maintaining financial envelope.
- Our tried and tested data migration approach & data models saved significant time and is imperative. Too many programmes go late/ just abandon data sets without it!
- Our success in developing a BI Platform with enhanced reporting which is insightful and fast is a significant enabler for our client and their transformation journey.
- Significant benefits were set out in the business case with a large portion predicated on Procurement savings but also digital elements and people savings over time too:
  - Quantitative Benefits: Net = £3.4m, Positive NPV £700k, ROI 29% & payback 6 years
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