

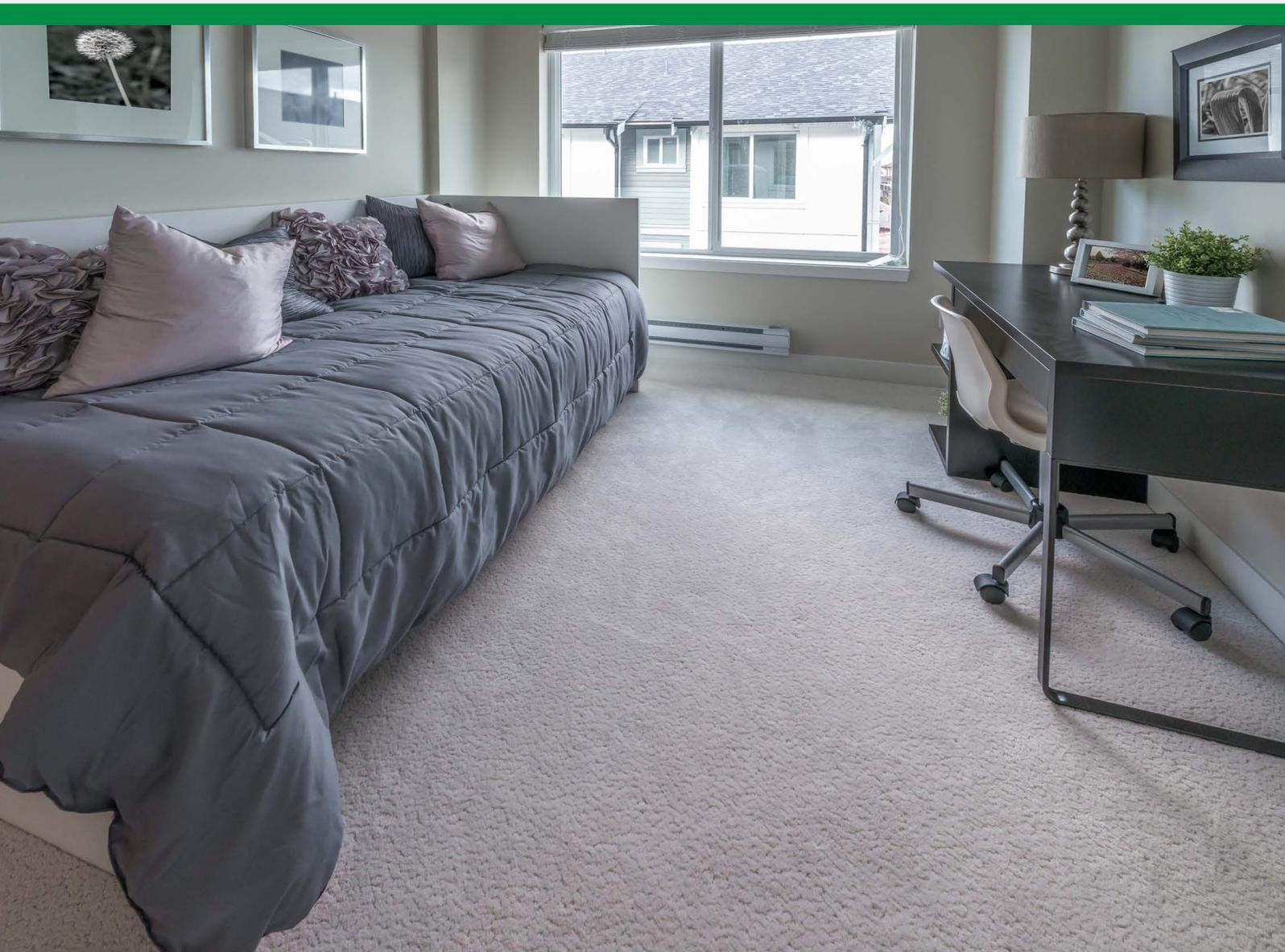
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## HOW QX HELPED A **LEADING STUDENT HOUSING COMPANY**

improve accounting process efficiency through standardization and automation, reduce costs by 50%, and ensure seamless integration of new operations following mergers and acquisitions

### Client Profile

Our client is one of the top student housing providers in the UK, managing properties across multiple locations. With prime properties located close to major education institutes, the company manages assets worth billions of dollars.



## Business scenario before QX

In 2010, the client witnessed a high rate of business growth, which led to a major spike in the volume of transactions. At this stage, they wanted to standardize processes, improve efficiency of accounting functions and gain greater control over the activities. Key issues faced by the client:

- Lack of standard accounting procedures and policies.
- High number of errors as the volume of transactions increased.
- Rise in instances of overpayments, late payments and increased risk of non-compliance.
- Inability to prepare insightful financial reports owing to lack of accurate data.



## Partnership with QX

QX worked closely with the client to implement an end-to-end finance and accounting (F&A) solution that resolved the major issues. Key steps taken:

- Clearly defined Service Level Agreements and RACI (Responsible, Accountable, Consulted, Informed) roles to ensure operational excellence.
- Ensured a smooth and successful transition without causing any disruption.
- Support for digitization initiatives to automate time-consuming manual processes.

## Result



50% reduction in the operational costs by best practice implementation



Helped save \$190,000 by simplifying cash management, discovering revenue generation activities and identifying discrepancies in tax charges



Facilitated better strategic decisions through accurate monthly financial reports

Following the initial engagement, the client gained confidence in QX's delivery and expanded the scope of partnership.

## Partnership journey: 10 years and going strong

QX started the relationship managing the F&A functions for over 4,200 beds; today, we are **managing more than 28,500 beds**. The partnership has matured over the years and the team consistently meets the SLAs with over 99% accuracy.

The team functions as an extension of the client's business and manages a wide range of functions, including:

- |                             |                                     |                                                |
|-----------------------------|-------------------------------------|------------------------------------------------|
| → Investment reporting      | → VAT return preparation and filing | → Payment collection (including DD collection) |
| → Accounts payable          | → Database reconciliation           | → Support for internal and external audits     |
| → Treasury                  | → Waterfall cash distribution       | → Digitization & automation assistance         |
| → Management accounts       | → Bank covenant                     | → IFRS implementation                          |
| → Revenue recognition       | → Post-merger support               |                                                |
| → Budgeting and forecasting | → Customized management reporting   |                                                |



Notably, the same Dedicated Finance Controller / Manager from QX India has worked with the client for 10+ years, ensuring stability of operations.



## Key problem areas solved by QX

### Migration and streamlining of accounting processes

#### Challenge

- Owing to the number of locations involved and the high volume of customers, suppliers and other stakeholders involved in the business, the client has highly complex and unique accounting needs.
- Their previous F&A suppliers were unable to formulate consistent accounting policies and practices to handle the high volume and complexity, which led to inefficiencies and errors.
- Inaccurate accounting information left the management with unreliable data for business decisions, exposing them to overpayments, late payments, inefficient cash management and compliance risks.
- The client wanted to improve and standardise their accounting processes, with focus on achieving cost savings and gaining greater control over their F&A functions.

#### Solution

Working closely with the client's onshore teams, QX implemented an end-to-end accounting solution, delivering significant cost savings on their current operating budget. Our solution and services included:

- Design and development of a customised Purchase Order System to digitise the purchase process.
- Implementing best practices to reduce the cost of accounting operations by 50%, while increasing accuracy.
- Simplified and streamlined intercompany recharges processes, delivering efficiency and cost savings.
- Simplified cash management process.
- Assisted in third-party contract negotiations and account investigations.
- Provided liaison and assistance for internal and external accounts audits.
- Offered extensive support during senior staff movement.

#### Benefits delivered

- Simplified cash management by reducing the number of bank accounts from **60 to 5**, delivering savings in excess of **\$96,000**
- Identified discrepancies in tax charges, leading to savings **over \$41,000**
- Determined **revenue generation opportunities worth \$41,000** by assisting the client in third-party contract and accounts reviews.
- **Saved \$22,000** for TDS payments by challenging deposit insurance invoice.
- **Designed accounting operating model** by listing all business activities – this helped to outline effective segregation of duties.

### Faster TAT for management accounts reporting

#### Challenge

- In order to take strategic decisions faster, the client wanted timely access to various management accounts reports.
- The team received input data from two different systems, while the reporting data was required in the format of a third, separate software system.

#### Solution

- Rearranged the closing activities on the basis of priority to improve TAT for management accounts reporting.
- Developed a customized template to automate data collation – the template automatically converted the data into the format required for reporting.

#### Benefits delivered

- Reduced the delivery time for management accounts from **9 days to 2 days**.
- Better strategic decisions through timely financial reports on profitability, cost reduction and revenue improvements.

## Process standardization and building a consolidated group budget template

### Challenge

Following a major merger, the accounting activities were carried out by several teams following different processes and reporting formats. The primary objective was to ensure that the best practices for accounting and reporting were consistently implemented across the group. In addition, the client wanted to:

- Standardize the reporting processes for the entire group and obtain quality data for planning, budgeting and forecasting.
- Develop a facility to drill down to view details on each site.
- Get the final data from the site managers in the format suitable for the new software that was under implementation.

### Solution

QX team worked closely with the client's Operations Director to fulfil the above objectives. Key steps taken:

- Undertook a review of the current processes and introduced standardized budget templates and consolidation.
- Trained staff across sites to input accounting data into a standard format and created a master template for gathering all the budget data with standardized budget assumption definitions.
- The task of collating the data from two separate software systems was automated through a template that converted the data into the format required for reporting. This template was mapped to the accounting software used by the company.
- The QX team worked with both sets of software systems during the migration and implementation stage to ensure seamless operations.
- Developed the facility to drill down to view details on common parameters for each site, e.g. type of accommodation, region, occupancy, bed count, etc.

### Benefits delivered

- The template provides a **complete and transparent picture of the entire business**, enhancing the leadership team's understanding of the overall health of the business and the impact of each property on the parent organization.
- Auto-generated graphs, pie charts and other **visual data representations** enable easy understanding of the data and allow the client to take better strategic decisions.
- **Drill down facility** provides an easy and quick overview.
- **Version control feature**, with a central or regional head authorizing any changes, ensures complete visibility on any amendments.
- In-house creation of the template **saved the expense of hiring a costly external consultant**.

## Efficiency improvement via invoice registration automation

### Challenge

- Manual, Excel-based invoices process, offering no centralized oversight on invoice status.
- Significant time and effort spent on invoice posting and handling high number of queries over email.
- Absence of internal skills and knowhow for implementing the Invoice Register automation module.

### Solution

- Automated the entire invoice register process – researched and implemented Invoice Register module in Yardi, including configuration, UAT, testing, go-live and data migration.
- Set up the system to automatically send the invoice for approval to relevant site and POC.

### Benefits delivered

- **23% efficiency improvement in AP Process** via invoice registration automation
- **Centralized system** providing real-time status of all the invoices in the system to relevant stakeholders – **eliminating email-based queries.**
- **Annual cost savings of \$69,000**, and one-time project management savings in consultant fees of \$40,900.

