



CASE STUDY

HOW CORNERSTONE USED RECEIPT BANK TO GO FROM PAPER TO PROFIT

AT A GLANCE



THE FIRM

Cornerstone
Australia



THE PROBLEM

Hours wasted on data
collection and entry

Digital and Manual
systems clashing



THE SOLUTION

Automate data submission and
extraction with Receipt Bank

Managing the workflow with
Practice Platform



THE RESULTS

Clients per bookkeeper
doubled

Saving 2 hours a week
per client

The cloud offers unparalleled opportunities for accountants and bookkeepers to increase their profitability, but it isn't just about having the right technology. The key is to adapt your processes to the needs of your clients and the goals of your business.

Cornerstone are a cloud-based bookkeeping practice in Sydney. Using Xero and Receipt Bank they have built a streamlined system that delivers maximum value for clients while dramatically increasing efficiency and profitability.

Before the cloud, bookkeeping was famously time consuming. Founder Tim Hoopmann explains,

"The whole premise around that time was based on paper receipts coupled with data entry...You had to go and get the paper, enter the details, have the client answer queries on it." The system was inefficient, frustrating and, worst of all, boring.

"Everything we did was built around [getting information and entering it] which was really dull. What's much more interesting is understanding how their business is operating," says Tim.

"But you couldn't do these services because you're stuck in a world of billed hours and data entry."

To that end, when Xero came along Tim was quick to jump on board, but there was still something missing.

"When Xero first came on the market, it was a revolution."

"When Xero first came on the market, it was a revolution. The only hurdle this was that in the early days it still involved doing a lot of manual stuff like data entry"

“ One of the biggest costs for us in those days was data entry. ”

This meant that efficiency gains from using cloud technology were quickly wiped out by the clash between the old system and the new. So Tim looked around for a way to make the system more streamlined and profitable.

“One of the biggest costs for us in those days was data entry, especially for big businesses with a lot of paper,” says Tim.

“When we were exposed to Receipt Bank it was a moment of thinking ‘Wow, this is a way to get a handle on that and get rid of that roadblock in the business.’”

“ We’d never take on a client again where we’d have to do it manually. ”

The move to the cloud necessitated larger changes in the business too. “If you’re charging by the hour for data entry services, this needs to change. So we started to think in terms of changing our billing. It was a great catalyst and a great reason to do it,” explains Tim.

“We assessed the cost of servicing each client. Lots of clients are looking for cost savings, so we were able to help the customer and stay competitive on price while not doing it entirely at our expense”

The change in pricing ended up being a key tool for clarifying the benefits of the cloud, says Tim.

“When you build a business around value to your customer, there are reasons for them to get on the programme of automation, because they can save money! Not only through our fees but also through cost of labour in their business.”

Now their processes are fully digitised and Tim couldn’t be happier. “We’d never take on a client again where we’d have to do it manually, once you’re beyond it you’d never go back.”

“ Tim [also] estimates that they have saved at least two hours a week per client. ”

The results for Cornerstone have been dramatic in terms of efficiency, profitability and client relationships. “The streamlined process lets you focus on what matters a lot more than we were able to in the past,” say Tim.

Using Receipt Bank, they have been able to double the number of clients they service per bookkeeper with their new efficient process. Tim [also] estimates that they have saved at least two hours a week per client. This allows them to focus on the activities that clients care about.

“We moved from an environment with lots of bookkeepers, some interns, and lots of people processing data to one with a small bookkeeping team and a customer service team. It’s so simple that our office manager is now in a customer service role, which is wonderful.”

“ We can instantly see every transaction in Receipt Bank, and we can manage the business. ”

Key to working efficiently is the visibility over processes provided by Receipt Bank's practice platform. "Before it was a very siloed system, with each bookkeeper just working on their own clients. Now anyone at anytime knows something about every client," says Tim. This means there is no drop in service when a certain bookkeeper is away because information is centralised.

"We can instantly see every transaction in Receipt Bank, and we can manage the business...finding problems before they happen and having a soft conversation early rather than a hard one later."

The time saved per client not only allows them to offer a better bookkeeping service, but provides opportunities to upsell other services. "Now we're in a better position to deliver these core services, there is definitely a better reaction when value-add services are offered".

With lower bookkeeping staff costs, tighter billing, more time saved per client and the chance to upsell more valuable services, Cornerstone has built system that guarantees both high quality services and better margins for the practice, all while doing more interesting work than they could before.

Tim puts it best: "I couldn't imagine doing it any other way. I've made plenty of mistakes but I wouldn't change my business strategy at all because this is the future. And it is coming as us at 100mph. "

MORE ABOUT THE INTERVIEWEE



Tim Hoopmann

Tim Hoopmann is the Founder and CEO of Xero Gold Partner Cornerstone Bookkeeping in Sydney and an expert on cloud based business applications. Cornerstone offer innovative and forward-thinking bookkeeping to small and medium businesses to help them leverage the power of the cloud.