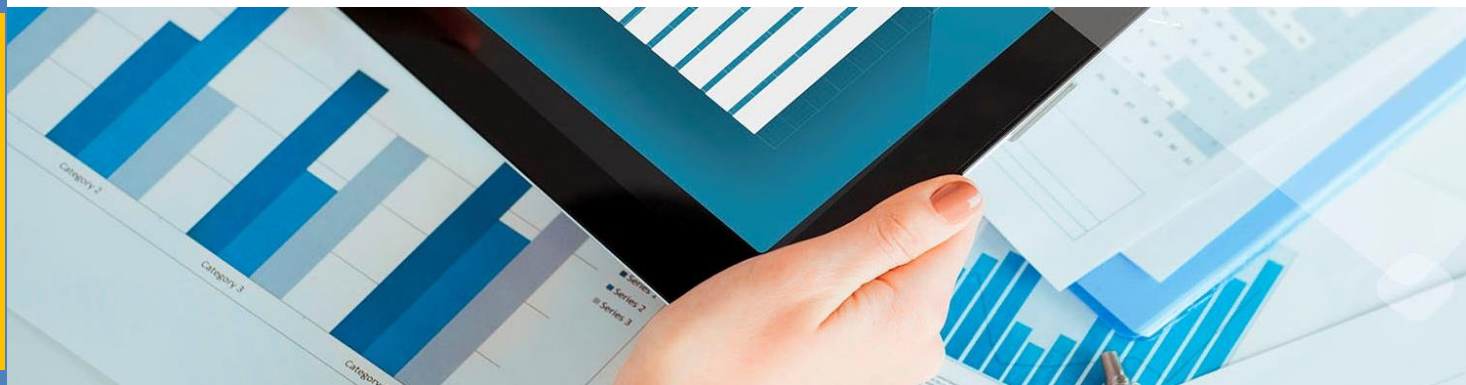


# F&A CASE STUDY: Franchisee – A Leading Ice cream chain in Australia



## THE CLIENT

A Franchisee of a Leading Ice cream chain

## INDUSTRY

- ❖ Franchise
- ❖ Retail

## BUSINESS NEED

With the unexpected growth, a mechanism was needed to be set up to manage the accounting and financial set up for the franchise outlets.

## SOLUTION

Finance functions were set up at an off shore delivery center managed by H-Connect on behalf of the franchisee.

## BUSINESS IMPACT

The team initially emphasized on clearing off the back log of accounting and setting up the basic accounting structure and functions of the business. Then the Accounting and Finance workflows and processes were streamlined and other services such as payroll, inventory management were taken on by the back office team. Additional reporting, process documents, and other improvements were introduced as value added services which has freed up time for the Franchisee to focus on the core business strategy and growth.

Cold Rock Ice Creamery is a leading ice cream franchise in Australia. Founded in 1996, it has grown to over 100 outlets since inception resulting in the success of the franchise model. The franchisee in consideration owns and operates two Cold Rock ice creameries. The two outlets were growing at a fast rate with increasing sales volumes and the franchisee acquiring new stores.

## THE BUSINESS CHALLENGE

The franchisee had acquired and initiated operations in the first store several months back and the second store was to be acquired. The business/finance processes were yet to be set-up for the first outlet and with the new acquisition, the franchisee was placed with the challenge of having a consolidated accounting structure for both outlets. Apart from the accounting operation the inventory of the two outlets were to be managed efficiently. With the growth of the firm, there were additional recruitments, and payroll was to be handled by the franchisee as well. The accounts were to be closed by the end of each quarter for both outlets and the financial statements for both companies were to be lodged in quick time to meet the legislative deadlines.

## THE SOLUTION

The solution came in the form of a Back-office accounting team based at H-connect to manage all finance and accounting functions including invoice processing, bank reconciliations, BAS processing, Payroll processing and financial reporting as per the business requirement.

The platform used to provide services is MYOB Accounts right, which the franchisee had already started using. The team's core task was to set the accounts in the system in an ideal manner to account for both outlets and to maintain the daily transaction recording to provide up to date financial statements and financial reports.

## THE CHALLENGES

- Initial set up and business process analysis
- Back log of unrecorded transactions that had to be cleared out on a tight deadline
- Training Gaps and knowledge in company specific processes
- Day to day inventory management – Manual work involved as there is difficulty in capturing information required to automate process

## THE BENEFITS

- Less time spent by the senior management in directly managing the accounting and finance functions of the business
- More time to focus on generating value in the core business areas
- Improved reporting on finance for the two outlets
- Cost reduction on overall finance operation through a consolidated accounting back office for both outlets
- Additional consulting provided on financial management through the domain expertise of H-Connect

## GOING ONE STEP BEYOND

Going beyond the proposed scope of work and solution H- Connect analysed the current inventory management process of the two outlets and highlighted key issues. H-Connect is in the process of formulating an effective inventory management system that will address the key issues identified in the existing process, including stock taking.

## COMPANY PROFILE

H-Connect (Pvt.) Ltd. is a Business Process Management (BPM) company operating out of Sri Lanka and is an exclusively owned subsidiary of the Hirdaramani Group. Established over 120 years ago, the Hirdaramani Group has grown into one of Sri Lanka's largest conglomerates operating in the Apparel, Leisure, Power and IT industries. With a rich and diverse heritage and 40,000 employees across six countries, the Hirdaramani Group has developed key partnerships with world-renowned brands such as Microsoft, Hilton Hotels and Resorts, Taj Hotels Resorts and Palaces, Marks & Spencer, PVH and Levi's.

H-Connect has continued to widen the spectrum of the BPO market by providing unrivalled experiences and efficient services that make up a proven track record that always exceeds customers' business expectations.

H-Connect is committed to building an organization respected by clients, stakeholders, employees and the wider community. The Senior Management team at H-Connect consists of proficient experts in the business of domain outsourcing, empowering the company to deliver results beyond clients' expectations.



**Winner: Bronze Award – Best Shared Services Team for 2015**  
**(Presented by the Shared Services and Outsourcing Network – Asia)**

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