

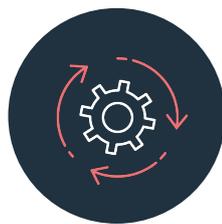
CASE STUDY

How Clarity Street helped McPhail & Partners become an efficient and streamlined cloud-based accounting firm

Through Clarity Street's 3-step process, McPhail & Partners:



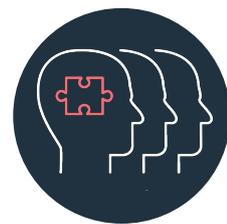
Transitioned to Xero cloud applications



Automated processes and workflows



Removed manual processes and duplication



Trained and empowered team members



Clarity Street was invaluable for us. We probably wouldn't have started the project without them, and had we, I think we wouldn't have gotten the results that we wanted. We'd probably still be fluffing around, just trying to get the first piece of the puzzle sorted. So, it was certainly worth the investment to get them on board.



MATTHEW DREW
Director, McPhail & Partners



McPhail & Partners is a boutique accounting, audit, and advisory firm based in Melbourne.

THE CATALYST FOR CHANGE

For McPhail & Partners, accounting is more than just tax and finances. It's about people – their individual circumstances, experiences, and their aspirations for the future.

Nurturing personal relationships has been key to the success and longevity (75+ years) of McPhail & Partners, and what drives the firm to continually look at ways to grow and adapt to improve the client experience.

In 2020, feeling the strain from outdated processes, manual duplication, and lack of integration between systems, particularly in the wake of COVID-19, McPhail & Partners was seeking a clearer path forward.

"We've been a long-standing firm, and we'd been with the MYOB system for years and years and years, going back to Solution Six days. We got to the point where the system wasn't really suited to us anymore," McPhail & Partners Director Matthew Drew explains.

"We found we were running a lot of different solutions that didn't necessarily talk to each other. It just seemed a little bit clunky. So that was part of the impetus to move to an integrated system like the Xero.

"We'd been thinking about it for some time, and the big change really was with COVID – we all got put into lockdown and were trying to work via a VPN on a terminal server. So, it was a big challenge for the team just to use the system that wasn't really designed for long term remote working. And so that really pushed us to engage with Clarity Street to see if we could find a better way of doing it."

Within the industry, Matthew and his colleagues had heard about Clarity Street's offering and knew of other firms that had transitioned to Xero.

"Seeing how other firms rolled out their respective systems, and with very similar challenges to us, it did give me a bit of comfort to know we weren't reinventing the wheel – that there was a process out there that people have followed.

"And you could see the success they'd had so it certainly gave me comfort knowing we were in good hands with Clarity Street."

THE SOLUTION

Encouraged by the positive feedback and results gleaned from industry peers, McPhail & Partners approached Clarity Street CEO Amy Holdsworth and her team for their insights and expertise.

“We felt very comfortable working with Clarity Street and the expertise they brought to the table; we realised we didn’t have that in-house. We needed the help and so, we were willing to work with them to get to where we needed to be.”

DISCOVERY

The Discovery Phase saw Clarity Street assess and understand all aspects of McPhail & Partner’s internal operations, including getting to know each team member and their role in the firm.

“Clarity Street did interviews with every team member, so they all had an opportunity to get to know Amy and her team and prepare them for what was coming.”



We kind of did a full sweep through the place. Clarity Street came on board initially to do a discovery and looked into all our systems and processes to see where they might be able to assist us.

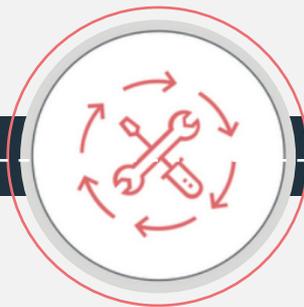
In the end, we actually went ahead with the full implementation of Xero and all the add on partners. So, there was quite a lot of change that happened and Clarity Street guided us through the whole process.



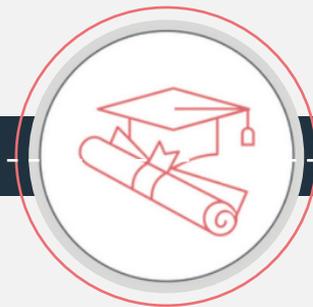
Clarity Street’s proven 3-step process



1. DISCOVERY



2. IMPLEMENTATION



**3. MASTERING
INTERNAL TOOLS**

IMPLEMENTATION

Over the 12 months that followed, Clarity Street collaborated with Matthew and the team to introduce and integrate a range of cloud applications including Xero Practice Manager, Xero Ledgers and Financial Statements, Practice Ignition, Practice Protect, ATO SmartDocs, FYI, and eSigning – setting up the firm to be automated and more efficient.

“We effectively changed every piece of the software that we were using. It was a big change.

“Clarity Street worked with us to ensure our old legacy systems were maintained while the new ones were coming on board.

“The firm as a whole didn't really skip a beat. And I don't think the clients noticed any difference to our process either. So, it was all pretty seamless from that perspective, but in the background, there was a lot of things happening at the same time.”

MASTERING INTERNAL TOOLS

The final phase focused on helping the McPhail & Partners team members master their new software and processes, while monitoring and evaluating progress. The emphasis here was ensuring the team felt confident and empowered, and that the new solution was client centric.

Addressing challenges

Some of Matthew's senior partners, were initially hesitant towards the change – it was a case of, 'If it ain't broke, don't fix it'.

“We basically said ‘We need to go this way’. We'd done the research and had the discussions with other firms, and the time was right. The partners did see that in the end and allowed us to just run with it and supported us through it.”

Another challenge, according to Matthew, was having to adapt and change processes regularly.

“Everything we did, every software we were touching, was basically being replaced, so we had to find new ways of doing everything again.

“I think in hindsight, one area I would have focused a bit more on is internal communication around the change process to make sure that everyone was doing things consistently.”



There were a few sleepless nights there where I did think, ‘Have we made the right decision here; is this actually going to come together?’ But, you know, I think that's where having Clarity Street on board was invaluable for us – we were having regular catch ups with them, and they were reassuring us throughout the process that we were on track.



THE OUTCOME



Everyone seems to have embraced the new system, and they're finding it's a lot easier to work with. I certainly see we've been able to get some efficiency through the team just with how the system integrates. Almost daily, team members are upgrading subscriptions, getting bank feeds going, finding other add-on solutions to help our clients. I think that's the exciting part going forward, that we can streamline and automate as much of the base level stuff as possible so we can really spend our time on that value-add piece and really just engage with the clients. And that's where we're looking to expand in this next twelve months and beyond.



Following the implementation, McPhail & Partners have seen some good improvements.

"We found that the write-offs in the business services team have come down, and the work is going out pretty quickly. I've also seen throughout the process that we are saving in terms of software costs."

Matthew believes the best results are still to come.

"We probably haven't seen the financial return just yet - it's a little bit early because we're still weaning ourselves off parts of the old system, but I certainly do expect that we'll get a better return on it."

Results and benefits

- Improved efficiency through system integration
- Savings on software costs
- Faster delivery to clients
- Clients appreciate ease and efficiency of electronic documents
- Conducive to remote and agile working
- Team members have embraced the change, stepping up, taking on responsibility

Advice to other firms

Having leaned on other firms for advice prior to making the change, Matthew is passionate about paying it forward and sharing McPhail & Partner's learnings. His advice:

- Go in with an open mind, be adaptable
- Get buy-in from the whole team
- Have the right support in place
- Focus on internal communication

"Having the support of others in the industry and hearing their experiences has been important because they're not trying to sell you anything, they just give you the honest feedback. If we can all develop together, the industry as a whole can improve and that's a benefit for everyone."

**Bring clarity, time and
ease to your practice**

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