

ORCHID'S INTER ENTITY LETS CLUB MYKONOS STAFF SPEND MORE TIME BY THE POOL

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JACQUES BLOM - FINANCIAL MANAGER

Company

Club Mykonos is a resort at Langebaan in South African's Western Cape province, with over 360 self-catering units. Club Mykonos Home Owners Association (CMHOA) is responsible for maintaining common areas, as well as performing maintenance and refurbishments on individual units.

There are multiple Bodies Corporate, members of which are the unit owners, who could be sole owners, consortiums, or companies owning one or more units. (www.clubmykonos.co.za)

Challenge

The Bodies Corporate are responsible for the collection of levies and other charges for the units within their domain, with all funds raised being paid to CMHOA.

Charges for the maintenance of common areas by CMHOA are billed directly to the applicable Bodies Corporate. Charges for work on individual units are billed to the unit owners, via the Bodies Corporate.

Club Mykonos were running Sage 300 Premium Edition, but it was only being used for billing, payments & receipts. There were about 13 databases representing CMHOA as the main company, plus each of the Bodies Corporate, with owners set up as debtors.

Maintenance projects were managed within a standalone QuickBooks application.

After job costs had been captured in QuickBooks, data would need to be handled multiple times in order to pass charges through to the unit owners. For each billing period:

- 1) A list of jobs would be extracted from QuickBooks, and sent to the CMHOA finance department.
- 2) Finance would re-create those entries in the main company within Sage 300.
- 3) They would then create matching entries in the applicable Body Corporate companies.
- 4) Finally, they would create invoices from the Bodies Corporate to the relevant unit owners.

Given the volume and complexity of maintenance jobs and associated inter-company transactions, this highly manual and inherently error prone process was clearly not sustainable.

Jacques Blom, Financial Manager of Club Mykonos Resort, described the problem as follows. “Due to the nature of the resort and the multiple legal entities under our management, we are running 10 sets of books and separate Accpac databases. We needed to be able to render a service to an owner from one entity, and for invoicing to appear on his debtors account in another entity.”

Solution

CMHOA engaged Affinian ICT Solutions for advice on how to more efficiently manage these billing cycles, while also achieving better control over the maintenance job inputs and outputs.

Affinian's proposal was to implement Technisoft's Service Manager product for management of maintenance jobs, and Orchid's **Inter Entity Transactions** and **Inter Entity Trade** to automate the resulting inter-company transactions.

Data would now only need to be handled once:

- Service Manager's integration with Sage 300 meant entries would be directly created within the CMHOA company.
- Postings in CMHOA would trigger Inter Entity to automatically generate associated entries in the relevant Body Corporate companies, and create invoices to unit owners where required.

Result

Previously, CMHO would spend most of the month collating, reconciling and then having to enter information in duplicate, and sometimes triplicate.

Inter Entity was configured to ensure that all relevant transactions were triggered based on supplier, customer or type of charge. "As much as we believed Inter Entity would solve the issues, it was only once implemented that the true advantages were known", said Affinian's Abrie Pretorius.

Jacques Blom reported that Inter Entity filled the gap they had, enabling them to charge correctly and seamlessly. "Where we used to have to manually reconcile and invoice, all intercompany transactions are now being performed automatically. We are saving a lot of time during the course of the month, and also at month-end", he said.

The users reported it was now as easy as pressing a button to ensure the correct transactions were processed in all companies.

For the first time in years they could send out statements in the first week of the new month.

As well as saving time, they were fielding fewer queries, and needing to make fewer corrections.

Why Orchid?

Orchid Systems, a global Sage Endorsed and Gold Development Partner, has been part of the Sage community for over 20 years. We develop innovative Add-ons to enhance the functionality of Sage 300 (formerly Accpac).

We are a winner of multiple awards from Sage, including International Development Partner of the Year. All our Add-ons are developed within the Sage Software Development Kit (SDK), so they look and feel like other Sage 300 modules.

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