ApprovalMax **icehouse**

How automated approvals help Icehouse's world-class services

Who are The Icehouse?

With over 20 years of experience in helping grow New Zealand businesses and start-up investment, The Icehouse are no stranger to innovation and can spot a valuable tech solution when they see it. During this time, they've worked with and invested in some well-known local companies, including Sharesies (an investment platform), Hnry (a SaaS tax tool for sole traders), and Dawn Aerospace (a sustainability-focused space engineering firm) and established themselves as two businesses:

The Icehouse: Drawing on years of collective business experience, The Icehouse creates opportunities for NZ-based SME businesses to learn from seasoned business owners and innovators through results-driven business coaching.

Icehouse Ventures: Emerging as a venture capital facet of the business, Icehouse Ventures operates as a seed fund investment firm dedicated to growing New Zealand's most promising tech start-ups through capital investment and extensive scale-up know-how.

For easy reading, we'll be referring to the collective companies as 'The Icehouse' throughout this article.

As The Icehouse grew and began working closely with more and more companies, so did their need for a solution to streamline their invoice approval process. By 2016, they needed a tool that would be easy to set up, integrate with Xero (which they'd recently moved to), and replace their paper-based approval system with automated workflows. That's where ApprovalMax came in.

Sebastian McLarin, Financial Controller at Icehouse, said of their journey to automated invoice approvals:

> **"We were one of the early New Zealand-based customers for ApprovalMax back in 2016. We were new to Xero and looking for a solution to help us automate or streamline our invoice approvals; there wasn't a lot out there at the time, but after looking at ApprovalMax, I found it did exactly what I was looking for. If you're looking for approval software, ApprovalMax is a great solution."**

Why a paper-based approval system wasn't working for The Icehouse

Before they moved to automated invoice approval software, The Icehouse relied entirely on a paper-based approval system that required a lot of time and energy from the company's key decision-makers. This process was so demanding that it needed a full-time employee to manage the paper trail, and it could take weeks to get an invoice approved, let alone paid.

Eventually, The Icehouse adopted Xero's cloud-accounting platform, moving away from Microsoft Navision, the legacy ERP system they had used. Despite the change to Xero, they were yet to make the leap to automated approval workflows, but it didn't take long. Once Sebastian and the team were familiar with Xero's capabilities, it became clear that they needed a way to automate the process and create an efficient channel for their approvers.
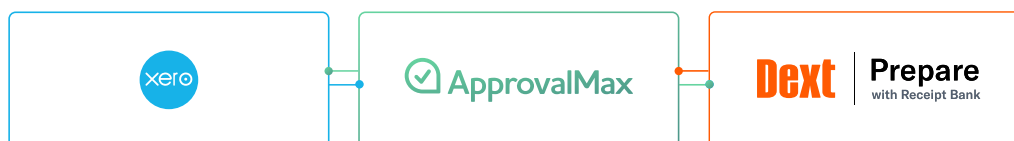
> **"Previously, it could take weeks to get an invoice signed off and approved for payment. We used to use Microsoft Navision. Everything got printed off, signed by managers, and then filed somewhere. When we moved to Xero and then ApprovalMax, it moved everything paperless so invoices could get approved anywhere at any time."**

With ApprovalMax and Xero, The Icehouse were able to take their accounting processes to the next level. Not only did they create a tracked and transparent process for their accounts payable and receivable, but they also moved away from an outdated paper-based system that was holding them back. But they needed to add two more pieces to the software puzzle.

How Icehouse's have integrated their chosen accounting tech stack

Let's take a look at how The Icehouse's chosen tech tools work together:

Xero – As one of the most popular cloud accounting platforms available, Xero offers its users a wide range of clever features that help to simplify work for accountants and finance teams. Within The Icehouse's app stack, Xero is the hub for record-keeping and app integrations.

Dext Prepare – Dext Prepare, previously ReceiptBank, is a powerhouse data-capture software that enables users to automate the data capture process and add financial documents to Xero (and other accounting providers) without manual effort.

ApprovalMax – ApprovalMax integrates seamlessly with Dext Prepare and Xero to create an all-in-one accounting service that reduces manual tasks and improves efficiencies across the board. With ApprovalMax, users create automated approval matrixes that facilitate the approval process anywhere, at any time. Features like bill-to-PO matching, budget checking, and the dedicated mobile app mean that approvals happen with just a few button clicks, anywhere, any time.

> We've automated most of our AP and AR processes. Whenever something comes into our Accounts Payable Inbox, it's automatically forwarded to Dext. From there, Dext codes the documents and the decision-maker in the approval matrix will check the details and code the invoice. At that stage, it's then flicked straight through to Xero and ApprovalMax.

How automated invoice approvals changed The Icehouse's finance efficiency

With three people across their finance team, 10 approvers, and around 400 invoices each month across both sides of the business, The Icehouse needed a transparent approval matrix that did the heavy-lifting for them. Sebastian set up a multi-tiered approval process with 3 levels, simplifying the process while ensuring that all documents were tax compliant.

Level 1 – Caters to smaller invoices like those for The Icehouse's coaching services. Level 1 is the first stop for smaller invoices.

Level 2 – All invoices go through to level 2 which is where it reaches the respective manager.

Level 3 – Dedicated to any invoice over $1000. At this stage, it goes to the COO for review and final approval.

This process works so well for Sebastian and the rest of The Icehouse team that they haven't changed it since they started using ApprovalMax in 2016. Their AR and AP workflows run like a well-oiled machine, and thanks to approval automation, so the managers and decision-makers can focus on the valuable work they do with locally-owned businesses. Best of all, ApprovalMax's mobile app and the automated approval matrix mean that The Icehouse's approval process is now so efficient they've cut their invoice processing time by more than 80%, allowing them to get financial documents approved within a matter of hours!

Final Words from The Icehouse

With three people across their finance team, 10 approvers, and around 400 invoices each month across both sides of the business, The Icehouse needed a transparent approval matrix that did the heavy-lifting for them. Sebastian set up a multi-tiered approval process with 3 levels, simplifying the process while ensuring that all documents were tax compliant.

"Before we started using ApprovalMax, our approval process involved printing receipts and handing them over to the responsible managers for their signature, which required a full-time person to manage. With ApprovalMax and Dext, we reduced invoice processing time by up to 80% and now do the same job with half the headcount."

How ApprovalMax benefits business development and investment firms like The Icehouse

Investment companies and venture capital firms base almost their entire business around revenue injections, business development, and prosperity. To do this well, they need to have their own financial systems ticking over smoothly. That's why the combination of cloud accounting, data capture, automation and reporting that integrate seamlessly creates a symbiotic process between business and financial management. So how does ApprovalMax fit in?

- Transparent processes mean that any financial activity is recorded and accountability is shared among stakeholders (with investment, this could mean large sums of money so it's essential that these activities are easily reviewed and audited).

- Reduced fraud risks thanks to tools like bill-to-PO matching, budget checking, and multi-tiered, multi-rule approval matrixes.

- Faster approvals and payments thanks to an approval matrix and mobile app that prompts decision-makers for on-the-go management.

Checklist: How to know if your organisation needs approval automation

Unsure if you're ready to automate your approval processes? Here are a few simple but important questions to get started. Complete the checklist and learn how automated approvals could streamline your finance function.

☐ **Do you spend more than 30 minutes per week chasing approvers?**

Automating the approval process replaces the need for manual approvals, reduces delays & keeps stakeholders updated, giving you more time to focus on high-value work.

☐ **Do your clients or business have multiple levels of authorisation?**

Simplify the authorisation process and ensure the right invoices get to the rights approvers on time – and with real-time notifications, the approver will be notified as soon as they receive a new invoice.

☐ **Do you approve more than 30 bills or purchase orders each month?**

Time equals money! Data shows that approval automation not only saves time but also helps speed up the approval process.

☐ **Are budget holders or decision-makers spread across various locations?**

Automated approval workflows will remove any uncertainties and ensure the invoices and bills are approved on time, budgets a maintained, and all compliance needs are met.

☐ **Do you spend more than 30 minutes per month compiling approval logs for audits?**

Did you know that if you use an approval automation system to track and capture all approval decision details automatically, audit reports can be prepared in just a few clicks!

Did you answer yes to any of the questions in the checklist? Then it's time you made the move and automated your approval processes. Get started with a trial today or register for one of our product demos.

Start a trial