JG King Homes Case Study

About our client, JG King Homes

John G. King started building homes in 1985 under the JG King Homes banner. His strategy was an innovative one – pioneer a new standard of home building and do so exclusively with steel frames from BlueScope steel. The JG King 50-year structural warranty is something no other volume builder in Victoria offers.

Since then JG King has built more than 20,000 homes, won countless awards and, most importantly, collaborated with 10's of thousands of families to build their dream homes. JG King employs approximately 400 employees in its endeavours and process 10,000 to 13,000 invoices per month.

Why did JG King approach Redmap?

"We are a big business that was, in some ways, operating the same way as when John started it back in 85. There were countless opportunities to better leverage technology to gain efficiencies in the business and I identified the AP process as one such opportunity", Angelo Tsagarakis JG King Chief Operating Officer.

JG King had seen their AP team grow to 16 heads pre-automation and there were two main challenges with this.

"There was so much pressure on the team to process invoices that we were finding it difficult to keep people employed in the role. What was driving this pressure was requirement to comply with the Security of Payments Act, which essentially means that if we don't query an invoice within 7 days, we have accepted it and it is due.

"My team was burning out and it was not uncommon to see them there at nights and weekends at period end. As a leader I felt it my responsibility to solve the problem if not from a financial capacity in my role at JG King, but also from a human element", continued Angelo.

JG King accepted proposals from 4 Vendors to automate their AP process and went through an extensive selection process. Redmap was selected.

"Their sales process was one of the reasons I endorsed the Redmap offering", Matthew Thornton Chief Information Officer JG King. "They took their time to understand our requirements before even accepting our request to submit a proposal. They were transparent as to the risks they saw in the project and pushed back on some of our requirements. It was clear that they had done this before and that provided me great comfort given that it would be my responsibility to deliver this project to the business."

What did Redmap do?

JG King use two applications to manage their business, as it pertains to the payables process. Purchase Orders and the management of the Job Costing is performed in Workflow Management Suite (WMS) and the invoices are posted into Timberlink ERP. The data is transferred between the systems via a middleware product called InSynergy.

At the core of all AP automation projects is a need to use data from the invoice to manage its approval in the business. To that end Redmap extracts the data from the invoice, checks this data against the PO's in WMS via InSynergy and based on this either posts the invoice directly to Timberline (again via InSynergy) or sends it to a resource for their approval.

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**What did Redmap do?
(continued)**

"Our implementation was part product implementation and part software development given the complexity in the business created by the multiple solutions that we use. It was further complicated by the fact that we are essentially 4 different businesses inside one, with very different requirements", said Angelo.

One such complexity in the business is the management of invoices that are to be re-billed to other parties. On a job site it is not uncommon to see damage caused by a sub-contractor and these costs are re-billed to them, the brick-layer broke the vanity for example.

Redmap integrated the AR function of re-billing into the AP process to ensure that these costs were re-couped. Invoices that have a re-billing component are sent to a further workflow to give the Finance team visibility to those invoices and also to raise the appropriate claims.

The project took almost 12 months to complete across the 4 different business units and JG King haven't looked back since. "I was really impressed with Redmap's project delivery. Change is hard and Redmap held our hand throughout it all. Whether it was pro-actively identifying issues or acting as a sounding board to bounce ideas off, Redmap really were our partner in this process", said Angelo.

**What was the outcome
for Evolution Mining?**

JG King provided their field resources with a fleet of iPads to allow them to approve invoices on the fly and the results speak for themself. Invoices are now processed in close to real time, the Finance team have complete visibility over the process and ~$750,000 of cost benefit has been driven to the bottom line, yearly.

"This project is a source of great pride for my team. Whilst it was really hard at times, and much of that was our own internal challenges, I smile when I think of how far we have come. I knew that there were significant head count savings in automation and so as my staff left the business via natural attrition, I employed temp staff to re-fill the vacated positions. This gave me great flexibility as we started to go live business unit by business unit.

"The team in the field, the ones that we gave iPads to, used to drive into the Port Melbourne office from as far away as Ballarat to approve their invoices. Now they just get an email and do it on the spot."

"We have dramatically improved our Vendor relations and the team have not had to report to work on the weekend for years. Removing $750,000 worth of costs from the business didn't hurt either", concluded Angelo.