Saltash Town Council

Zahara - Purchase Management Solution Report

About Zahara:

- It is a cloud-based purchase management solution
- It runs invoices and controls budgeting
- It has a purchase invoice approval workflow automation
- It raises purchase orders and approval by email
- It supports departmental budgets to monitor spend
- It integrates into accounting software Xero
- Optical Character Recognition (OCR) software matches invoices, link orders, and imports data into the accounting system

What is on offer...

- Councilor approvals in one email
- Audit requirements met
- Supports paperless working
- Staff facility to raise purchase orders with transparency of budget availability and commitment
- Saves time and money

Currently Saltash Town Council generates

120

Purchase invoices

Per Month

(27 per week)

WATCH ME

Current Purchase Process Vs Zahara

Current Purchase Ledger Process

- Approximately two day's a week is spent administering purchase ledger and data entry tasks

- sending, saving and uploading purchase invoice approval emails to xero accounting software

- Generating purchase order numbers for staff so they can place orders

- Data entry of purchase invoices onto xero

- Matching purchase invoices to outstanding purchase orders

- Updating spreadsheet to fulfil audit requirements

Benefits of Zahara Software

- cloud-based software is focused on giving organisations complete visibility of expected costs and enables better spend control

- The software helps get those month end figures produced faster with much less effort

- An efficient way to get spend approved – whether before or after an invoice arrives

- Easy to use, it seamlessly integrates into current systems, creating joined up solutions around a central platform

- Built-in OCR invoice recognition and customisable document management options

- Approvals for both spend requests and vendor invoices can be created engaging the right people to take decisive action

Some examples of the benefits...

- Councilors and Line Managers can approve purchase invoices from their phones with an app.

- Councilors and Line Managers can choose to have one email sent and login to Zahara to approve your allocated list of invoices and avoid clogging up your inbox with multiple approval emails

- Matrix can be set up on each committee budget code to send all relevant invoices to chairs of committees for their own budgets.

- Staff can generate their own PO numbers with automated approval requests sent to their line manager.

- OCR software reads invoices and matches against orders.
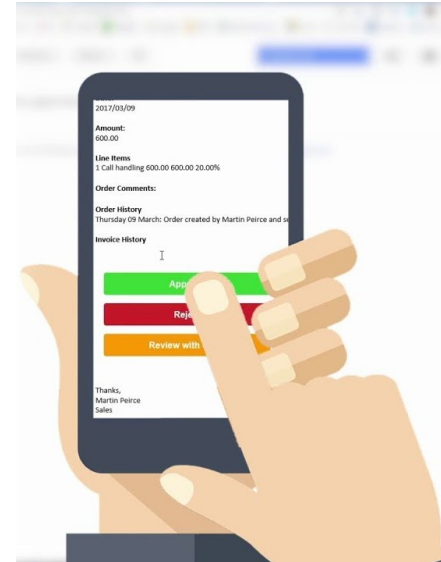
Comparative Costs

Current Costs

1 day a week finance administration: sending, saving and uploading approval emails to Xero, data entry and current process of raising purchase orders. (Prior to covid was all dealt with on paper and wet signatures, which we want to avoid returning to post covid)

Amounts to £529.51 per month (inclusive of Employers NI and pension contributions)

which is a total cost of £6,354.12 per year

Zahara Costs

£1,351.50 Per Year / £112.62 Per Month

(15% discount implemented as STC is a 'not for profit organisation' prices exc VAT)

Read Saltash Town Council's Proposal from Zahara

Additional Costs

8 Hours Training & Implementation Cost - £850

OCR Software - £360 – for 1200 invoice's this is a PAYG element

Total Cost

1st year £2,561.50

2nd year £1,762.84

(inclusive of 3% CPI-Consumer Price Index)

All costs exclude VAT

Budget Availability

Sage accounting software moved to Xero in 2018 which the Council have since seen savings of

Annual Saving of £1,419

Budget code 6305 Sage Accounts (Payroll and accounting software) – included in P&F budget combined line IT/Office costs

Jan-Mar2021 Budget available £1,000.00 & Zahara costs £427.87

1st year 2021/22 Budget available £1000.00 - And an extra £750 has been precept for 2021/22 to cover the cost of this software

Zahara costs **£1351.50 software + £360 OCR invoices = £1,711.50**

Budget code 6656 P&F Staff Training

Jan-Mar2021 Budget available £400 and a virement of £450 from Service Delivery training budget will need to be approved to be moved across to P&F staff training to cover **8 hours Training / Implementation** Zahara costs £850

Testimonials

Zahara is used by other companies international and local:

- St Mellion Golf club

- Improving lives (A Plymouth charity, supporting and inspiring people to improve their health and wellbeing).

- Woking borough Council – Housing department

Recent Zahara clients testimonials

" The approval process in Zahara has given us more control and better visibility of spend". Martin Burnell – British Airways Holiday

BRITISH AIRWAYS
Holidays

"Care homes group CHD Living brought their spending under management and found an easy way to enforce budgetary discipline."

chd living
Live Your Life Your Way

"With 105 retails outlets, Lush wanted a truly paper-less AP process and turned to Zahara."

LUSH FRESH HANDMADE COSMETICS

RESEARCH & COMPARISONS

1) Finance had a demo from a company called **Lightyear** which was not suitable due to the software still being developed.

2) **ApprovalMax** has been tested by STC finance department and Members for a one month free trial. It proved simple to use and seamlessly linked with Xero to provide approval workflows and a purchase order raising facility.
However, Approval Max did not provide the future proofing STC requires for moving forward in a way that can be integrated across the Council as well as not offering OCR software capabilities.

3) **Zahara** has been tested by STC finance department for one month.
Zahara is much more sophisticated piece of software than ApprovalMax.
The cost is comparatively higher than Approval Max but the features on offer are vastly different see 'categories' section on link below.

The OCR facility for matching to orders which will save a lot of processing time.

Main additional feature is providing an end to end paper trail, from budgeting, purchase orders, shipping document's and finally invoice's, covering all spend processing needs.

Click link to website which compares **all three** software packages

Recommendation

To procure and implement the Zahara Software
Reasons for this recommendation:

Saltash Town Council auditor confirmed "this software sounds very sophisticated and cannot see any problems from an audit point of view."

➢ Streamline approval process and fewer emails for all involved

With this application Councillors would have one portal to log into and view approvals.

➢ Improvement of the procurement process and future proof

Devolution will increase purchasing, the current system will not keep up with demand. The purchase ledger volume has tripled since the implementation of Xero from around 10 invoices per week to nearly 30 invoices per week.

➢ Finance department time can be more efficient

Focusing on other areas which require attention and improvement. Offering additional transparency functionalities meet crucial date requirements relating to audit.

➢ Paperless working

Currently 15+ leaver arch ring binders are brimming full with paper for 2019-20 purchase invoices.

➢ NO additional IT requirements – Ian from IRQ has checked compatibility with our server and has said – "I can't see any reason why it wouldn't work."