

Customer Success Story

Client

Finstro

Location

Australia

Partner

Stratus

Product

MYOB Advanced Business

Industry

Fintech

myob

FINSTRO

Finstro backing more small businesses to succeed

- Multi-currency consolidation allows the finance team to report across multiple entities.
- End-of-month reconciliation and reporting take 50% less time.
- Set up to scale: powerful system has room to grow with Finstro.

There are over two million registered small businesses in Australia, and since 2014, Finstro has been helping some of those enterprises free up their time and cash flow to maximise their capacity for growth.

Finstro is a business partner in Trade Payments and seeks to inspire growth in B2B trade through innovative and integrated financial solutions. After identifying a gap in the market for an innovative lending platform for smaller businesses, it wasn't long before Finstro became a thriving entity on its own.

In seven short years, Finstro has already established operations in the Philippines and is about to commence operations in the US market. With MYOB Advanced Business, the company is set to tackle its growth targets and ensure easy reporting across multiple entities and operations from the one system.

Solving small business cash-flow problems

For many small businesses, inconsistent cash flow can cause major problems, and often hinders people from achieving their financial goals. That's where Finstro steps in. Its simple revolving lines of credit have provided over one billion dollars in finance to small business entities.

Finstro has spent the past three years heavily investing in its proprietary technology, most recently launching its first card product to market. That means businesses can access credit more easily, and repayment terms can be adjusted to meet business needs.

Complex entity structure causing problems for old system

When Finstro was first established as a business unit of FC Capital, its finance system was Xero. When the company was spun out and separated, Finstro's finance team realised it needed to find its own ERP system, explains Chief Financial Officer Mark Donovan.

Because of Finstro's complex legal entity structure, it needed a system that had the power to consolidate and report across multiple entities – and allow for future growth into new regions.

"Normally, you'd probably just create a separate segment within your ERP system, but it was just too messy and too complex with the number of reporting entities that Finstro had at that point," Mark says.

"And things have only gotten more complex since then," he laughs.

MYOB hits key multi-currency criteria

The finance team considered several options, but in the end, chose Advanced Business for its capability to do multi-currency consolidation.

With a subsidiary in the Philippines and soon-to-be in the US, it was imperative for the company to report in different currencies at an individual entity level, as well as perform that all-important group-level consolidation.

“Multi-currency consolidation was a key criterion for the system and MYOB Advanced Business did that.”

Workflow efficiencies for finance and operations team

The nature of Finstro’s business means operations teams process an exorbitant volume of transactions per day.

“As you can imagine, there’s a lot of reconciliation that needs to happen between cash received in the bank versus what we’ve got recorded in our systems,” explains Mark.

Previously, those cash reconciliations were managed across multiple disparate systems. Advanced Business has streamlined those processes, providing greater efficiencies for all teams.

“We do all of that within MYOB which means there’s an audit trail, and review processes can be automated through the system.”

Month-end takes 50% less time

One of the most significant improvements since implementing MYOB Advanced Business is how much less time it now takes for the finance team to do month-end close.

The old system required a lot of manual data manipulation, which meant that typically, the books weren’t closed before working day 10.

“We’ve halved the time it took us to do month-end close. Now, we can do a full close for the entire Finstro group by business day five.”

Automated authority and approval structures

Before Advanced Business, authority delegations and approvals were mostly managed by email and sometimes even paper. It was a process that lacked security and visibility.

Today, all teams have a clear line of sight over approval processes. They’re able to delegate authority to people, especially mid-level managers, enabling them to review reconciliations that have been performed by associates.

“We wanted to automate our approval process and implement a proper audit trail, which MYOB Advanced Business allows us to do. Best of all, it provides people with accountability.”

Less manual manipulation, accurate financial reporting

At the top level, Advanced Business provides a “single source of truth” for Finstro, eliminating the need for manual workarounds of disparate systems.

Specifically, Mark and his finance team can analyse data more efficiently.

“It’s quite easy to drill down and identify reasons for variances, given that it’s all in the same system.”

It means financial reporting is less dependent on manual currency conversions and spreadsheet consolidation. The team can extract all the reports it needs from Advanced Business, without worrying about the complexity of multiple jurisdictions and different reporting frameworks.

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It's that control and structure that gives Finstro the confidence to tackle its growth targets head-on, Mark says.

"We need to replicate a lot of reconciliations and financial operational processes for the US, and we know that MYOB Advanced Business can do that for us.

Finstro worked with Stratus from the start of their process to determine the best solution for the business. Initially they implemented the software for the Australian company, but it was set up with the view to grow as they expanded into other markets. As the business grew, Stratus assisted Finstro with the setup of the system for additional countries. They consolidated reporting across multiple currencies, so everything was in one place, easy to analyse and setup in the format required for the board.

"Finstro has evolved in the past 12 to 18 months, and it's been really easy to configure MYOB Advanced Business according to the changes in the business structure. I know with a lot of other ERP systems it would have been difficult to do what we've done with the MYOB Advanced platform."

Summary

Innovative fintech solutions support small businesses grow

- Finstro helps small businesses free up time and cash flow to maximise their growth capacity by providing B2B trade credit solutions through its innovative lending platform.
- The company has established operations in Australia and the Philippines and are actively expanding into the US market.

Improvements since MYOB Advanced Business

- Multi-currency consolidation allows the finance team to report across multiple entities.
- Detailed reporting provides high-level, real-time insights for informed business decision-making.
- Automated processes replace manual reconciliations and conversions, greatly increasing the efficiency of finance and operational teams.
- End-of-month reconciliation and reporting takes 50% less time.
- Automated delegations and authority approvals provide visibility and accountability.
- Set up to scale: powerful system has room to grow with Finstro.