

**Southport Technology Group**

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# Haven Equity

Unified Payroll



# **Integrating Reporting and Accounting Systems to Standardize Processes Across Portfolio Companies**

**01. Acquiring Private Firms**

**02. Haven Equity**

**03. Source of Truth**

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**05. New Opportunities**

# 01. Acquiring Private Firms

Technology allows more private businesses to come to market and gives greater liquidity to small business owners

The past 20 years has been a good time for owners of smaller private businesses. Traditionally, owners have tough decisions to make when planning succession. When there is a familial heir in place, their decision is often the same one made by private business owners for the recent millenia. The next generation takes over. In some cases operational issues are addressed. Rarely ever does the owner have an opportunity for a transformational liquidity event.

Private acquirers have moved further down market every year. In part, this is a function of the top end of the market being more competitive. Technology also plays a role, allowing more due diligence and better management from a distance. Five decades ago, the idea of owning multiple small firms across a country the size of Australia would've required too much coordination. Technology alleviates that issue and has brought the smaller end of the private business market into greater liquidity. Owners now have more paths to succession, more ways to inject capital, and more ways to change their day-to-day role.

## 02. Haven Equity

Haven Equity offers owners a buyout option tailored to the long-term health of the company

Haven Equity is one such acquirer. A new model for private equity where experienced operators offer owners a buyout option tailored to the long-term health of the company being purchased. Haven Equity is interested in long-term ownership, which is often an attractive option for business owners that have poured much of their lives into durable, sentimental brands.

Haven Equity focuses on industrial SMEs in the Australian market. They bring unique operational experience to this market, because of the founding team's experience in energy and environmental services. These businesses are incredibly sophisticated, often dealing with high CapEx and years of embedded industry knowledge. Haven Equity is in a good position to support the craft of these specialized businesses. They provide a two-part package that is hard to resist.

## 02. Haven Equity

It's common to find industrial sector businesses still using pen and paper for key processes

Money is the first part of their equation. Whatever the liquidity plan, unreserved investment funds are the best defense for a long-term strategy. As more private firms are entering the market for acquisition, buyer friction has reduced, and pricing information is more seamless. The second and often underestimated value comes from technology and streamlining operations. It would be strange to find tech companies that are not using cloud services for customer or financial management. In the industrial sector, however, this is very common. It's not crazy to find profitable, sophisticated businesses running dated, manual processes with pen and paper.

## 03. Creating a Source of Truth

Haven Equity brings a standardized data, analysis, and accounting playbook to acquisitions

As part of the playbook, Haven Equity has centered their data retention and analysis on the popular Quickbase platform. Quickbase is a sophisticated relational database with user-friendly administrative and reporting capabilities. The Quickbase API is full-featured, so it's a strong candidate to sit alongside another bespoke platform. Southport Technology Group has several years of experience in Quickbase integrations.

For Australia, New Zealand, and UK-based firms, there is at least one very good reason to choose Xero as an accounting solution. Xero, in addition to modern usability, comes ready with a robust API specifically tailored to the legal requirements for payroll in Australia, New Zealand, and the UK, respectively. Haven Equity has standardized their accounting processes around Xero, in the same way reporting and data retention is centered around Quickbase. They introduce the same accounting playbook across acquisitions. They've become experts in the platform and they benefit from its wider adoption within their syndicate.

## 03. Creating a Source of Truth

The data storage and accounting systems were not natively integrated

By nature, Quickbase is a reporting and data management system accessible by a wide swath of the organization. This makes it an ideal place to store employee records in addition to timesheets. Xero, on the other hand, is typically locked down to the accounting staff and management. The task was to build the integration from Quickbase to Xero, and back. In addition, it needed to scale with flexibility. As new companies are acquired, the system needs to integrate new Quickbase records with new instances of company accounting systems.

The challenges revolved around the specific data and authentication rules in place on the Xero side of the platform. The Xero payroll API was brittle on purpose, its intent was to ensure that users are following Australian laws, with little variance. Additionally, Xero authorization, unlike many APIs, still has to be triggered within the browser via administrator login and password. This brought an additional challenge, because the API could not connect to a background server process.

## 04. Seamless Payroll

Southport Technology Group developed a lean platform to integrate key systems

Southport Technology Group developed a lean platform that managed Xero connections to Quickbase organizations. Via a task server, account administrators are able to schedule or run payroll synchronization jobs. The synchronization pulls in and updates employee records, timesheets, timesheet line items, and leave requests. Simultaneously, it ensures that Quickbase has all the correct data categorization, including reimbursements, deductions, and payroll types.

Haven Equity now moves acquired companies into hours tracking via Quickbase. This is standardized and conforms entirely to Australian law. Business owners are already aware of the framework, while they may have performed the payroll process in countless other ways in the past. Companies moved into Quickbase have immediate payroll synchronization, directly to Xero. From Xero, they can arrange payment and put all the reporting in place for tax purposes. Account administrators receive robust notifications about the status of their jobs and payroll. Across companies, this can be further refined to alert and provide information to key stakeholders involved with one or two companies.

## 05. New Opportunities

The extensible platform allows for future integrations

Unified Payroll is one complete platform, but a platform that is completely extensible. As Haven Equity moves forward in their model, they are integrating with more API-driven platforms. This, as always, provides a unique opportunity for Southport Technology Group to build more wedges in between the disparate systems.

Our longstanding relationship with the IT organization creates the perfect incentive for continuous R&D. Haven Equity has been one of the more seamless client relationships. When brainstorming a project, everything comes in the friendly form of “This is what we’re trying to do, how do we get there?” Their unique understanding of system design has made them an excellent and reliable customer. Haven Equity has done excellent work defining their criteria and applying it to acquisitions. It’s no shock they manage similar accuracy in their tech projects.

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