



SAPHILA 2014
9-11 JUNE 2014 | SUN CITY



AUTOMATED VENDOR RECONS IN SAP



AFGRI Creditor Function

AFGRI comprises of multiple divisions & company codes across **SA** & rest of **Africa**

Over **3,000** vendor statements per month

Processed by a **single** central **creditor department**



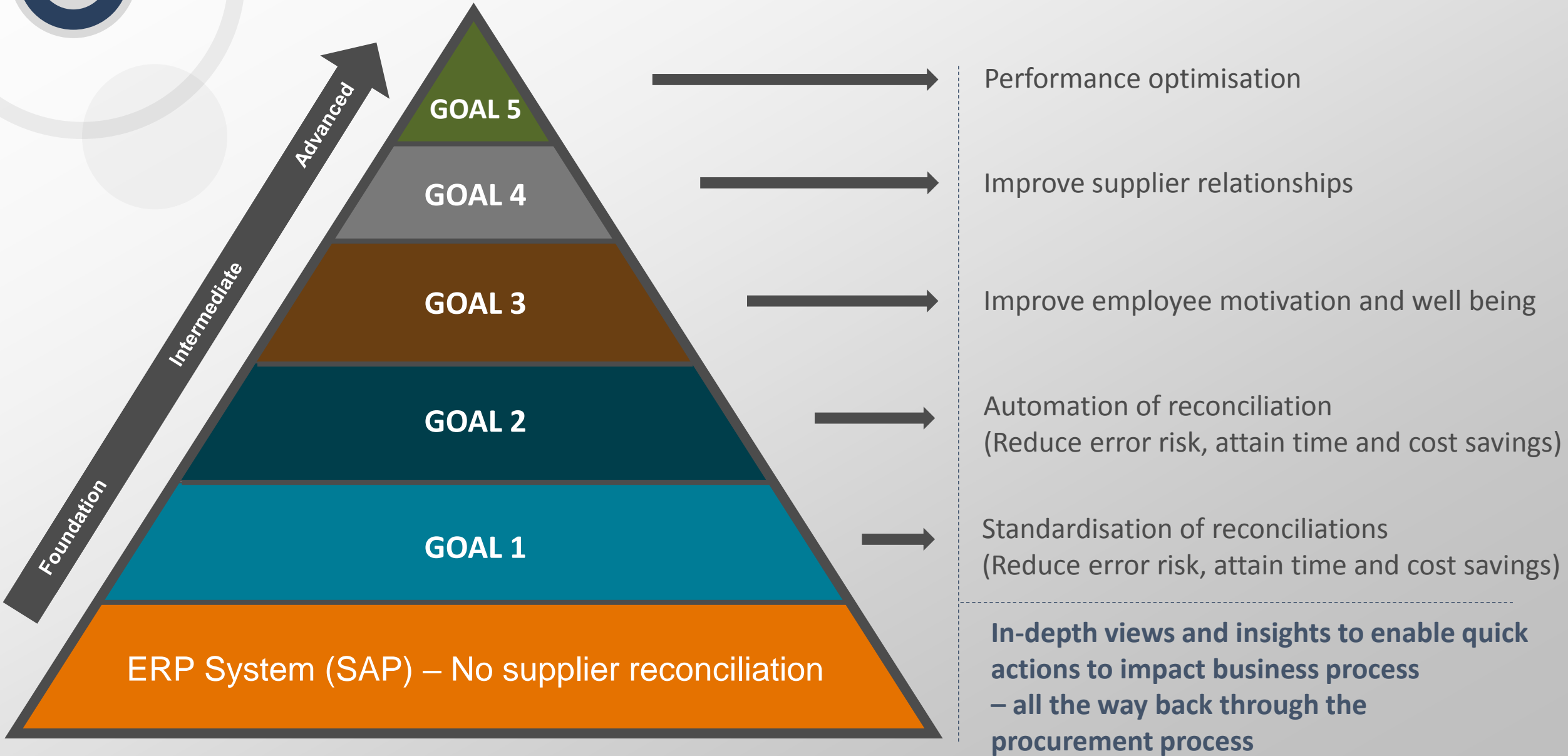


Retail
Grain Management
Financial Services
Foods





AFGRI vendor recon goals





VENDOR PROCESS



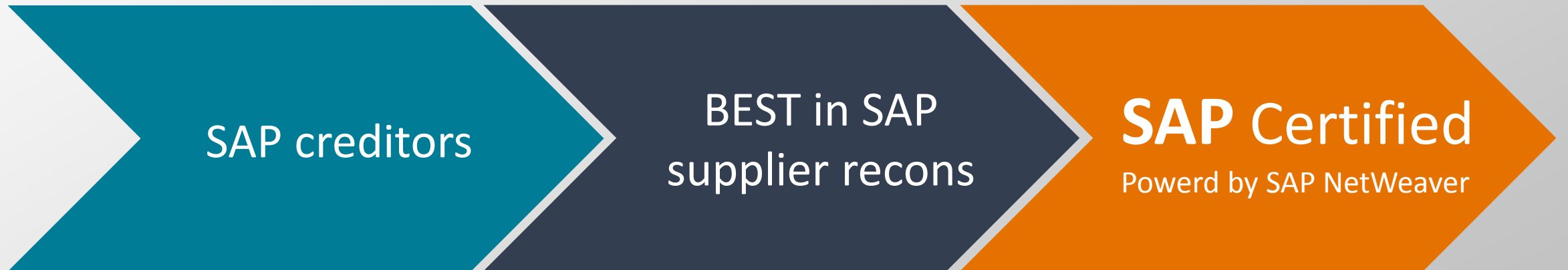
Problems with reconciling vendors outside of SAP

- Costly
- No system controls or audit trails
- Limited, cumbersome and inaccurate management reporting
- Risk of reduced cash flow, lost discounts, overpayments, delayed payments, supply disruption, etc.
- Employee disruption



What is BEST?

BEST is a **SAP** certified add-on module





Reconciling vendors with BEST in SAP

Multiple Statement Formats

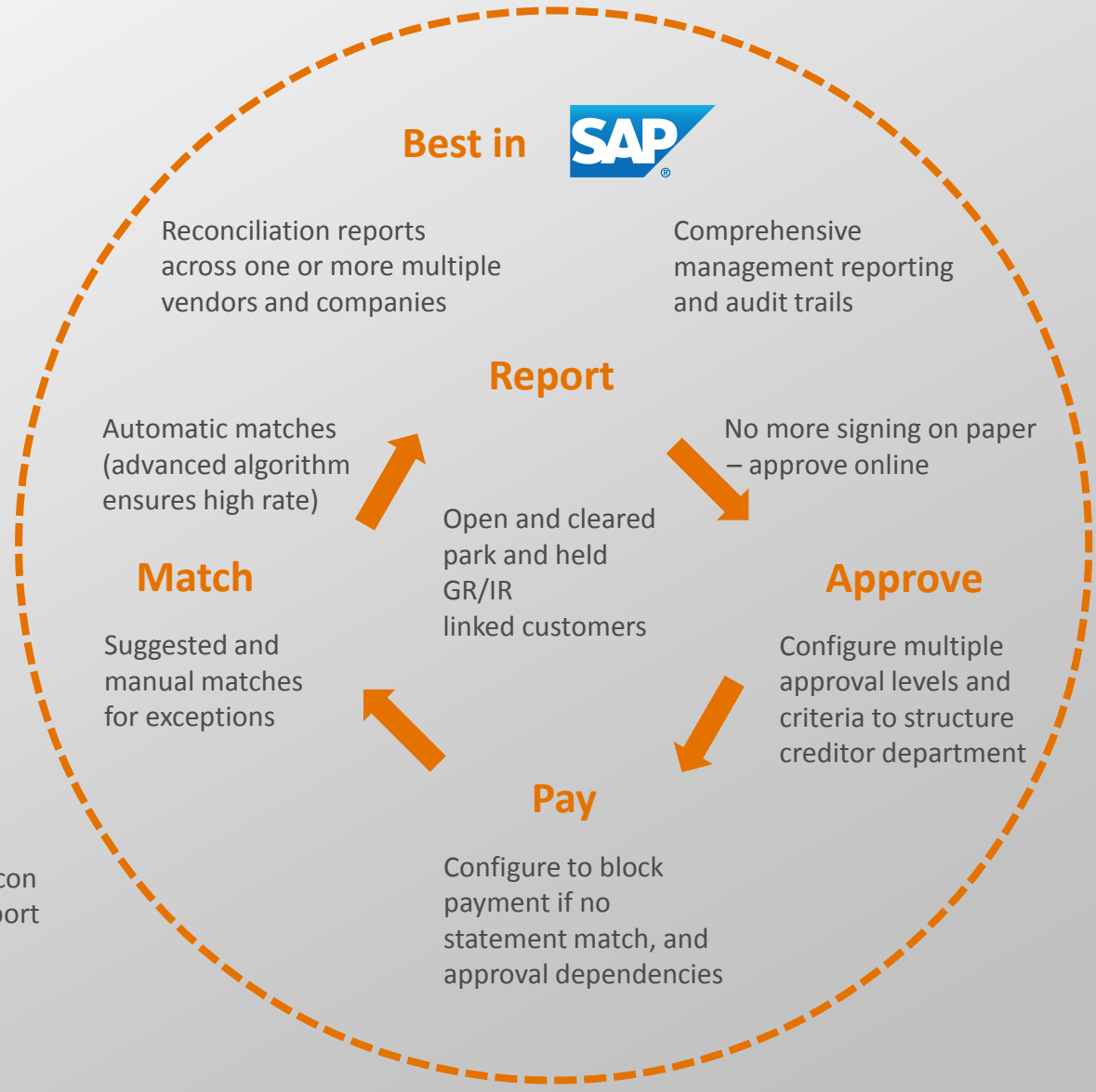
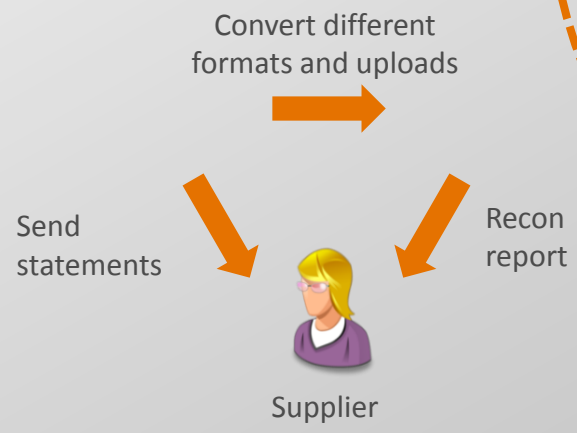
Electronic EDI/FTP/iDOCS

Paper

Website/portal

Email

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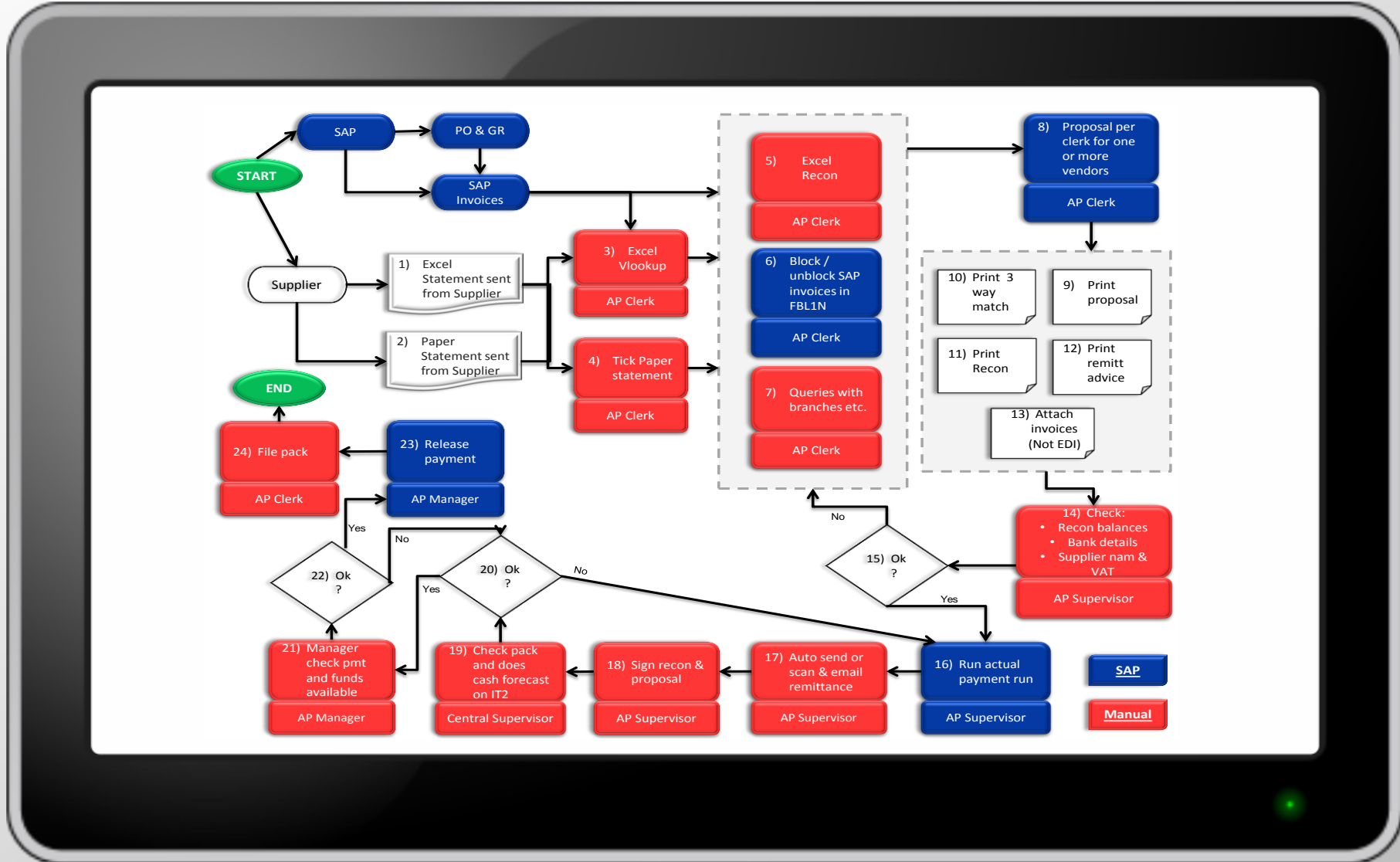




AFGRI vendor recon process – “before”

Manual

SAP



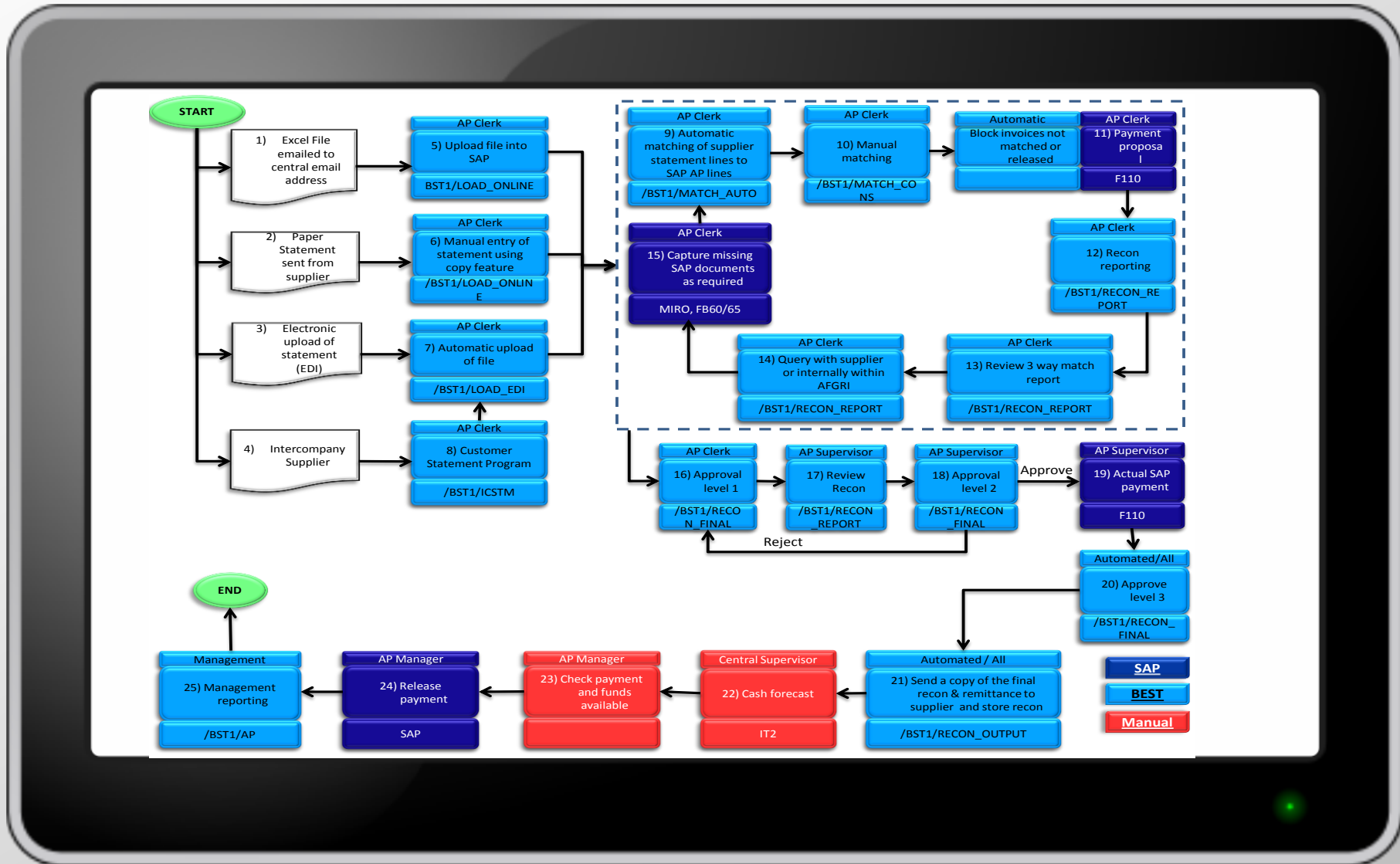


AFGRI vendor recon process – “after”

SAP

Manual

BEST in SAP





AFGRI recon format & categories

Balance As Per Statement	31.03.2014	19,897.28
Payments Not Credited or Allocated		37,476.76
Discounts Not Credited or Allocated		1,500.00
Statement invoices not paid		-48,869.81
INV Not Yet Processed - Please Send INV & POD	-34,392.43	
INV Not Yet Processed - Please Send INV	-11,968.47	
INV Not Yet Due As Per Payment Terms	-594.85	
INV Under Query	-1,914.06	
Outstanding Statement Credit Notes		43.09
Rebates Not Yet Credited		-416.29
Other Adjustments - Vendor		-6,990.46
Other Adjustments - AFGRI		-91.44
Payable Before Discount		2,549.13
Our payment	dated 31.03.2014	2,549.13-



Statement loading & recon approval

60% of statement loaded electronically
Smaller vendors paper copy
No signature
Approved online





Recon & management reporting

Recon reporting
Tracking approval status
Statistical analysis
Payment analysis





Auditing

- Recon report stored in SAP for future
- Audits much simpler
- Reports to validate vendor balances
- First audit with BEST went very well





**BUSINESS
BENEFITS ACHIEVED**



Time savings

40% staff reduction in a year

10% of day spent on recons

ROI on staffing costs in **1 year**



Time savings

Statement size	Pre BEST processing time	With BEST processing time
Small – 5 lines	30 minutes	7 minutes
Medium – 50 lines	1 day	20 minutes
Large – 1000 lines	1 week (grocap)	<45 minutes
Very Large – > 10 000 lines	2 – 3 weeks (partrite)	2 – 3 hours



Vendor spend



Time to resolve queries
Saving on vendor spend



Summary

- Cleaner supplier accounts
- Structured department
- All recons follow the same logic and structure
- Less mundane
- More resolution of issues and exceptions
- Improved supplier communication and relations



Summary

- Operational issues are highlighted
- Reduced personnel costs
- Reduced excessive staff turnover and training costs
- Reduced printing and storage costs
- Positive feedback from suppliers
- Improved management reporting and audit controls



International benchmarking exceeded

Current world class shared services accounts payable **benchmark** is **92%** of statement

Current world class shared services accounts payable **average** is **79%** of statement

AFGRI **performance** has moved from **81%** to **95%** of statement in one year



Questions?