AUTOMATED VENDOR RECONS IN SAP
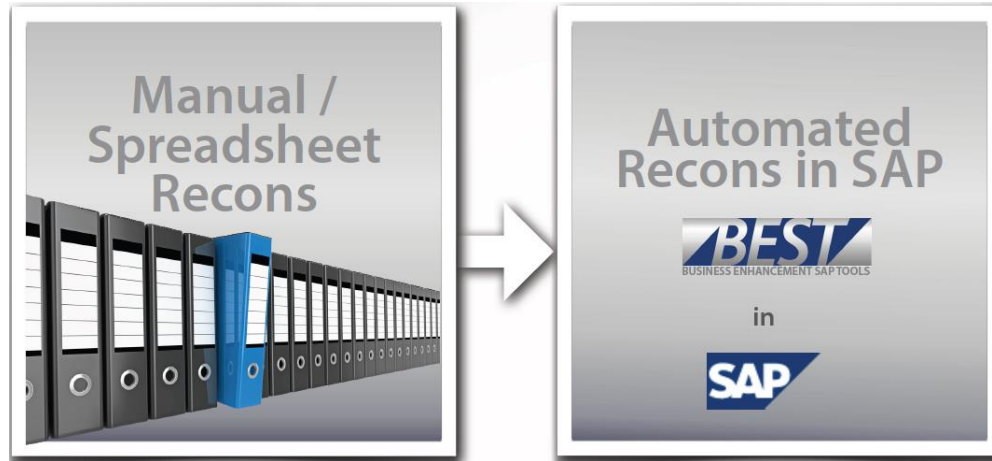
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BEST

Automated Vendor Recons In SAP

Manual / Spreadsheet Recons → Automated Recons in SAP — BEST (BUSINESS ENHANCEMENT SAP TOOLS) in SAP

The AfriSam Experience

What We'll Cover

- BEST Vendor Recons In SAP
- About AfriSam
- AfriSam's BEST Implementation
- Questions

What is BEST Vendor Recons?

➢ Standard SAP does not include functionality to process supplier statements.

➢ Businesses process supplier statements manually (ticking off paper statements!), outside of SAP.

➢ BEST is a fully integrated SAP add-on module.

➢ Simply, the benefits are all those associated with system processing rather than manual processing.

BEST -> Built In SAP For SAP

SAP Certified
Powered by SAP NetWeaver

- ➤ The product has been certified by SAP Germany and conforms to SAP standards.

- ➤ Standard SAP is not modified in any way. Never!

- ➤ Use of standard SAP plug-ins to ensure seamless integration to SAP Creditors.

- ➤ Additional custom screens and reports.

- ➤ Upgradeable as conforms with standard SAP methodology.

- ➤ Tried and tested functionality. BEST is already built. It works!

- ➤ Fits within current IT architecture -> same hardware, authorisations, transport and control procedures, SAP support staff etc.

BEST Reference Sites

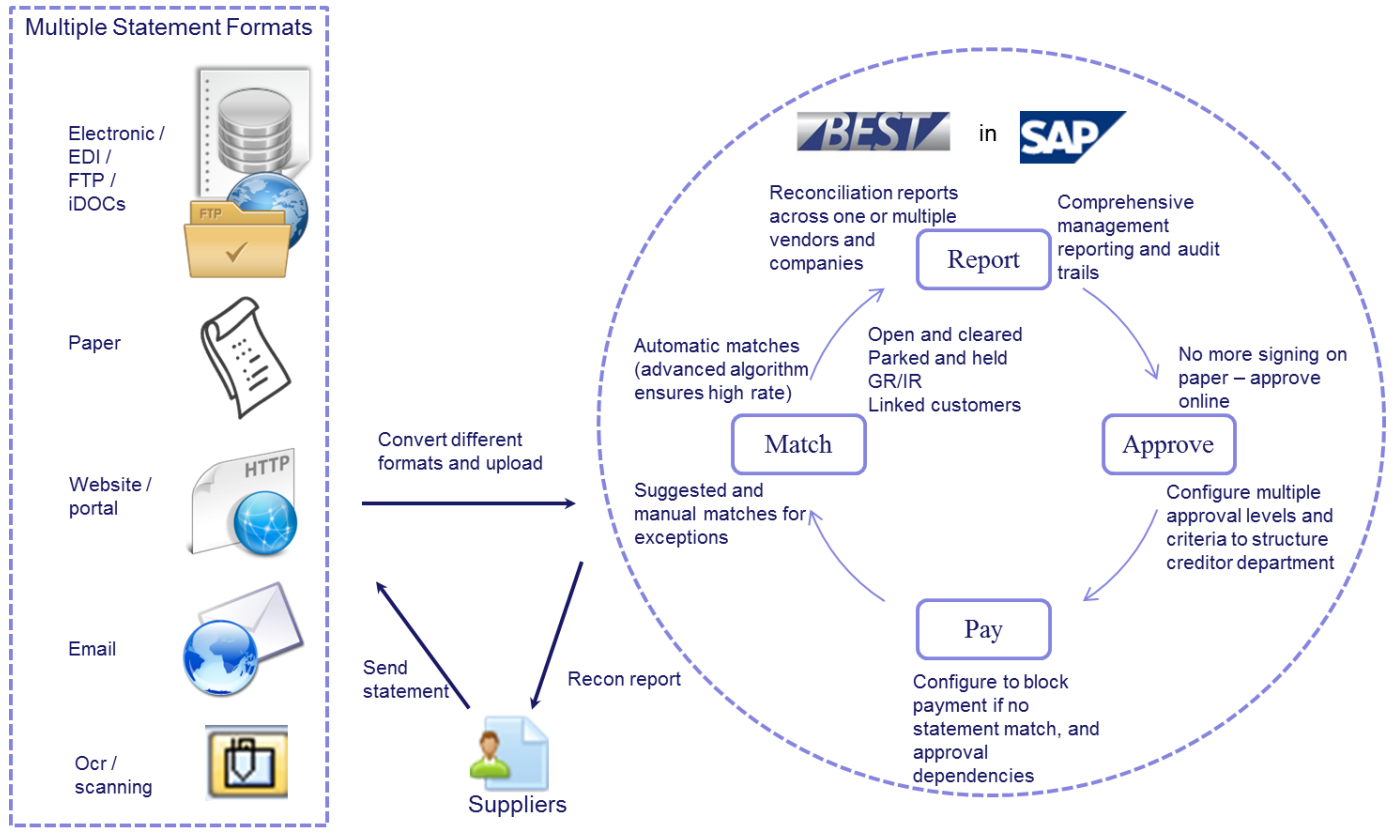# Supplier Reconciliation Without BEST
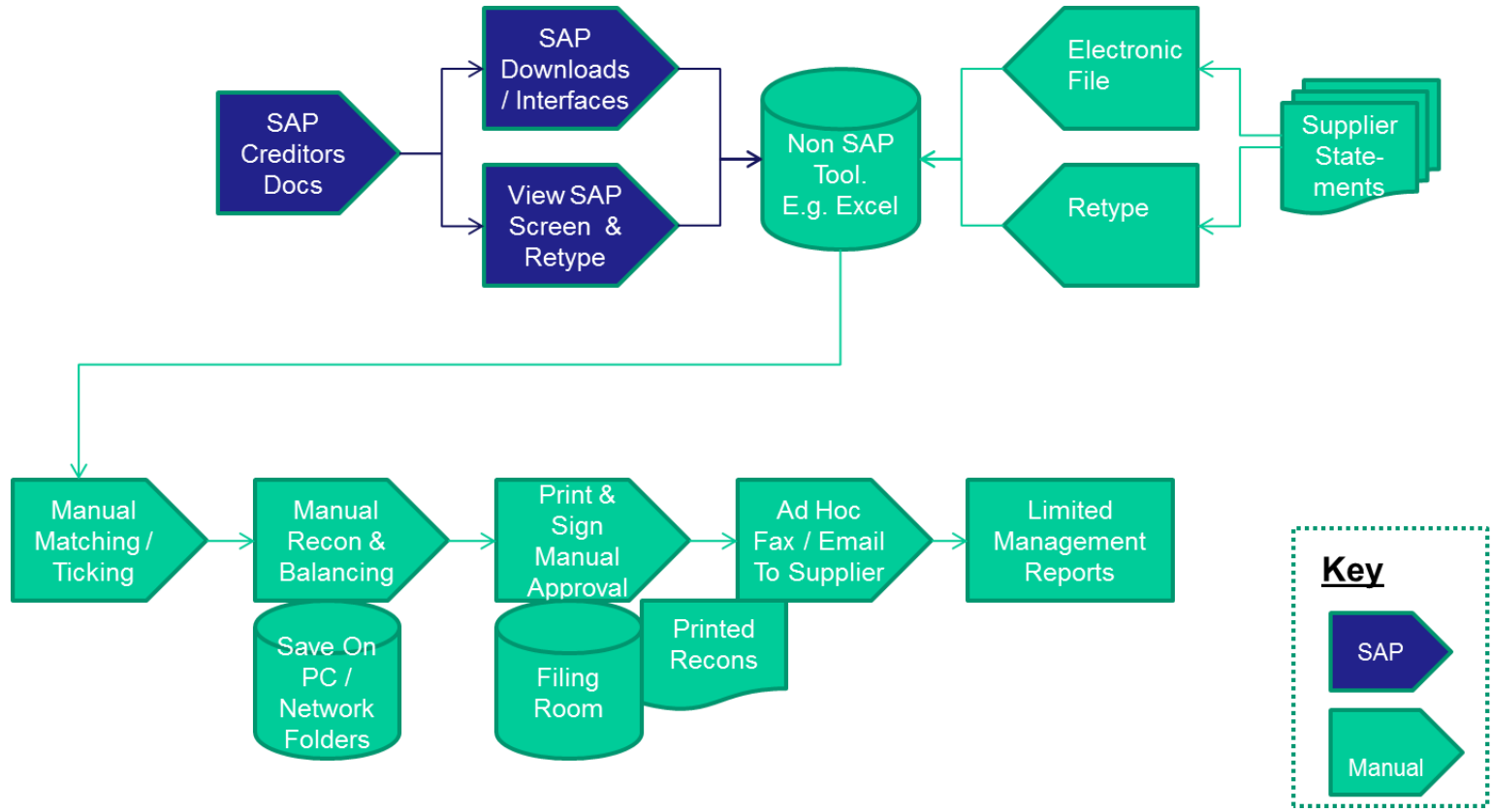
Problems With Manual Vendor Recons

➢ Very time consuming

➢ No system controls or audit trails

➢ Limited and inaccurate reporting

➢ Risk of:

    ➢ Over or early payment of invoices

    ➢ Lost or late deduction of credits

    ➢ Lost discounts

    ➢ Missed payment deadlines

    ➢ Confusion & supply disruption

Reconciling Suppliers With BEST In SAP

Multiple Statement Formats

Electronic / EDI / FTP / iDOCs

Paper

Website / portal

Email

Ocr / scanning

Convert different formats and upload

Send statement

Recon report

Suppliers

BEST in SAP

Reconciliation reports across one or multiple vendors and companies

Report

Comprehensive management reporting and audit trails

Automatic matches (advanced algorithm ensures high rate)

Open and cleared
Parked and held
GR/IR
Linked customers

Match

No more signing on paper – approve online

Approve

Suggested and manual matches for exceptions

Configure multiple approval levels and criteria to structure creditor department

Pay

Configure to block payment if no statement match, and approval dependencies

AfriSam Products

Cement

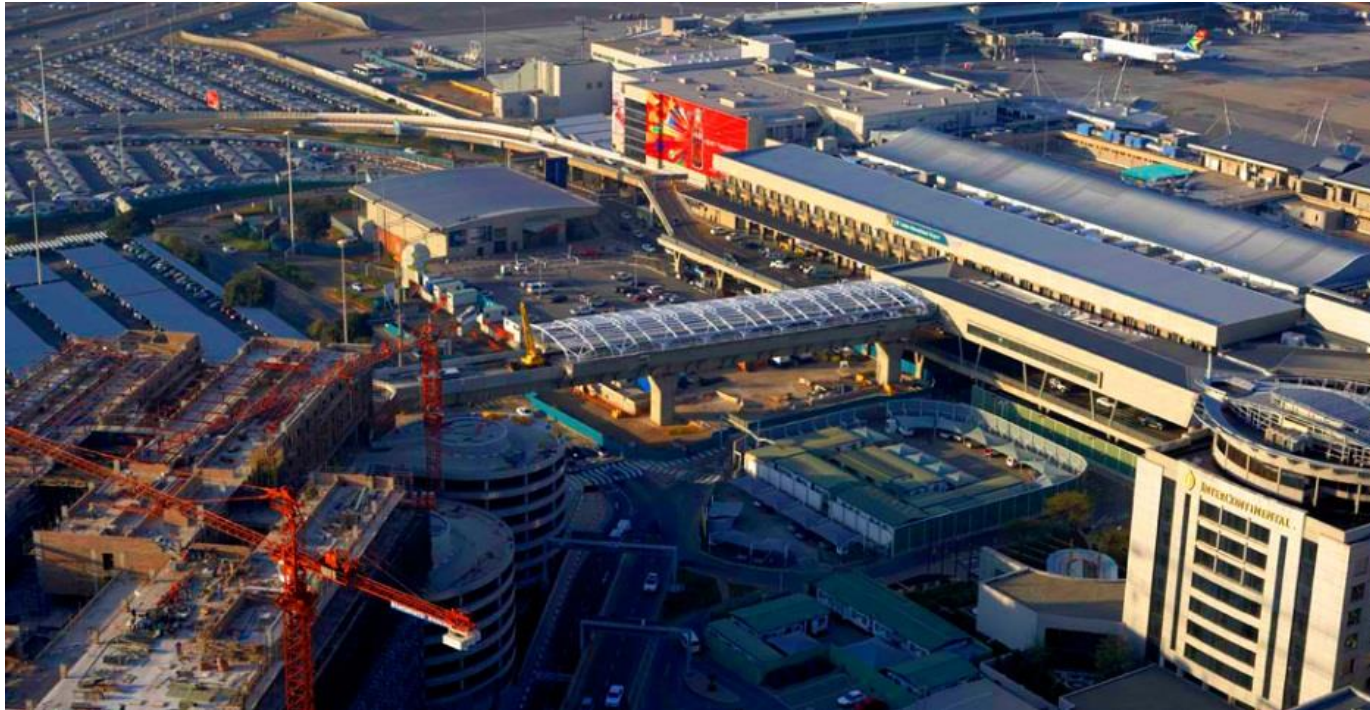Readymix

Aggregate

Premix

Iconic AfriSam Projects

Gautrain

Iconic AfriSam Projects

OR Thambo International Airport

Iconic AfriSam Projects
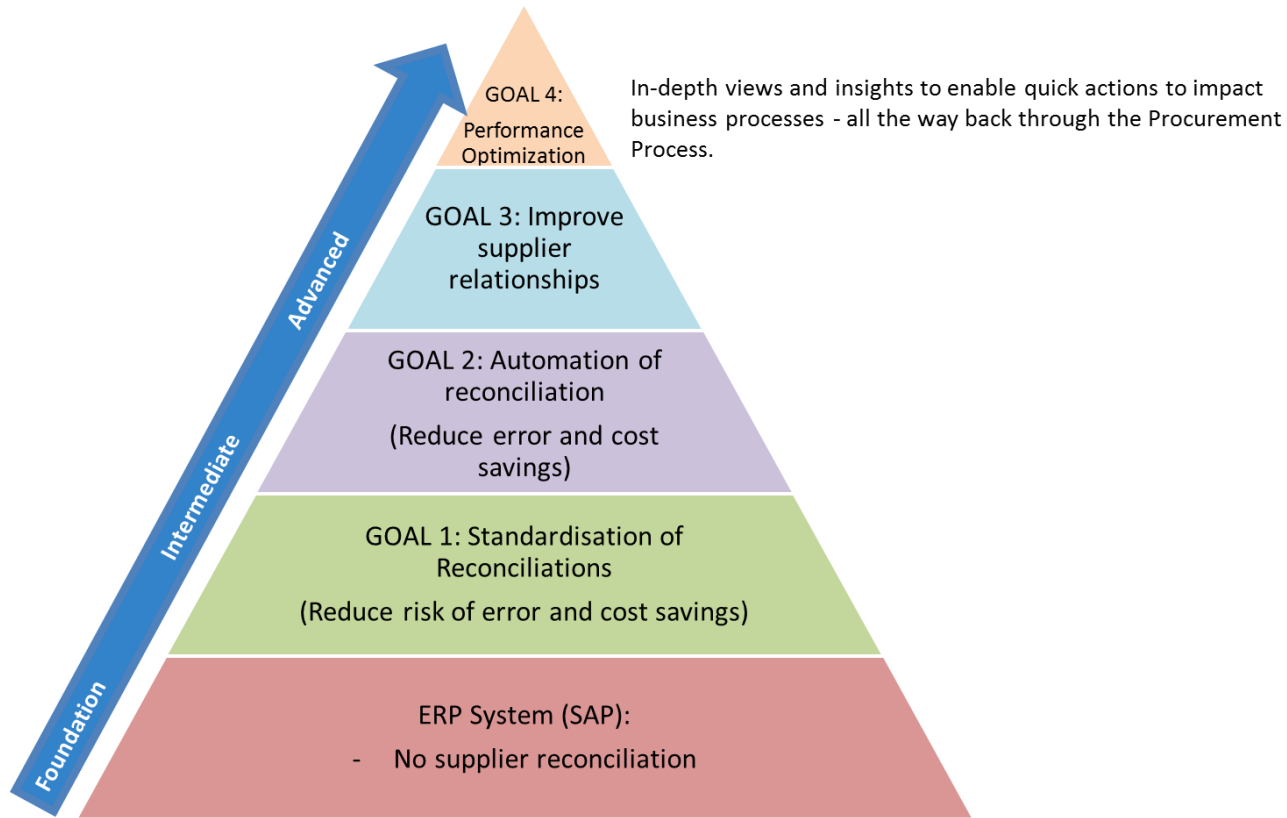

Nelson Mandela Bridge

AfriSam Creditor Function

AfriSam comprises multiple SAP company codes **across SA** & rest of **Africa**

Invoices and **supplier statements** processed by a single **centralised** creditor department only for South Africa
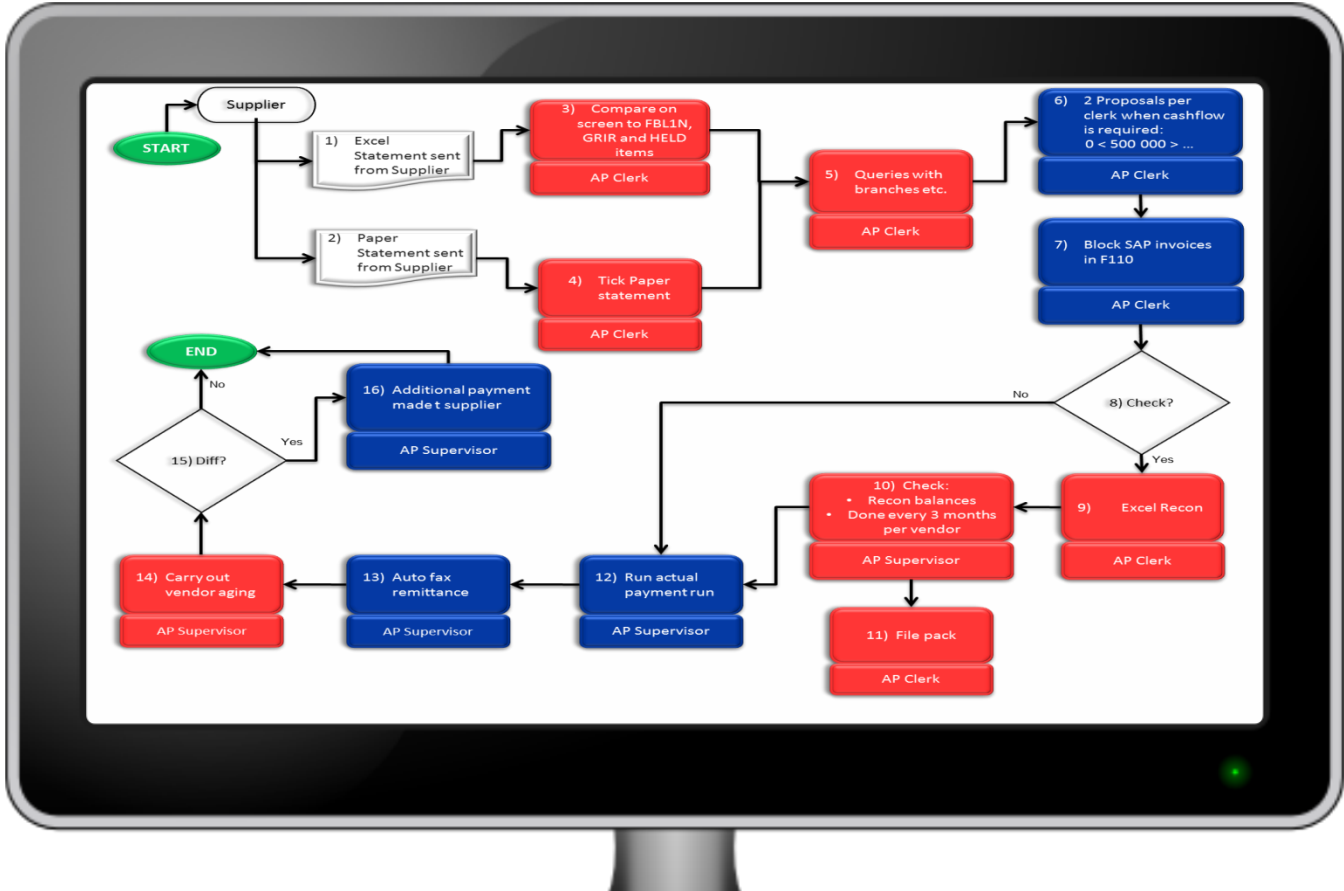
AfriSam Vendor Reconciliation Goals

GOAL 4:
Performance Optimization

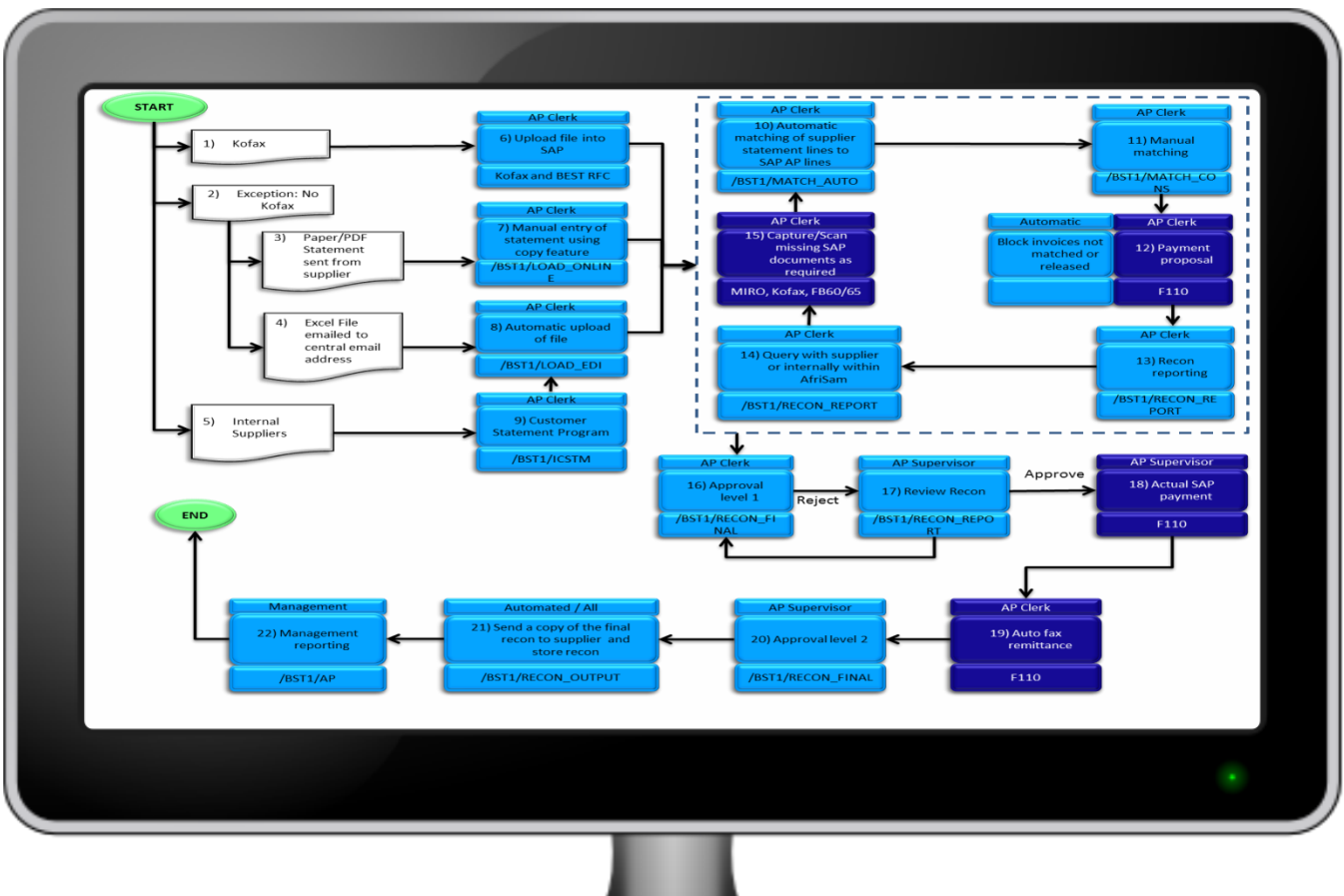In-depth views and insights to enable quick actions to impact business processes - all the way back through the Procurement Process.

GOAL 3: Improve supplier relationships

GOAL 2: Automation of reconciliation

(Reduce error and cost savings)

GOAL 1: Standardisation of Reconciliations

(Reduce risk of error and cost savings)

ERP System (SAP):

- No supplier reconciliation

Advanced

Intermediate

Foundation

AfriSam Vendor Recon Process – "Before"

AfriSam Vendor Recon Process – "After"

AfriSam Recon

Balance As Per Statement/s	31.07.2013		502,243.52
Payment Not Yet Allocated			100,000.00
Discounts Not Yet Allocated			1,000.00
Statement Invoices Not Paid			-437,009.17
Inv Not Yet Processed - Please Provide INV		-46,517.48	
Invoices Not Yet Due According To Terms		-50,000.00	
Inv Not Yet Processed - Please Send INV & POD		-210,280.30	
Invoices Previously Paid - Not Allocated		-130,211.39	
Credit requests			-475.00
Short Delivered Or Damaged Or Not Ordered		-25.00	
Other Credits Deducted		-450.00	
Vendor Credits Not Yet Matched			4,139.00
Other Adjustments - Vendor			410.00
Other Adjustments -AfriSam			1,800.00
Amount Due to Vendor			172,108.35
Less settlement discount 2.5%			4,313.93-
Our payment	dated 19.08.2013		167,794.42-

Recon in this standard format is automated.

Reconciliation must tell the story.

Vendors understand why items are not being paid.

We are able to guide vendors quickly into having a good experience with our supply chain.

Reporting is dynamic

    For one vendor or for all vendors, or by range, company

Loading Statements Into SAP

➢ KOFAX was already used to automatically load invoices into SAP.

➢ KOFAX is now also used to load statements into SAP.

➢ The original statement image is stored, meaning we avoid all paper filing, re-printing etc.

Recon Reporting & Approval

➢ Approval of reconciliations no longer a signature on paper, now online in the system.

➢ Reconciliation report automatically emailed to supplier.

➢ Management and statistical reporting allows improved management action:

- – Missing statements.
- – Number of matches or unreconciled lines by vendor, document type, clerk etc.

Time Saving -> Productivity

➢ Recons were done quarterly prior to BEST, now monthly.

➢ Closing date has moved a day earlier.

➢ Personnel now have more time to resolve queries.

➢ Besides creditor postings, BEST helps with query resolution on held and GR/IR.

Statement Size	Pre BEST Processing Time	With BEST Processing Time
Small – 5 Lines	< 10 Minutes	< 3 Minutes
Medium – 50 Lines	1 Hour	10 Minutes
Large – 1000 Lines	1.5 Days	1 Hour

Vendor Spend

| Before BEST	With BEST
Could not reconcile before payment	Reconcile before payment, so payment is correct
Invoices could be paid months in advance	Invoices only paid if on statement
Could take up to 3 months to deduct a statement credit, if taken at all	Credit notes processed in current month
Settlement discounts lost as invoices not processed in time, or discounts not queried	Settlement discounts taken
Statement & recons printed and filed	Statements & recons online in SAP -> reduced printing and storage

Take Home Summary

➤ Supplier accounts are much cleaner.

➤ Department is more structured.

➤ Operational issues are highlighted.

➤ All recons follow the same logic and structure.

➤ Creditor personnel are more effective:

  ➤Less, mundane and manual ticking and balancing.

  ➤More resolution of issues and exceptions.

➤ Reduced printing and storage costs.

➤ Positive feedback from most suppliers.

➤ Improved management reporting and control.

Award Winning Team
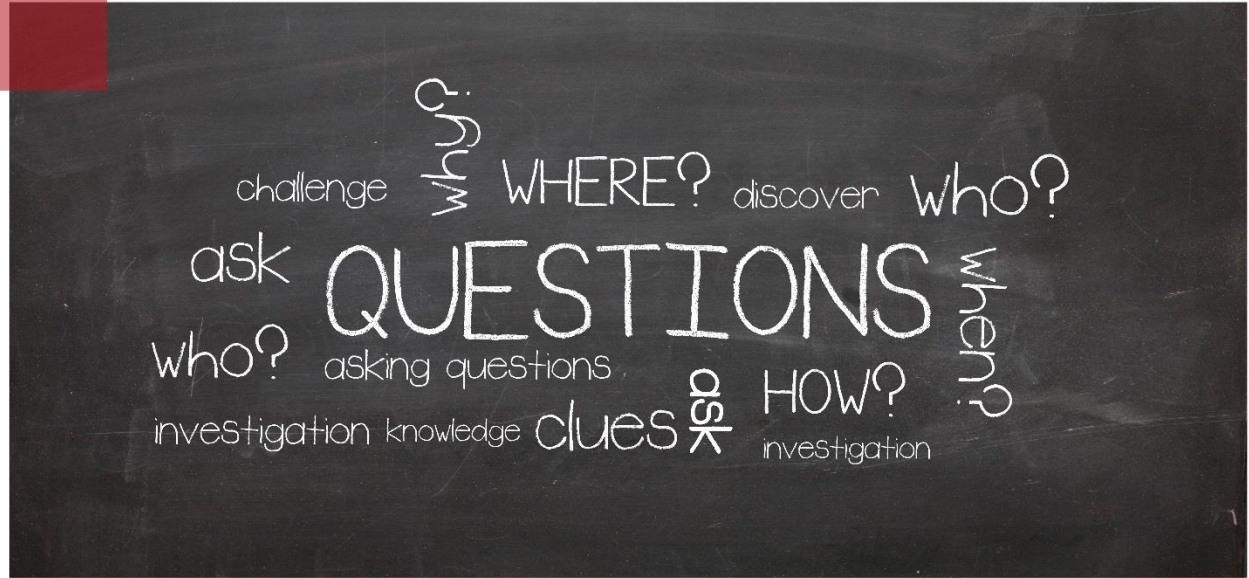
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