BEST
It's SAP, reconciled

NETCARE
You're in safe hands

NETCARE'S JOURNEY TO AUTOMATE GL RECONCILIATIONS IN SAP

In December of 2021, the Eventful Group hosted an online Webinar where Johan van Eck, a Financial Manager for Hospital Ledger and Integration Support at Netcre, presented how they managed to implement a solution to automate their General Ledger Reconciliations in SAP.

Johan began the presentation by outlining shortcomings in their existing Balance Sheet Reconciliation process, and Netcare's desire to address these through implementing an online electronic solution to better manage the entire reconciliation process from start to finish. This move to an electronic solution was in line with Netcare's current digitisation journey to do away with manual processes.

When identifying the issues with their legacy Reconciliation process, Johan noted the following key issues:

- An **unchanged reconciliation process** that had been in place for 15 years.

- **Too many exports** of data to Excel to perform reconciliation activities.

- **Lack of standardisation** across the organization.

- **Too many manual** processes and risk of **errors**.

- **Lack of controls** throughout the process.

- Too **time consuming**.

- **Lack of visibility** to measure completeness and accuracy of reconciliations.

As a result of these shortcomings, Netcare's goal was to identify and implement General Ledger reconciliations in SAP with BEST to deliver on the following key business objectives:

✓ Implement a paperless process to save on paper costs.

✓ Enable simpler and easier review of Recons - that can be accessed and approved from any location.

✓ Ensure skilled resource time is spent focused on high-risk Recons and material items – and not on admin.

To achieve these objectives, Netcare turned to BEST to assist, being already familiar with BEST through using the BEST Vendor Reconciliation and BEST Statement Reader Modules since 2016. As a result, Netcare knew the functional capabilities and inherent benefits delivered with the BEST certified SAP modules.

Johan pointed out in his presentation that the implementation of these two modules had transformed their CPD Department from a very labour intensive one, to an efficient and automated department comparable to the best payment departments in the world.
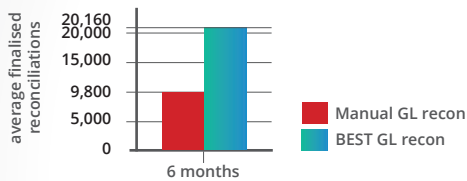
With this new project Netcare implemented the following two BEST GL Modules:

- BEST GL Recons Module.
- BEST GL Clearing Module.

The project was kicked off at the end of 2020 and went live in May of 2021, with Netcare completing their April 2021 Month End Reconciliations online in SAP using BEST. Netcare went live with 193 Company codes configured for the BEST GL Modules, with 194 end users being trained to use the new functionality. Johan noted that these numbers have already increased as new Company Codes and users are added to the business and their SAP Month End Close process.

Johan also spoke through their Month End processing volumes to illustrate the quantity of reconciliations being completed and approved, as well as clearing open items in SAP using BEST. These processing volumes, which pertained to a 6-month period, can be summarised as follows:

- A total of **120,960** GL reconciliations were finalised using BEST GL Recons. Representing a monthly average of **20,160** finalised reconciliations over the 6-month period.

- **IMPROVED MANAGEMENT** of recon deadlines - with Sept 2021 resulting in **ALL RECONS** completed within the set deadlines.

100%

- During these **6 MONTHS**, an average of **58%** of reconciliations were automatically approved across both approval levels.

58% AUTO APPROVED

- A total of **1,024,198** open items have been cleared using BEST GL Clearing. Representing a monthly average of **170,699** lines cleared over the 6-month period.

170,699

Over and above the processing volumes being achieved, Johan went on to outline the key business benefits that have been achieved through implementing the BEST GL Modules, with the main benefits summarised as follows:

- Elimination of manual processes such as:
  - Printing of reconciliations.
  - Manual signing of reconciliations.
  - Loan account confirmations via email.
- The implementation of several controls throughout the month end process (of particular importance to Netcare being a listed entity) namely:
  - Automated processes to reduce manual errors.
  - Automated control checks to ensure users comply with specific requirements.
  - Full change and audit history reporting.
  - Standardisation of the Month End process across the entire organisation.
  - Value checks and validations inherent in the approval process.
  - Management reporting to manage their Month End Close to completion.
  - Management and exception reporting to be able to identify issues and anomalies.
- The introduction of numerous efficiencies such as:
  - Optimised staff allocation/reutilisation in other areas.
  - Paperless solution results in printing and paper cost saving.
  - Where adjustments are required, recons can be updated/corrected easily without having to reprint and re-sign all documents again.
  - A full trail of the approvals and rejections are now kept in SAP within the BEST GL Recon Module.
  - There is also the benefit of being able to attach documents directly from SAP without having to first save it to a file and then attaching it to the recon.
  - The reviewers do not need to wait for a physical file before they start their review. Reconciliations can now be reviewed as soon as they are finalised by the preparers.
  - Balanced intercompany loan relationships are being automatically approved.
  - Peer reviews can now be easily performed.

In addition to the above, Johan also mentioned some of the "less tangible" benefits that he had noticed through the implementation of the BEST GL modules. This included the positive feedback from staff who enjoy working with the user-friendly solution, allowing for the quicker and easier preparation and review of reconciliations. Johan went on to add that whilst these side benefits can be hard to measure, that they should not be underestimated in terms of the positive impact it had on staff morale and ultimately staff retention.

Johan concluded the Webinar by outlining the objectives for Netcare going forward with BEST. This included the continued effort to maximise automation, internal controls, and managements' visibility throughout the month end process. Netcare will periodically upgrade the BEST software to the latest support pack to take advantage of the BEST products continuous development and the new functionality available. The BEST team thanks Netcare for sharing their journey with us.

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reconcile@bestsapcbi.com

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