

CONSOL GLASS AUTOMATICALLY CLEARS CUSTOMER PAYMENTS IN SAP WITH THE BEST DEBTORS REMIT MODULE



BEST interviewed Marita Baronet, Group Credit Manager at Consol Glass (Pty) Ltd on 11 April 2022 as part of The Mastering SAP Financials Conference 2022 given their recent implementation of the BEST Debtors Remit module.

ABOUT CONSOL AND THE GROUP CREDIT TEAM

Consol Glass is a manufacturing company who believe that the best things come in glass. The sole purpose of the company is to add quality to life.

The Group Credit team is based at Consol Head Office in Germiston, Johannesburg and are responsible for the groups Accounts Receivable. The small team is made up 6 individuals – each responsible for a section of the Debtor's book and to ensure that all functions of Debtors are performed on time. Consol have an average of 700 active Customers who are managed by the 6-person team. Responsibilities of the team include:

- Risk assessment
- Reduce bad debt
- Ensure no or minimal overdue accounts
- Follow up on outstanding payments from Customers
- Match payments to invoices
- Query resolution

There is never a quiet moment, however, the busiest period is from the 28th to 7th of every month. The initial focus is on debt collections to quickly complete month end and to issue out Customer statements to Customers.

LEGACY MANUAL SAP PAYMENT ALLOCATION

Historically the manual payment allocation in SAP (F-32) was used and was very tedious when viewing and clearing many transactions. The below issues were noted with manual SAP Clearing:

- The view is constrained and relies on pre-configured views.
- Volumes end up in a large list making it time consuming to find specific items.
- Remittance items not on the Customer account need to be raised manually.
- Customer account is locked whilst processing.
- If you are timed out of SAP before posting, you can lose everything you have done.

In addition to the above system limitations, the following business scenarios also added complexity to an already time-consuming process:

- Some Customers have multiple accounts but settle with one payment. The team therefore had to manually split payments to individual accounts prior to manual matching each account.
- Some Customers who do not send Remittances but pay on statement still require manual clearing per line item.
- If team members take time off work, this impacts timelines due to stand-ins not being familiar with the account.

WHY BEST DEBTORS REMIT?

Consol is using the BEST Vendor Recons module and it works wonderfully. When we heard about BEST Remit we contacted BEST for a demo.

The key project benefits/ objectives:

- Time saving;
- To improve cash flow;
- More time to focus on query resolution - rather than just allocating payments which was very time consuming (75% of time);
- Standardisation of process across all Customer accounts;
- Improved audit process.

THE IMPLEMENTATION PROJECT





This was a quick project of 3 months and Consol have been using the module since January 2022 – we are very satisfied with outcome. The project and product exceeded our expectations. The AR team was key in terms of commitment to the project and solution. BEST was knowledgeable about their product, SAP functionality and the desired business process. The project was a success as we kept to timelines and BEST put in extra effort and support where necessary.

CURRENT PROCESSING & RECOMMENDATION

Initially we looked at the top 20 to 30 Customers – with the approach being to focus on Customers with high transaction volumes, unusual Remittances, export Remittances and those with settlement discounts.

To date, we have now mapped 61 unique Customers through our OCR tool to load their Remittances into SAP via BEST Debtors Remit. A total of 157 Remittances have been loaded with a total of 9,440 Remittances lines posted to the Customer accounts. Of these line items, only 12 remain open on the Customer accounts – being claims to be processed. This represents a cleared percentage of 99.9% of the Remittance lines.

CONSOL – BEST DEBTORS REMIT PROCESSING STATS: JAN 2022 TO DATE

61 unique Customer accounts mapped and processed using BEST Debtors Remit 61 	157 Remittance documents processed 157 	9,440 Remittance lines posted to Customer accounts per month 9,440 	99% time saving on Remittance load and clearing 99% 
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These Remittance lines have been cleared as follows:

Status of Remittance Lines	Value	%
Cleared Remittance Lines	9,428	99.9%
Open Remittance Line	12	0.1%
Total Remittance Lines	9,440	100%

In addition to these statistics, the below also highlights the impact and time savings achieved:

- A Remittance of R200m and 1000-line items will take 11 seconds to upload and match with BEST. The 11 seconds is a massive win when you consider manually allocating this payment would have taken approximately 4 hours to do manually.
- An example of the impact the new process has had on one of our accounts is where a specific Customer had an overdue list of R77m in December – whereas to date, they are currently only on R6m.

The solution has had a significant impact on the team, and they love how quick and easy the new process is. Month end closure is now reduced by half a day which means we can issue Customer Statements and follow up on payments earlier. The time saving is a huge win for the team and allows for more time to be spent on query management.

With the new process using BEST Debtors Remit we can now automatically achieve the following:

1. Clear the Customer payment off the bank account,
2. Post and clear the detailed Remittance lines against the Customer account line items,
3. Achieve a high clearing percentage based on detailed reference information,
4. Eradicate manual errors through automation and programmatic matches,
5. Create a digital version on the Remittance in SAP represented by the posted document,
6. Attach the original PDF document to the posted document in SAP,
7. Automatically raise specific Customer Remittance entries on the Customer account – such as claims and other deductions.

We would most definitely recommend the BEST Debtors Remit module. There has been no need for any support requests to date, and the product is both user friendly and highly effective.



PLEASE CONTACT US TODAY

If you would like further information regarding BEST Products, please contact us via email on reconcile@bestsapcbi.com

If you would like to watch the interview recording, please use the below link:
<https://attendee.gotowebinar.com/recording/1710137928136487681>

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