

# BEST

It's SAP, reconciled

## CLIENT CASE STUDY

### ITALTILE: IMPLEMENTATION OF BEST GL RECONS & CLEARING MODULES



Interview with Sarah Lowe, Retail Financial Manager by Chris Brooks, BEST GL Product Manager on 29 August 2022.

### ABOUT ITALTILE & GROUP FINANCE



We are the manufacturer, franchisor and retailer of tiles, bathroom ware and other home finished products. The group's aspiration is to become the best manufacturer and retailer of tiles, sanitary ware and bathroom products in Africa. That is achieved through offering an unrivalled shopping experience through the strategy of ensuring the right product at the right time, place and price.

The Group Finance team looks after all the group owned entities, their day-to-day accounting functions, the statutory functions, as well as the group reporting into the JSE and the numerous shareholders.

In order to assist the group in achieving their goals and aspirations, we have to maintain strict internal controls and as we are a listed company there are certain regulations that we need to abide by.

We are, however, quite lean within Group Finance so we looked to fully automated processes such as the BEST online Recon process to replace manual activities.

Innovation is quite key within our group even at a store level.

### WHY BEST GL RECONS & CLEARING MODULES?

Our supply chain is fully integrated as we've been using the BEST AP module for about 12 years. The implementation of the BEST GL modules was an add on to that functionality.

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Key is that BEST is in SAP given that our entire organisation is driven through SAP. Rather than the complexity of extracting data and set up on external data servers, with BEST being on SAP it is completely integrated and seamless.

### IMPLEMENTATION PROJECT & ADOPTION

The implementation was very professional, well prepared for and really easy to manage. We decided to implement over our financial year end, and it was seamless. The BEST GL modules were easy to switch on and integrate.

Within Group Finance for the Italtile holding entity and subsidiaries, the BEST GL Recon process was compulsory from day one. We literally turned off all manual reconciliations. Ease of use of the system made for an easy transition. Subsequent to that, we have rolled out to one of our other subsidiaries which is based in Germiston, and we want look at our tile manufacturers based in Vereeniging.

From a staff perspective, the team are very happy that they don't have to download thousands of line items into Excel, try to reconcile these back to the TB balance – with manual screen shots. Then export that into PDF, sign it and save it on the server and hope that it isn't accidentally deleted. People would also struggle to find their recons.

The team is happy with a new recon process that made sense and it made for an easy transition.

## BENEFITS ACHIEVED

- High accuracy – no more potential human errors given the manual process.
- Online Recons in SAP – accessible to all including internal and external auditors.
- Everything is in a central location now with supporting documents on the Recon in SAP.
- Unique to Italtile is the additional line-item text requirement. We have a lot of manual accruals being raised where the text description in SAP is not always the greatest, so we insist that the text is updated as part of the recon process. We can do this easily within the BEST Recon Module and can then easily use these texts to look up and verify balances e.g. total properties accrual for the entire month for all of CTM.

## TIME SAVINGS

Implementing BEST GL Recons has resulted in a massive time reduction. Some of our super users do their recons along with their month end reporting now.

Our due date for balance sheet recons is the 10th, and the bank recons are the 7th. We now get bank recons being completed as early as the third day now, and balance sheet recons on the fifth. This is because on BEST it's such an easy process. There's no manual processes – it's all online.

Before BEST, preparing recons took 2 to 3 days. Now using BEST, some of the team are done with recons within a few hours if it's a simplistic recon. If there's a lot of new line items in the month, we do require that the long text is updated for these lines – which does take a little bit of extra time, but nowhere near as much time as what it is to do a manual reconciliation.

For Italtile Group Finance it is much more time efficient. The accountants can get on with their next payment or help the stores understand their monthly Management pack.



## KEY MANAGEMENT REPORT

The most important management report for me is the audit trail as it gives me everything I need and cannot be manually manipulated. I run this on a user basis, so I can understand how many recons the accountants are doing on a monthly basis, along with completion times and supporting attachments. Internal audit verify and submit that report to our Auditor & Risk Comm as a Balance Sheet Recon and a Bank Recon is critical in our organisation.

## BENEFITS IN SUMMARY

<p>Quicker GL Recons <b>Hours versus Days</b></p> 	<p>All reports available online <b>Key Management &amp; Audit Reports</b></p> 	<p><b>Team more Efficient</b> More time for other tasks</p> 
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## BEST GL CLEARING

We've done quite a big clean up of historic items, mainly with Inter Branch Transfers. These transactions were resulting in large volumes of items that hadn't been cleared. As an example, if I looked at a relationship from store to store, just one at a time, I could clear over a million transactions quite easily on BEST GL Clearing by running this overnight.

One of our key clearing scenarios with BEST GL Clearing that has assisted the accountants, is the Store Cash up transactions. We've managed to save a lot of time using the BEST GL Clearing tool by selecting the actual receipts and the store cash up - all in one clearing scenario. With BEST GL Clearing we can now clear these across multiple GL accounts. So we can have everything combined, whereas previously accountants were trying to do it manually one at a time.

SAP standard clearing only looks at a specific day, without looking back. Whereas now with BEST GL Clearing, because it is more intelligent, we can go back to clear these historic entries automatically. For the store cash ups, there is a lot of historic items now cleared of the customer accounts.

We also use BEST GL Clearing for clearing VAT accounts. Where multiple company codes make up one VAT return, we can clear off all of those control accounts against the actual payment or refund in seconds!

Intercompany transactions - another big scenario in the Italtile environment, we've cleared off a lot of data from these accounts. This clearing is running monthly using BEST GL Clearing because it's so easy and to avoid a backlog of open items.

We are still building and adding scenarios to the tool, and I don't think we've utilised the program to its full capacity yet actually. BEST GL Clearing is much easier and user friendly to use than standard SAP clearing.

Full automation of scenarios is still a work in progress that will be done in time by automating BEST GL Clearing via periodic background jobs.

## BENEFITS IN SUMMARY

<p>Millions of Transactions have been cleared</p> <p><b>1,000,000's</b></p> 	<p><b>Easy &amp; More User Friendly</b> than SAP standard clearing</p> 
<p><b>Achieving Clearing for:</b> Interbranch Transfers; Store Cash Up Transactions; VAT Accounts; Intercompany Transactions</p>  	

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If you would like further information regarding BEST Products, please contact us via email on [reconcile@bestsapcbi.com](mailto:reconcile@bestsapcbi.com)

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