

# BEST

It's SAP, reconciled

## CLIENT CASE STUDY

### HOW NORTHAM OPTIMISED VENDOR RECONCILIATIONS IN SAP

**NORTHAM**  
PLATINUM HOLDINGS LIMITED

Interview with Linda Van der Merwe, Accounting Services Manager at Northam by Suresan Ellary, BEST Vendor Recons Product Manager and Bronwen van Rooyen, BEST AP & BSR Functional Consultant, on 15 May 2023.

The interview explored Northam's Vendor Reconciliation transformation using the BEST Vendor Recons and Statement Reader Modules.

### ABOUT NORTHAM AND THE AP TEAM

Northam is a producer of platinum group metals and the group operates 3 wholly owned mines, being Zondereinde, Booyensdal and Eland. Northam is committed to establishing and maintaining sound partnerships with our suppliers and this is at the core of our values and central to how Northam conducts business.

As a company, our code of ethics is very important to us.

The Accounts Payable function at Northam is centralised. We serve all three of the operations. Accounts Payable is always about identifying, re-evaluating and mitigating risks. We, as far as possible, like to manage and limit where the money flows out. It is important for us to ensure that we pay our suppliers on time and to ensure there are no supply stoppages, which can have an enormous impact on our operations.

### WHY THE BEST VENDOR RECONCILIATION SOLUTION?

- I had exposure to BEST at a previous company and our own inhouse IT department also spoke highly of the BEST Team.
- The BEST solution actually looks like SAP, and it navigates like SAP. For us, this was key. When you start introducing new software, there is always an element of training and change management.
- Moving away from SAP was not an option, due to the element of the unknown and extra training required. BEST, offering SAP Add on Modules, made it so much easier to implement this solution.



# IMPLEMENTATION PROJECT

- The BEST team took the time to listen to us and to understand what we really needed for all the enhancements or changes we requested, during the implementation. They also spent a lot of time with us to make sure that they met our needs.
- The BEST team exceeded our expectations.

## THE SOLUTION

### Northam required two custom built developments:

- Integration with OpenText where unmatched statement invoices are checked against OpenText invoices still in processing. The OpenText status is then reflected on the unmatched statement lines.
- Accrual report where we check invoices and GRIR documents posted after the key date. We then find the applicable PO and check if the PO was posted before the key date. If it was, then accrue for these items, if the PO was posted after the key date, then we don't accrue for these items.

### The Advantages

- The fact that the OpenText status is reflected on the BEST reconciliations – saves time on invoice query handling and resolution.
- Reporting periods are much shorter.
- Supports Transparency. Accrual reports, support the financials, making sure that our liabilities are complete and there isn't a pile of unrecorded liabilities.

## THE BENEFITS

- We are achieving higher volumes on a monthly basis and at year end. In a 2 week period we cover 80% of our accounts payable values.
- The coverage of recons is so much better with BEST. With the old manual way there's absolutely no way we would have managed to do so many recons. Higher volumes on a monthly basis and even at year end, in 2 weeks and we covered 80% of our accounts payable values.
- In a growing business, you are constantly onboarding new suppliers. BEST support this. There is no way we could have done this manually.
- BEST allows for more transparency and visibility, by showing what's really going on with the suppliers' statements.
- Less room for errors. With BEST the automatic matching is so much more accurate.
- The BEST solution is absolutely working for us. There is no way we will do it any other way.

## WHY BEST

### Mitigates Risk:

As a growing company we need to ensure that we cover all the critical suppliers and mitigate business risk. You don't want to end up in a situation where you have a new supplier, a critical supplier, and you don't really know what's going on in that account.

### Automation of recons:

We are able to process more recons as the BEST Statement Reader automatically loads the statement and BEST does the automatic matching, so it really is only the exceptions that have to be managed.

### Increased productivity:

The manual process would not be able to deal with the number of recons currently being processed. Initially, there were a number of recon queries but as BEST was used more and more, the recon queries decreased. There is an increase of about 490% more recons being done.

### Greater visibility:

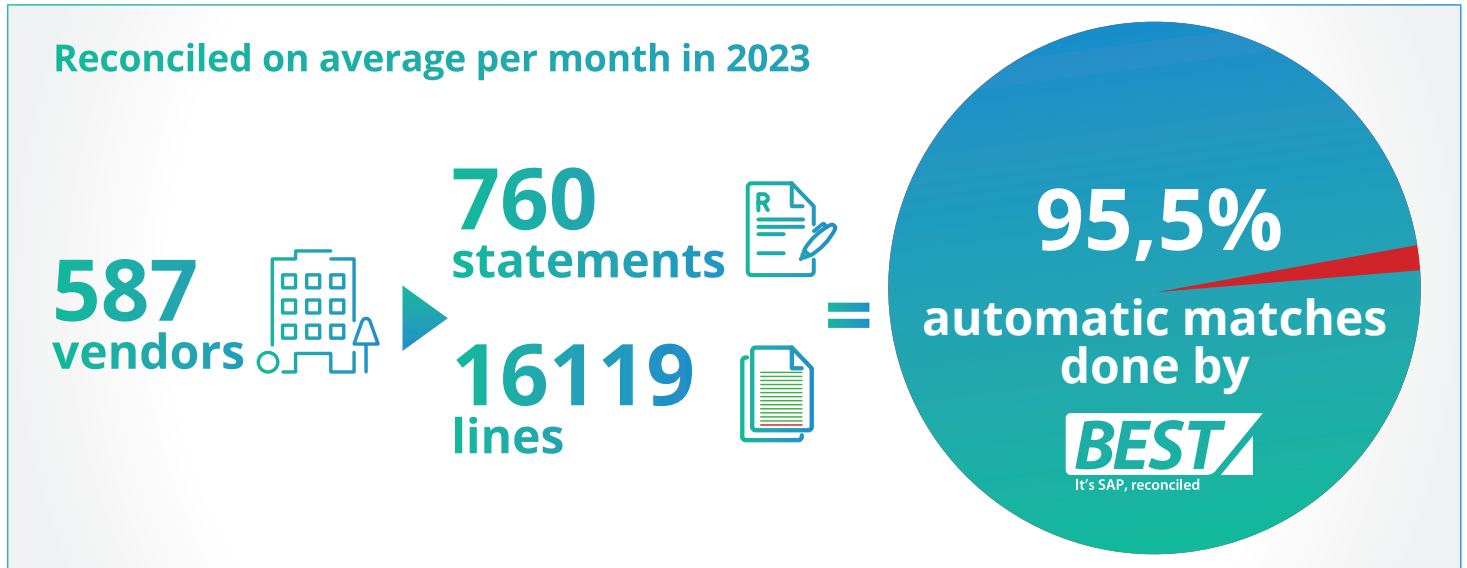
The layout and design of the Recon gives us visibility to see what is going on and we are able to address the queries. The team working on the GRIR account sit with the recons next to them while they're working on the GRIR account and the recon assists them to sort out queries.



## TIME SAVING AND FOCUS

We have a small team and most of the people have multiple tasks to work on. We have a dedicated BEST resource working on vendor recons as an outsourced service and this focus works for us.

## BEST VENDOR RECONS – SOME STATISTICS



## EFFICIENCIES

BEST support an efficient audit. Auditors have full display access to the final recons. For accruals we include the GL account to which unposted invoices are created so that the auditors don't have to guess if this invoice is accrued for or not during the half and full year end reporting cut off periods.

On the accrual side of audits, given full visibility and display access, they can increase the number of statements and number of vendors they would like to test.

For both internal and external auditors, we give display access, and they also have visibility of who prepared and approved recons.

## RETURN ON INVESTMENT

Our invoice and statement volumes have radically increased over the years. Our team has only increased by one and we are doing roughly 490% more recons than when we implemented in 2018. Had this been the manual process, we would have had to increase the staff complement by more than 4 and half times to complete the same number of recons being done through BEST.



# TRUST AND FOCUS

The various recon categories are important to us

- For the accruals:
  - The “Statement Invoice - Posted After Statement Date” category is important as that will indicate if the liability was raised in the correct cut off period, so the posted after statement date gives us an indication of the accruals.
  - The “Statement Invoice - Goods Received No Invoiced Received” is where we focus on the risk, because if you don’t get that invoice in what might potentially happen is that the supplier will stop delivering.
- For the “Statement Invoice - Invoice Not Received” we need that invoice to check if there’s a goods receipt done for that or not and then it is also used in our accruals calculation.
- For the “Credit Notes Not Received” category we feel that a lot of times credit notes don’t get enough attention and that’s something that’s visible on the recons.

## CONCLUSION:

*For smart platinum mining, choose Northam and for smart reconciliations, choose BEST. From Northam side, all I can say is that the BEST team has been so supportive.*

*Bronwen from BEST has simplified our year-ends and half year-ends with her proactiveness. We really appreciate all the support and assistance from BEST on both the outsourcing service and the software.*

*Thank you, Linda for taking the time to meet and provide this Case Study input!*



## PLEASE CONTACT US TODAY

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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