



RECONCILIATIONS

Part 2 of 3: Enterprise Reconciliation
Implementation Support



BizWise Consulting
...the things that matter



95% IMPROVEMENT IN DATA QUALITY BY ELIMINATING MANUAL INPUT

BRIEF

BizWize Consulting were requested by a multi-national bank to assist with the implementation of their selected Enterprise reconciliation solution. Specifically, business requirements, detailed data analysis and reconciliation design to ensure effective solution deployment.

CURRENT STATE

The bank's operational business unit experienced the following reconciliation challenges:

- A high value of write-off's and losses which were not effectively identified from robust reconciliations.
- Cumbersome manual steps that required intervention to prepare and identify exceptions for resolution. Due to the Prepare and Identify Processes taking so long, this impacted the available time to perform the Resolve function effectively – the main objective for the Reconciliation process.
- No clear documentation on the purpose of the reconciliation, financial mapping, process mapping and data flows. Related to key-man dependency issues.
- No readily available Management Information to effectively manage the process which left management as they were “flying blind.”
- Reconciliation was based on bulk figures, as opposed to transactional level data which posed a financial control issue

What was the
BRIEF?





The reconciliation automation project faced the following challenges:

- Translating, often highly complex reconciliations into meaningful requirements for configuration and automation on the selected enterprise reconciliation solution.
- Understanding of the bank's data and payments architecture along with access to data sources to effectively automate reconciliations. Achieving automated reconciliations are highly dependent on data.
- Length time to fully automate a reconciliation
- Automated reconciliation did not necessarily solve the business problem and meet the requirement set forth

OBJECTIVES

A detailed understanding of the current state of the account/s being reconciled

- Purpose and objective of the account, reconciliation frequency, balance to zero or not, data flows, information flows, process flows, accounting flows, roles and responsibilities, exception management framework, SLA's, etc.

Development and implementation of a tactical (quick win) solution

- This is geared at improving reconciliation accuracy (reducing human error through eliminating large amounts of manual data entry); and
- Providing operational lift (on average 40 - 45% reduced effort) through decreasing the manual preparation and identification processes for reconciliations; thus
- Freeing up time and effort for operational staff to focus on the value-add step of resolving exceptions within the reconciliation process

Sustaining the improved change delivered by the tactical solution through the creation and implementation of automated dashboards to measure and manage both process and financial performance of the reconciliation.

Levering the knowledge and insight gained through building the tactical solution to effectively partner with the business to articulate meaningful and effective business requirements for reconciliation automation on the strategically selected technology solution.

The OBJECTIVES

The SOLUTION

SOLUTION

Analysis and Design for Reconciliation Automation.

- This was achieved through compiling a Reconciliation Definition Document (RDD) containing all pertinent information required to effectively automate a reconciliation.
- This included (but not limited to) the purpose and objective of the account, data flows, data mapping, information flows, process flows, accounting flows, stakeholder matrix with roles and responsibilities, logic to "unbulk" settlement amounts, logic for matching, exception management framework, SLA's, etc.

Automate reconciliations through selected Enterprise solution.

- The analysis and design work performed by BizWize served as the conduit between business and 3rd party vendor (through an Agile methodology) to fully automate the reconciliation on the Enterprise solution.
- BizWize were involved through the entire life-cycle and ultimately ensured that the reconciliation is running effectively in production, as per the design set forth.

Build a Quick Win Tool.

- Developed a Quick Win tool (Excel Macro enabled) as a reconciliation solution to minimise data capture errors, streamline the manual process and provide operational lift.
- The solution served as a proto-type for full automation.
- The solution is operational on low/medium risk accounts where full automation was not deemed necessary

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The BENEFITS

EXPECTED BENEFITS

- Improved operational efficiency. A 76% reduction in processing time through reconciliation automation.
- 95% improvement in data quality by eliminating manual input
- Improved match rates through the standardisation of manually captured, system narrations.
- The documentation and understanding of all facets of reconciliation assisted in developing deep expertise and knowledge within the bank's reconciliation team.
- Ability to measure and manage reconciliations through readily available management information.
- Improved accuracy and effectiveness of reconciliations.
- Capability available to manage risk effectively
- A governance framework that will promote sustained benefits into the future

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