



RECONCILIATIONS

Part 3 of 3: Enterprise Solution



BizWise Consulting
...the things that matter



A 69% REDUCTION IN OUT OF SLA ITEMS FROM THE BALANCES RECEIVED.

BRIEF

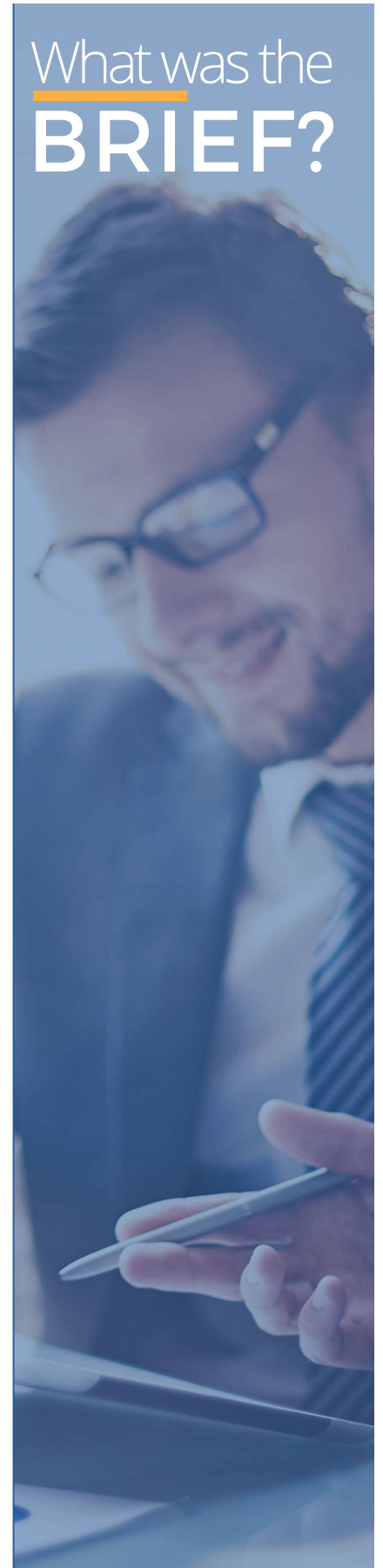
BizWize Consulting were requested by a multi-national company, within the Financial Services industry, to design, build and implement an enterprise-wide reconciliation solution. This request emanated from previous tactical solutions deployed by BizWize Consulting.

CURRENT STATE

The following reconciliation challenges were experienced:

- A high value of write-off's and losses which were not effectively identified from robust reconciliations.
- Limited automation. 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.
- Low match rates through the ineffective use of data and automation.
- No clear documentation on the purpose of the reconciliation, financial mapping, process mapping and data flows. Related to key-man dependency issues.
- No set and standard methodology to apply in terms reconciliation management and execution.
- No consolidated, readily available Management Information to effectively manage financial control and the reconciliation process. This left management feeling as though they were “flying blind.”
- Reconciliation was based on bulk figures, as opposed to transactional level data. This posed a financial control issue, as bulk exceptions could not be substantiated at a transactional level.

What was the
BRIEF?





The OBJECTIVES

Data sources/files to enable automated reconciliations were:

- Not fully understood or utilised.
- In disparate locations without clearly defined suppliers.
- Not monitored for delivery within agreed SLA's.
- Not loaded into a central database for effective data transformation which leads to improved data quality and ultimately improved match rates
- In unusable or complex formats (e.g. PDF), which made automation difficult.

OBJECTIVES

1. Full automation of reconciliations.

- Extraction, loading and transformation of all data files/sources.
- Remove manual interventions where possible through automated matching logic.
- Systematically generate the daily list of exceptions to be expunged.

2. Development and implementation of a tactical (quick win) solution.

3. Reducing the overall volume of exceptions and manual effort prepare reconciliations.

4. Design and implement an exception handling process to investigate and action all exceptions.

5. Produce daily management information and dashboards.

6. Deploying a mechanism to monitor daily Data Feeds and analyse monthly failures.

7. Categorise exceptions by "type." This is to feed into a Continuous Improvement programme to address the root-cause of these exceptions (narration, process, data file, etc.) to further minimise exceptions.

The SOLUTION

8. Facilitating training and knowledge transfer to build reconciliation capability/skills via Reconciliation Process Definition Documents and Work Instructions.

9. Enhancing the quality of Exception Information which allows for the improvement in the exception handling procedure.

SOLUTION FEATURES

1. Able to be deployed on-site or in the cloud

2. Data connections

- Capability to pick up files from a physical location;
- Connect directly to data source via web-services
- All file formats and types can be consumed

3. Data Validation

- Notification sent if data missing, incomplete, or incorrect
- Reconciliation does not continue until file / data correct

4. Data Transformation for optimal matching

- Unbulking transactions
- importing multiple data sets
- text mining (narrations).

5. Auto Matching

- Auto-matching is executed based on pre-defined set of matching criteria. This may include one-to-one or one-to-many.

7. Exception Expunging Process

- Exceptions are loaded into the front-end to be expunged.
- Manual matching capability to match out items that did not meet the logic set forward.
- Input reason for an exception.
- Workflow available (if required) to move items for processing and authorisation

8. Dashboard & Reporting available

- Match rate analysis
- Out of SLA items (volume and value)
- Usage reports
- Red Amber Green exception reporting

Deployed across multiple African countries



The BENEFITS

BENEFITS/HIGHLIGHTS

- Significant reduction in manual effort. An average match rate of 78% has been achieved. Most notably 95% and 97% within two business units. This will further improve with maturity. It is also important to note that this metric was not readily available at the outset of this program.
- Lower cost of processing as only “true” exceptions should remain.
- Reduces the time spent on reconciliation preparation
- Focus on value-added Exception Handling Process.
- Improved ability to unbulk items. Higher auto-matches.
- A 69% reduction in Out of SLA items from the balances received. Reduces the Value At Risk (VAR)
- File Validations and Auto-Alerts to provide a line of sight to ensures all files run and are correct.
- Consolidated methodology to reconciliations which drives standardisation across organisation
- A training plan with detailed work instructions and User Videos to ensure effective knowledge transfer, adoption and sustainability of the solution.

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More BENEFITS

BENEFITS/HIGHLIGHTS

- Capability to capture the reason for the Out of SLA item. This has assisted in improving the effectiveness of the Balance Sheet Substantiation process. As, every exception (rolled up into the balance) can be clearly substantiated if it is Out of SLA.
- Solution can be deployed on-site or within the cloud which suited the specific infrastructure requirements of the organisation

Management Information now Available

- Daily tracking (movement) and notification of Out of SLA items.
- Daily tracking (escalations) of all data files required for reconciliation.
- Daily dashboards, reporting and analytics at the “click of a button.”
- No cost or effort required to produce manual reporting.
- Improved financial control.
- Management will have a line of sight regardless of their geographic location.
- Trend Analysis & Continuous Improvement. There will now be a capability to track trends as well as identify improved upstream process and technology initiatives

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