

## Vendor Statement Reconciliation Automation

**Murray Trim**

Decision Support Manager,  
Foodstuffs South Island Limited







# Overview Of Our AP Process

- Annual Payments of \$3.8b
- 3,600 Vendors
- 2.4m Invoices (Avg inv \$1,600)
- 35,000 Payments = 35,000 reconciliations
- 12 FTE (pre introduction of BEST)
- Mix of Weekly and Monthly Payment Terms



# Our Challenges

- Should we even reconcile at all
  - Key differentiator is we are spending our Members money
- Highly Manual Process
  - Actual “cut and paste” was used by some clerks
  - Highlighters Galore
- Reconciliations Performed Outside of SAP
- Inconsistent delivery of information to Vendors



# Our Challenges

- No easy management overview of the process
- No centralised issue logging
- We had created a manual cyclical recon process for our “A” vendors but we still manually reconciled them every three months. (only took 10% longer to reconcile 3 mths vs 1 mth)
- Reconciliations were seen as clunky by the vendors





# Example

## FOODSTUFFS

South Island Limited



### Reconciliation

Foodstuffs South Island Limited  
Private Bag 4705  
Christchurch 8140  
Phone 03-353-8700

Vendor Number 101504

Payment Date 18/01/2019

Statement Date 31/12/2018

Your account contact

Email:

Electronic Invoicing

Statement Total 1,422,736.93

Amount per Reconciliation 1,312,548.54

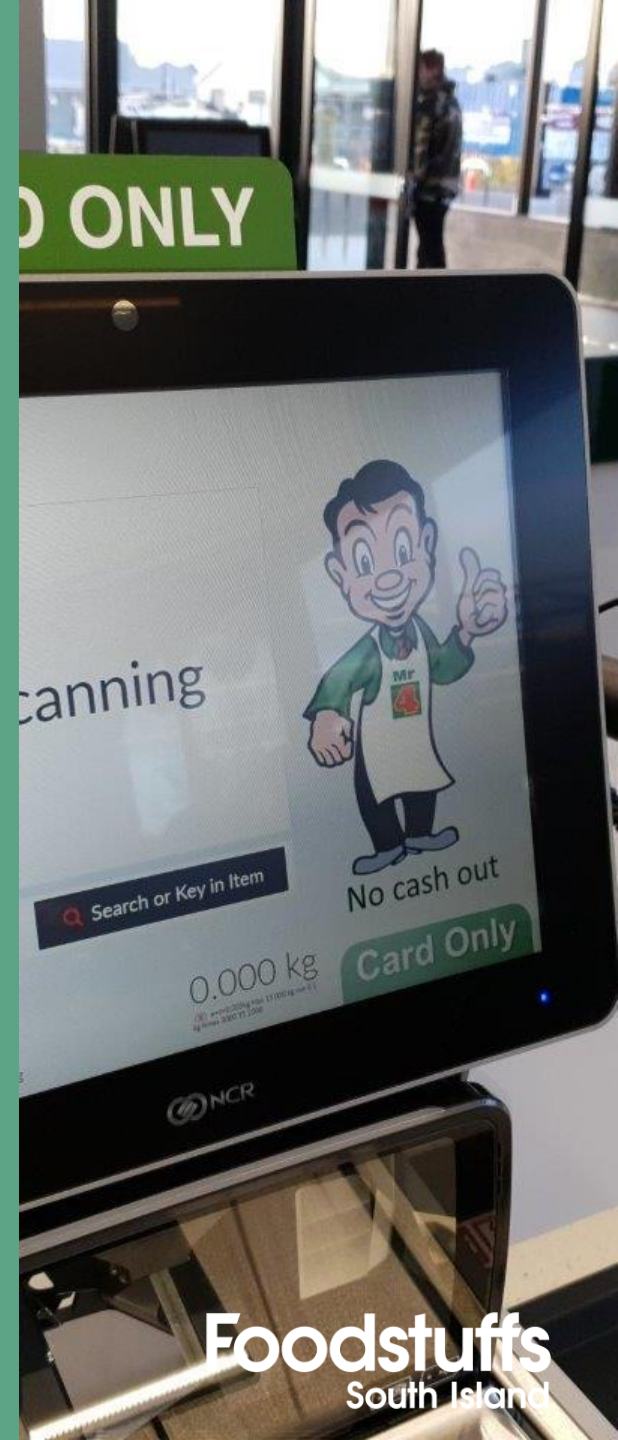
Settlement deduction (32,813.74)

Net value to be Direct Credited 1,279,734.80

#### OUTSTANDING ITEMS AS PER YOUR STATEMENT

Date	Reference	Amount	Comments and Requests
03/08/2017	6924427	2,177.59	Missing PO awaiting authorisation
19/01/2018	9200538	(5.60)	Credit awaiting authorisation
20/02/2018	9201831	(67.94)	Electronic copy required
20/02/2018	9201831	(33.97)	Statement Total \$33.97 Credit Total \$67.94 awaiting authorisation
20/02/2018	9201832	(3,378.59)	Statement Total \$3378.59 Credit Total \$7456.31 awaiting authorisation
20/02/2018	9201833	(28.45)	Statement Total \$ 28.45 Credit Total \$62.79 awaiting authorisation
21/02/2018	9201928	(225.00)	Credit awaiting authorisation
20/03/2018	9203254	(55.55)	Credit awaiting authorisation
10/05/2018	9205119	(8.53)	Credit awaiting authorisation
19/06/2018	9206486	(699.61)	Credit awaiting authorisation
19/06/2018	9206486	(1.74)	Awaiting authorisation
22/06/2018	6969735	2,571.11	Invoice not yet received for processing
17/10/2018	6983467	2,507.29	Awaiting Authorisation
31/10/2018	9211035	(31.05)	Awaiting Authorisation
01/11/2018	6985160	7,065.11	Awaiting authorisation

**Hadn't fundamentally changed since created in the mid 1990's**



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South Island Limited



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**Hadn't fundamentally changed since created in the mid 1990's, however "personalisation" had reduced the value.**

**Inconsistent level of usage and details between clerks**

**All items manually typed in**

ONLY



0.000 kg

NCR

Foodstuffs  
South Island

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01/11/2018	6985160	7,065.11	Awaiting authorisation

This was our issue log

Blocked 17/10/2018  
6979685 69882.03 zero  
6979685 -69882.03

TRENTS CENTRAL OTAGO PO MISSING

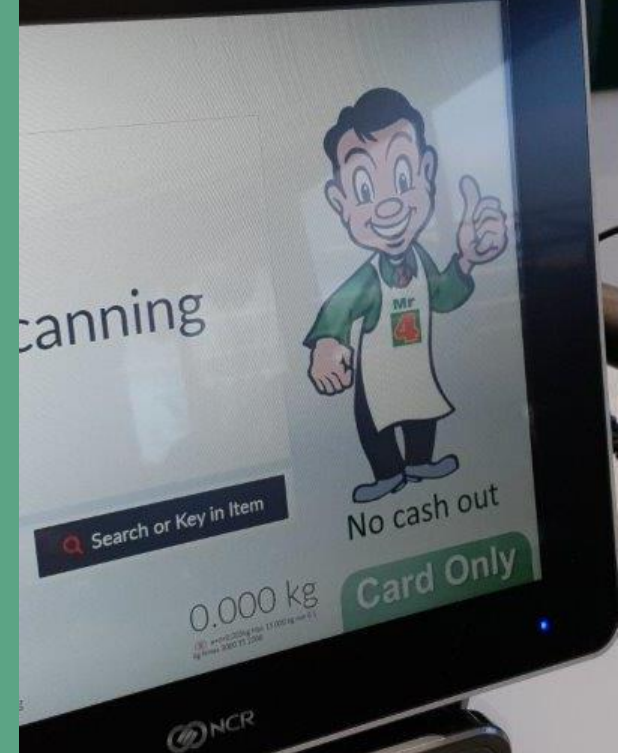
Credit to comes as per Hayley's email 14/0  
Emailed vendor for more information 20/0

Emailed vendor for more information 20/0

Emailed Mathew Purchase order missing 15/01/2019 ema

Mathew pushed through 07/12/208 15/01/2019 ema

ONLY



Foodstuffs  
South Island



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South Island Limited



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Christchurch 8140  
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Statement Date 31/12/2018  
Your account contact

Email:

These numbers were  
no longer referenced  
in the detail below!

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Amount per Reconciliation 1,312,548.54  
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ONLY

canning



No cash out

Search or Key in Item

0.000 kg

Card Only

NCR

Foodstuffs  
South Island

# BEST - The Solution



- SAP Certified add-on module
- Uses the same SAP instance
  - no separate log-ons
  - same authorisations mechanisms
  - secure data, no duplication outside of SAP
  - No new infrastructure required





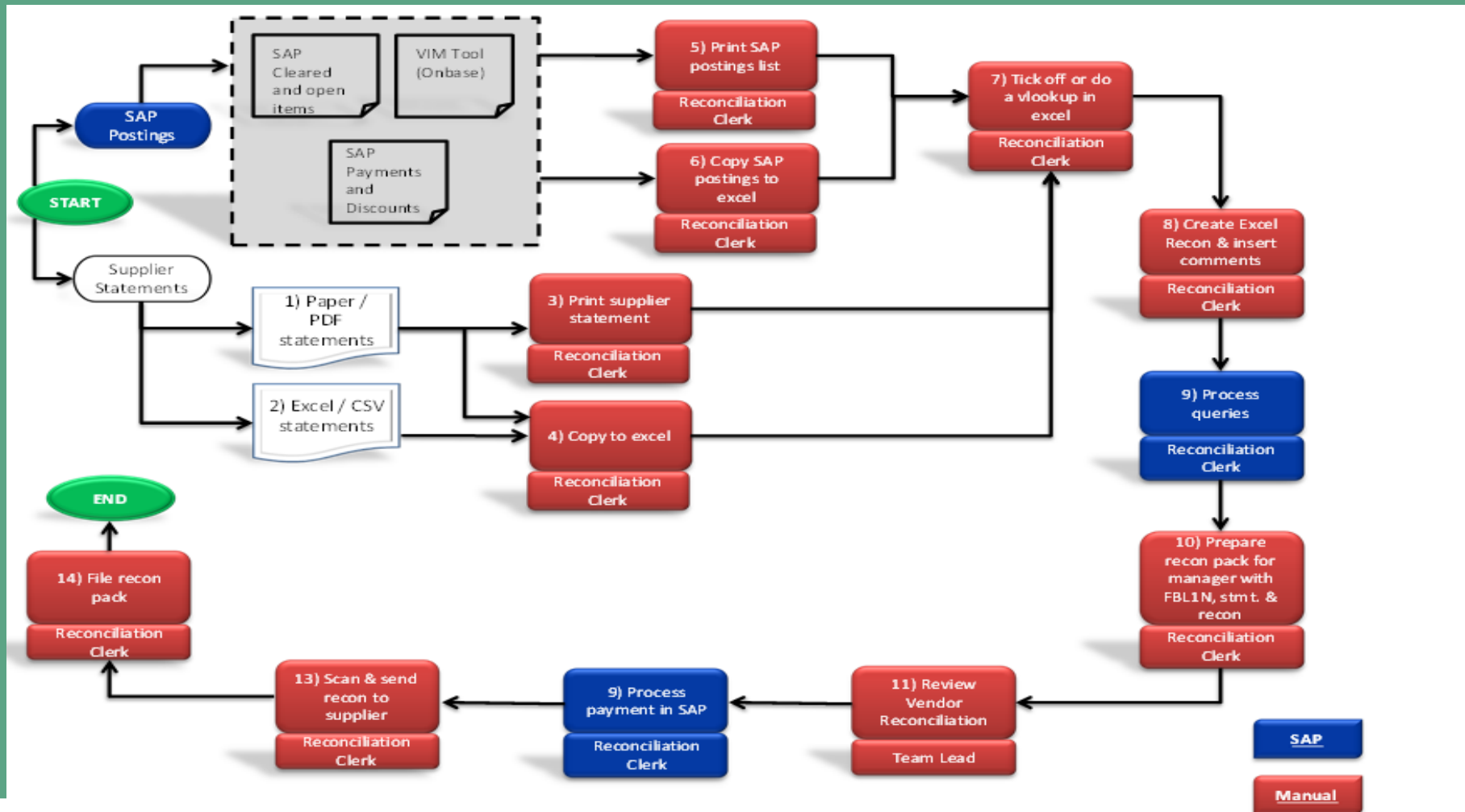
# BEST - The Solution



- Seamlessly integrates with SAP, no impact to standard SAP processes or customisations
- Advanced automatic matching algorithms
- Integrated with our Onbase Workflow and Document management system (part of our invoice matching automation solution)

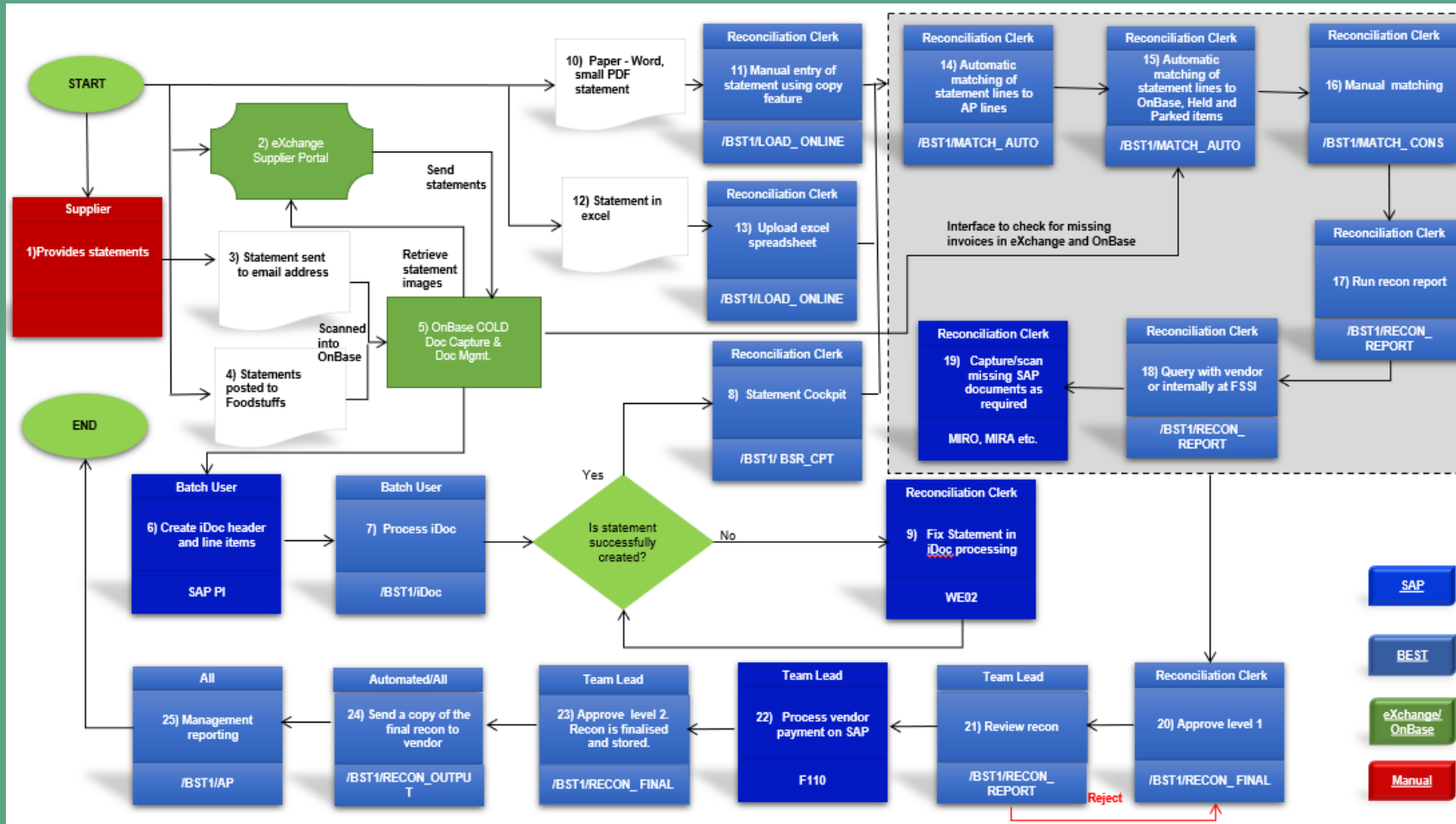


# Pre BEST Reconciliation Process

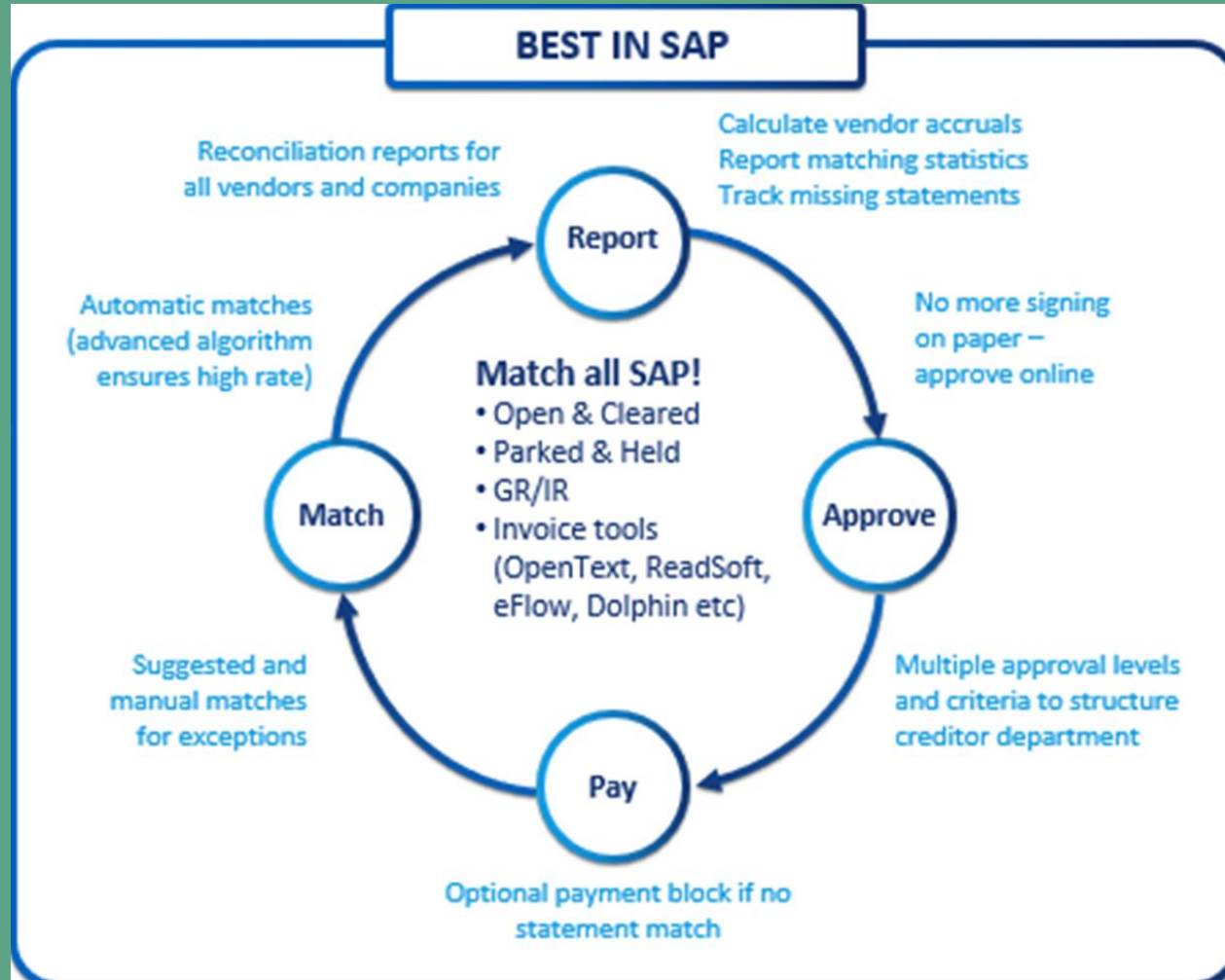




# BEST AP Reconciliation Process



# BEST AP Reconciliation Process





# How we succeeded with

- The 6 P's
- A team of great people who know our process
- Identified early on the head count was at risk and planned for it. (Fixed term contracts and internal opportunities)
- Kept the whole team, informed and included during the journey



# How we succeeded with

- Engaged with  & 
- Quick and effective Demo / POC with OUR data (Jan 2020)
  - Included whole AP team in initial POC
  - *Probably the most influential change management action we did!*
- Wider Team Online Training
  - Great training tool. Mini Tests curated by BEST
- Go Live Nov 2020





# How we succeeded with

- Consistent Terminology & Categorisation
- No Typos
- Live status monitoring of the process
- Better management of accounts
- Improved matching using BEST automatic matching algorithms



# How we succeeded with

- Auditable reconciliation approvals
- Enhanced Reporting
- Great Feedback and Increased vendor engagement
- Look and feel of BEST is identical to SAP as it is inside SAP
- Down 6 FTE (all through natural attrition)





# How we succeeded with

- One reconciliation took 1.5 days to complete
  - Manually marking off (highlighting) vendor statement against FSSI payment proposal
  - Payment proposal would be around 500 pages → cost and time to print, plus labour
  - If it was not marked off accurately, (room for error especially around lapses in concentration) therefore in some instances the reconciliation process could take longer than the 1.5 days to complete

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- **Using BEST, we can now run an entire clerk's payment file and reconcile 300 vendors in about 25 minutes.**





# BEST Cockpit Overview

**BEST AP Main Menu**

Process Statements and Reports | Master Data | BEST Configurable Options | Utilities and Expert Tools

**Statement Reconciliation Report**

Statement Reconciliation Report

**Statement Loading**

Excel and Manual Load

Electronic Statement Loads

BEST Statement Reader

**User Processing**

Manual & Suggested Matching

Approve Reconciliations

**Exception Handling**

Matching Document

Pay Unmatched Invoices

Automatic Matching

**Additional Reports**

All Statement Fields

Creditor Line Items

Incomplete Statements

Payment Analysis

Matched Documents

Deleted Matched Documents

Statement Statistics System

Consolidated Master Data Report

Output Reconciliation Report



# BEST Reconciliation Report

Supplier Statement Reconciliation Report														
<div> </div>														
Supplier:		20220608 142												
Recon Description	Matching Number	Ty...	Doc. Date	MSt	Mtchd	Statement Sub Number	Amount	Crcy	Match Doc	DocumentNo	Vendor	Stmnt End	From	Reference
000. Vendor Statement Total			30.04.2022		✗		1,627,436.53	NZD			101504	30.04.2022	ST...	
000. Vendor Statement Total							1,627,436.53	NZD						
110. Stmt Inv - Invoices Not Yet Due	7412492	RE	04.05.2022	X	✓		31,522.55	NZD	5136169	5101748987	101504	30.04.2022	ST...	7412492
	7412493	RE		X	✓		2,312.33	NZD	5136156	5101748985	101504	30.04.2022	ST...	7412493
	7412494	RE		X	✓		1,147.34	NZD	5136141	5101748986	101504	30.04.2022	ST...	7412494
	7412495	RE		X	✓		29,204.76	NZD	5136168	5101749567	101504	30.04.2022	ST...	7412495
	7412496	RE		X	✓		54,226.80	NZD	5136180	5101748989	101504	30.04.2022	ST...	7412496
	7412497	RE		X	✓		1,481.09	NZD	5136144	5101748988	101504	30.04.2022	ST...	7412497
	7412498	RE		X	✓		4,044.35	NZD	5136164	5101747999	101504	30.04.2022	ST...	7412498
	7412499	RE		X	✓		2,444.61	NZD	5136157	5101749799	101504	30.04.2022	ST...	7412499
	7412500	RE		X	✓		1,619.72	NZD	5136147	5101750119	101504	30.04.2022	ST...	7412500
	7412723	RE	05.05.2022	X	✓		55,397.47	NZD	5136181	5101750184	101504	30.04.2022	ST...	7412723
	7412870	RE	06.05.2022	X	✓		72,489.35	NZD	5136186	5101750751	101504	30.04.2022	ST...	7412870
	7413145	RE	10.05.2022	X	✓		71,577.64	NZD	5136185	5101752312	101504	30.04.2022	ST...	7413145
	7413146	RE		X	✓		3,349.00	NZD	5136161	5101751377	101504	30.04.2022	ST...	7413146
	7413147	RE		X	✓		61,970.83	NZD	5136184	5101752313	101504	30.04.2022	ST...	7413147
	7413148	RE		X	✓		1,065.97	NZD	5136139	5101751378	101504	30.04.2022	ST...	7413148
	7413326	RE	11.05.2022	X	✓		85,470.61	NZD	5136190	5101752474	101504	30.04.2022	ST...	7413326
	7413327	RE		X	✓		4,480.14	NZD	5136166	5101753503	101504	30.04.2022	ST...	7413327
	7413328	RE		X	✓		3,631.62	NZD	5136162	5101753774	101504	30.04.2022	ST...	7413328
	7413329	RE		X	✓		972.45	NZD	5136138	5101753533	101504	30.04.2022	ST...	7413329
110. Stmt Inv - Invoices Not Yet Due							488,408.63	NZD						
180. Stmt Inv - Not Rec. Pls Submit for...	9510321	KG	20.05.2021		✗		28.74	NZD			101504	30.04.2022	ST...	9510321
	9513824	KG	24.07.2021		✗		18.01	NZD			101504	30.04.2022	ST...	9513824
	9517594	KG	01.10.2021		✗		419.59	NZD			101504	30.04.2022	ST...	9517594
	9518202	KG	23.10.2021		✗		43.01	NZD			101504	30.04.2022	ST...	9518202
	9519301	KG	01.12.2021		✗		59.74	NZD			101504	30.04.2022	ST...	9519301
	7409443	RE	01.04.2022		✗		5,079.29	NZD			101504	30.04.2022	ST...	7409443
	7411053	RE	20.04.2022		✗		5,079.29	NZD			101504	30.04.2022	ST...	7411053
	7411422	RE	22.04.2022		✗		9,178.15	NZD			101504	30.04.2022	ST...	7411422
	7412491	RE	04.05.2022		✗		5,079.29	NZD			101504	30.04.2022	ST...	7412491
	7413144	RE	10.05.2022		✗		5,079.29	NZD			101504	30.04.2022	ST...	7413144
180. Stmt Inv - Not Rec. Pls Submit f...							28,926.22	NZD						
600. Current Settlement Discount	1500720111	KZ	20.05.2022		✗		27,752.57	NZD		1500720111	101504		AP	1500720111
600. Current Settlement Discount							27,752.57	NZD						
620. Current Payment	1500720111	KZ	20.05.2022		✗		1,082,349.11	NZD		1500720111	101504	30.04.2022	AP	1500720111
620. Current Payment							1,082,349.11	NZD						
							0.00	NZD						





Foodstuffs South Island Ltd  
Private Bag 4705  
Christchurch 8140  
03-353-8700



Vendor name:

Vendor number:

Our Contact:

Email address:

Statement Date: 30.04.2022

Payment Date: 31.05.2022

Page 1 of 2

### Vendor Statement Closing Balance

<b>Vendor Statement Total</b>		<b>328,297.77</b>
<b>Unreconciled Statement Items</b>		<b>-93,953.09</b>
Stmnt Inv - Not Rec. Pls Submit for Processing	-93,953.09	
<b>Items Included In Current Payment Not On Statement</b>		<b>-7,732.24</b>
Invoices Not On Statement	27.06	
Credit Notes Deducted Not On Statement	-7,759.30	
<b>Items From Your Customer Account</b>		<b>-34,438.23</b>
Deductions As Per Your Customer Account	-34,438.23	
<b>Current Settlement Discount</b>		<b>-8,718.70</b>
<b>Current Payment</b>		<b>183,455.51</b>



## Vendor Reconciliation Details

Statement Balance	30.04.2022	FM#100	328,297.77
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<b>Stmnt Inv - Not Rec. Pls Submit for Processing</b>			<b>-93,953.09</b>
-------------------------------------------------------	--	--	-------------------

<u>Reference Doc</u>	<u>Doc Date</u>	<u>Reason</u>	<u>Amount</u>
0097673693	25.03.2022		-33,861.52
0097684236	29.03.2022		-1,710.53
1400000653	31.03.2022		460.00
0097716813	13.04.2022		-1,824.89
0097716819	13.04.2022		-1,824.89
0097748535	29.04.2022		-19,579.03
1400000753	29.04.2022		-24,861.08
1400000753	29.04.2022		-10,415.94
1400000753	29.04.2022		-327.26
1400000753	29.04.2022		-7.95

<b>Invoices Not On Statement</b>			<b>27.06</b>
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<u>Reference Doc</u>	<u>Doc Date</u>	<u>Reason</u>	<u>Amount</u>
5129473812	23.03.2022		27.06

<b>Credit Notes Deducted Not On Statement</b>			<b>-7,759.30</b>
-----------------------------------------------	--	--	------------------

<u>Reference Doc</u>	<u>Doc Date</u>	<u>Reason</u>	<u>Amount</u>
97669536	23.03.2022		-27.06
5129628339	07.04.2022		-357.70
5130148406	20.04.2022		-7,374.54





# Questions?

For more info.....

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Foodstuffs South Island

[www.foodstuffs-si.co.nz](http://www.foodstuffs-si.co.nz)

Enterprise Wide

[www.enterprisewide.com](http://www.enterprisewide.com)

BEST

[www.bestsapcbi.com](http://www.bestsapcbi.com)



## How to Connect with Me

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