

# Supplier Statement Reconciliation: Pick n Pay Case Study



***Pick n Pay**, South Africa's favourite supermarket (as voted by customers in the Sunday Times Top Brands Survey), had an annual turnover of R59.3 billion in the 2013 financial period and operated 992 stores, consisting of 570 company owned and 422 franchise stores across multiple formats and in 8 geographies.*

## Business Challenge

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After Pick n Pay implemented their centralised Finance Shared Services it was no longer practical or possible to reconcile supplier statements manually. Pick n Pay receives more than 2,800 statements from more than 1,400 suppliers on a monthly basis, with some statements exceeding 50,000 line items. Pick n Pay required a solution to automate the reconciliation of supplier statements.

## The Solution

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JHN Solutions implemented their **Supplier Statement Reconciliation™** (SSR™) application; an ABAP add-on that allows the capture, upload or interface of supplier statements on SAP and provides automated reconciliations between supplier statements and vendor accounts in Accounts Payable. This functionality is not standard in the SAP ECC (ERP Central Component) application.

The solution delivered also included a custom developed interface between the Pick n Pay Supplier Portal and their SAP ERP system. Once a supplier uploaded and confirmed their statement on the portal, it is transmitted within seconds using a web service via SAP PI into SAP ERP, ready for reconciliation by the accounts payable clerk.

## Business Benefits

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According to Pick n Pay, SSR has resulted in the following advantages and efficiencies:

- **Time saving** – reconciliations are done instantly.
- **Improve accuracy** – human error is eliminated as reconciliations are done electronically.
- **Improved analysis of accounts** – the reconciliation ages the reconciling items on the accounts. Accounts payable supervisors are able to obtain a high level of the account at a glance.
- **More accurate matching** – invoice numbers must be the same as the invoice number on the statement. This highlights invoices where the correct invoice number has been used. The invoice number can then be changed or corrected.
- **Audit trail** – the fact that the statement is uploaded into SAP results in the user being identified. This allocates responsibility to a specific accounts payable clerk when there are errors and queries.
- **Additional time** to focus on queries and reconciling items – less time is spent on manual reconciliations therefore clerks have more time to focus on resolving queries and clearing reconciling items.
- **Electronic statements** – vendors have notified PnP of increased efficiencies as statements are now uploaded electronically. Vendors are no longer required to post or email statements. SSR enabled the electronic upload process.
- **Reduced paper wastage** – manual statements are no longer printed resulting in paper saving.
- **Completeness** – SSR assists in identifying statements that have not been posted.

In addition, a sample of small, medium and large vendor accounts indicated the utilisation of SSR at Pick n Pay has resulted in an average timesaving of 64% during the entire statement reconciliation and payment preparation process.

## Testimonial



*"SSR has enabled the accounts payable clerks to reconcile their vendor accounts efficiently and accurately. In the past, vendor reconciliations were done manually. This was extremely labour intensive and clerks would spend up to three days reconciling the large vendor accounts.*

*SSR has improved processes, efficiency and accuracy when reconciling vendor accounts. The feedback from both vendors and accounts payable clerks has been positive. PnP recommends SSR."*

**Ralene Livingstone**

General Manager Finance Shared Services

## Our Company

JHN Solutions is an SAP software solution and technology partner. We specialise in SAP Financials and assist our customers to optimise their business processes by automating critical, often time-consuming tasks. Automation is achieved by exchanging business documents between business partners in electronic format. This is known as Business-to-Business (B2B) integration or Electronic Data Interchange (EDI).

Organisations invest millions in their SAP system, but never realise its full potential. JHN Solutions offers an extensive range of B2B integration, EDI and SAP related services and solutions. We are ready to assist you to *unleash the potential* of your SAP system.

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