



# Digital transformation of ERP systems: Implications for companies and banks

*The bravery to imagine and the will to get things done. That's Africanacity.*





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# Introduction

There is good news for CFOs, financial directors and procurement teams looking to reduce fraud and improve inefficient processes within their organisations. An innovative new product offering from Enterprise Resource Planning (ERP) technology specialists, SYSPRO together with Absa, brings into focus the growing closeness between technology and banking groups to deliver client-centric solutions.

Established in 1978, SYSPRO is recognised as a global leader in ERP software with a specific focus on manufacturing and distribution related businesses who require world-class technology solutions that deliver increased business performance while reducing risk.

Absa is recognised as a leading pan-African banking group on the continent, delivering financial services to a vast array of businesses across a variety of different industries on the continent.

This partnership will see businesses who currently use the SYSPRO 8 ERP system seamlessly integrate with Absa transactional banking solutions, resulting in reduced business inefficiencies while improving supplier processing and ultimately bringing financial controls to business.

# API technology is a game-changer

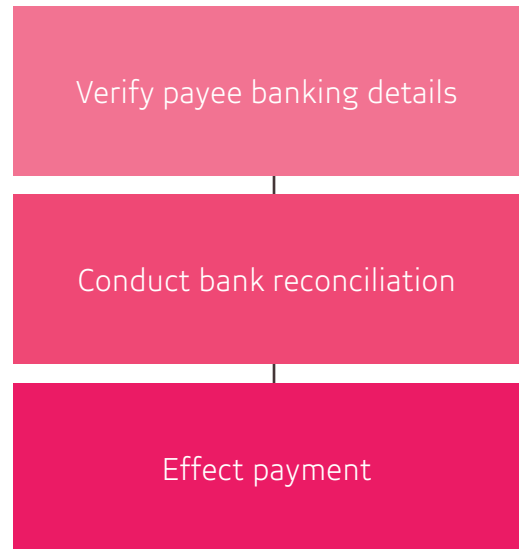
The rise of Application Programming Interface (API) technology has forever changed the way that financial services businesses will inter-operate with their technology partners.

In the past, a financial transaction had multiple hand-off points which could result in failed transactions which in turn made real-time transaction reporting nearly impossible. An API now allows a technology application – such as SYSPRO 8 – to integrate directly into the banks processing system. This means that transactions are processed in real-time rather than duplicated across various business channels such as procurement and finance.

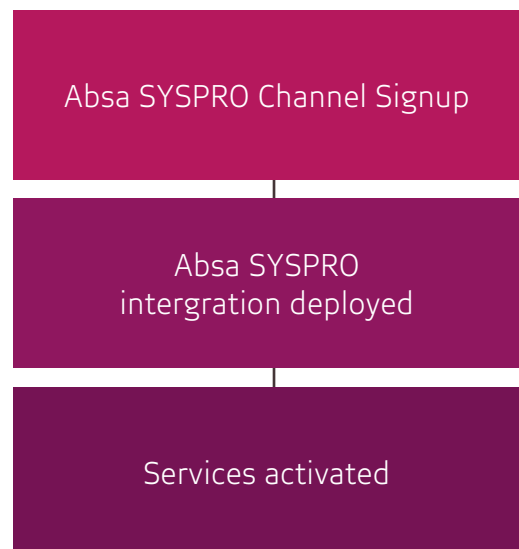
The API means that your reporting is in real-time, 24 hours a day, 7 days a week, 365 days a year. This reduces the number of man-hours spent supporting manual approvals and the opportunity for fraud or user error.

## SmartPay process (enabled by Absa and SYSPRO)

Further strengthening these financial controls, Absa banking APIs provide SYSPRO clients with real-time access to payment, statement and account verification services.




The API process presents a far more integrated picture for the client and is as simple as to implement as per the below process flow.



# Challenges facing South African businesses

As a CFO or Financial Manager in South Africa, you are faced with a diverse and challenging operating environment.

The statistics below\*\* paint a grim picture for businesses who do not have their finger on the pulse of their internal controls:

-  South African (SA) organisations have been victims of economic crime and fraud in the past 2 years
-  Losses due directly to the most disruptive fraud could reach US\$1M
-  Frauds were perpetrated by internal employees with tenure of equal or more than 10 years
-  Accounting fraud perpetrated mainly by senior management
-  Organisations had to spend significant resources on investigation— sometime 10 times more the actual fraud
-  Annual revenue lost for the organisation with turnover >R300m equates to >R15m

By integrating the Absa banking offering with the SYSPRO ERP solution, the financial clusters within a business are able to put in place controls that immediately improve both Security and Efficiency:

Security
Provides better protection against fraud risks, in particular for companies that are uploading batches of payment files into online banking systems.
It also reduces internal fraud, by reducing the opportunities for employees to manipulate beneficiary and payment instructions.
Efficiency
Until now, direct integration has been difficult, expensive and technically challenging, as companies have had to do a custom integration of banking services into their ERP system.
The API technology makes the banking process far more efficient.

Absa's research shows that direct integration of payments into an ERP reduces time spent on banking by 80% over online banking channels. This time reduction in turn reduces the opportunity for user error or manual intervention.

With banks and technology service providers working closer together, it is anticipated that there will be a direct move away from online banking services as businesses opt to make use of direct integration channels.

\*\* Sources : Global economic crime and fraud survey 2018 South Africa

# The future is now

*“Integrating payment services is only the start. Once we have these services in place we believe there will be many opportunities to bring innovation to the financial processes.”*

Richard Stocken, Head of Cash Management Product, Absa CIB

*“SYSPRO. Technology helps to simplify business processes that are normally cumbersome and people intensive. An integrated solution of this nature eases the burden from finance personnel without sacrificing the necessary internal controls. We look forward to deploying this integrated solution for our clients.”*

Bulela Mgobozi, Finance Business Lead for SYSPRO EMEA

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