

BEST

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CLIENT CASE STUDY

BACARDI'S BALANCE SHEET RECONCILIATION TRANSFORMATION USING THE BEST GL RECONS MODULE



Bacardi is a family company with more than 160 year history of making spirits. The vision of the Company is to make moments matter – for customers, consumers, partners and for employees.

Jedy Arias Rojas, Director, and Karen Vega Hidalgo, Accounting COE Manager, both from FAS (Financial & Analytics Services) at Bacardi were interviewed by BEST on 10 March 2022. The objective was to discuss the background and benefits achieved to date since the 2021 implementation of the BEST GL Recons Module at Bacardi.

FAS is part of a support function within Bacardi Enterprise Services. Their purpose is to support the business in all areas of finance and accounting and continually looking to strengthen processes and controls.

BACKGROUND TO SELECTING BEST GL RECONS

Bacardi has always had a formal policy for their Balance Sheet Reconciliations. However, there were concerns within their existing process with:

- Controls
- Completeness

There was a high volume of manual activities affecting execution and quality. It was decided to implement a more robust solution to improve on the existing process, improve controls and to provide better assurance and confidence across the reconciliation process. BEST was selected following a product investigation and comparison exercise. Bacardi were impressed by the BEST GL Recons functionality.

Bacardi decided to implement BEST GL Recons for 2 reasons:

- BEST was in SAP which meant that Bacardi could leverage the existing SAP investment, as well as benefit from the user's familiarity and knowledge of SAP.
- Cost – BEST was significantly less expensive than other prohibitively priced solutions. Bacardi could see no discernable functional benefits provided by the more expensive solutions to what was provided within the BEST GL Recon functionality.

THE IMPLEMENTATION PROJECT

The BEST GL Recons implementation project took place over 4 months – January 2021 to Go Live in May 2021, and had some challenges to consider viz:

- The large number of stakeholders and their various global locations and different time zones.
- This project was during the Covid pandemic and the implementation was performed 100% remotely.
- A challenge internally for Bacardi as it was approaching their Fiscal Year End.

Considering all the above, Bacardi were very comfortable with the project implementation noting the following key factors for this success:

- Very strong level of support and guidance provided by the BEST Project team.
- Strong support helped Bacardi to understand the functionality of the tool and to understand the required changes to their existing process.
- High quality training and extensive material provided. This included online training, videos, training manuals and live training sessions.

Bacardi had some unique requirements that were not part of the BEST Standard solution. Most notable of these enhancements were:

- Requiring a Recon Status that can be assigned at the time of approval and reported on.
- Requiring a Month End US Dollar value (Group Currency) calculated and displayed on the online BEST Recon report.

Bacardi noted it was commendable that BEST was flexible enough to be able to develop and deliver this functionality.

- Without these enhancements Bacardi would have had to implement manual workaround processes.
- These enhancements save Bacardi considerable time and greatly simplify their reporting – even being reported on in Power BI.
- The enhancements also ensured the following two benefits:
 - BEST solution aligned to the existing Bacardi Reconciliation Policy thereby ensuring it need not be changed.
 - Users were easily able to align with, and to adopt, the BEST solution as a result of it including these familiar Bacardi requirements.

Implementing BEST at Bacardi across global regions (30 countries and 253 users) has allowed for:

- The introduction of standardisation across all teams and regions.
- The implementation of control throughout the process.

There has been a high level of acceptance of the tool and all users are now utilising BEST to perform Month End Reconciliations. Positive feedback has been received regarding:

- Time saving achieved throughout the process.
- Elimination of manual work.

BENEFITS ACHIEVED

The FAS team, as global owners of the BSR Process, felt the most important benefit achieved with implementing BEST GL Recons was the introduction of control throughout the entire process and throughout the organisation.

Implementing BEST GL Recons has helped to ensure control over:

- Owners of Reconciliations.
- Information within the Reconciliations.
- Status of Reconciliations.
- Completeness of Reconciliations.

Before implementing BEST, Bacardi used a Risk-Based Approach to conduct reconciliations. Using formulas in excel, accounts with large movements and balances were identified as high risk and therefore reconciled. Due to limited time and resources to reconcile accounts, the risk-based approach limited the scope of recons to a manageable quantity. The process was very manual, using excel based reconciliation templates shared via Share Point.

After implementing BEST, **ALL** Balance Sheet accounts are being reconciled, directly in SAP and are being completed in less time than before. Bacardi are completing more than 4,500 GL Reconciliations per month using BEST GL Recons.

BEST Auto Approval functionality is being used to help complete more reconciliations per month and to also complete them faster. Auto Approval eliminates the manual steps previously being done to complete a reconciliation for a zero-balance account. Bacardi are Auto Approving more than 10% of their Month End reconciliations.

MANAGEMENT REPORTING

BEST Management Reporting is assisting Bacardi to manage the approval status and their reconciliation deadlines. These reports have provided Bacardi with real time and reliable reporting previously not available before. BEST Management reports have replaced the legacy SharePoint spreadsheet that was updated manually and which was never entirely accurate or fully reliable. The online BEST Management Reporting provides real time information that managers can trust and rely on.

IMPACT ON AUDITING AND CONTROLS IMPLEMENTED

Effort spent on Audit queries to locate and supply excel reconciliations upon request has been eliminated by providing Auditors access to BEST in SAP to allow them to find and review reconciliations as they require. This also enhances the Auditors confidence in the Balance Sheet Reconciliation process being used by Bacardi.

A critical control implemented with BEST has been the completeness of the reconciliation process. Approvals can now be monitored to ensure the approval has been completed within the required deadline.

New SOX controls are required to be in place, such as:

- Ensuring that Master Data is correct and accurate in SAP.
- Ensuring that the correct owners of the accounts are assigned in the Master Data.

These increased controls provide Bacardi with more confidence in their process and in the accuracy of their reconciliations.

COST SAVING

It was not a key objective of the project to reduce costs, but rather to improve quality and control within the BSR process.

However, indirect cost savings have been identified by Bacardi through implementing BEST. One indirect cost saving was the ability to increase the scope and quality of their reconciliations. The scope of reconciliations now completed is approximately 40% more than before. This would not have been previously possible without increasing headcount proportionally. Additional indirect cost savings include:

- Reduction of manual work to focus on more value-added activities (i.e. Financial Analysis).
- Transition of additional activities from other areas of the business to the FAS division, due to the additional capacity created by BEST time savings.

TRANSFORMATION OF MONTH END RECONCILIATIONS

BEST has dramatically transformed the way Bacardi performs Month End Reconciliations. Using BEST GL Recons, the new online processing has resulted in the following key improvements:

- Higher quality of reconciliations produced through increased controls and standardisation throughout the organisation.
- Large time savings achieved by eliminating manual processes and the introduction of automation.
- Able to perform more reconciliations using the same resources in a quicker time frame.

Bacardi view the BEST implementation as a very successful project which has had a big impact for not only the FAS team, but for the entire Bacardi organisation.



PLEASE CONTACT US TODAY

If you would like further information regarding BEST Products, please contact us via email on reconcile@bestsapcbi.com

If you would like to watch the interview recording, please use the below link:

<https://attendee.gotowebinar.com/recording/872803747481431298>

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