

Case study : Enterprise Financial Management Solution

SODTECH
Solutions on Demand

Copyright © 2015. SOD Technologies Pvt Ltd


iDempiere
Open Source ERP System

Enterprise Financial Management Solution

“ Moving to a global ERP system can appear daunting, but with the right solution and an experienced provider, it can help unleash your business' true growth potential. We see the relationship with SODTECH as a stepping-stone towards future. The cost savings we have already seen, and the increased control over financial management have been of massive benefit to the organization.”

*Jijesh T Das ,
Deputy Director - EDP*

Client Profile

Spices Board (Ministry of Commerce and Industry, Government of India) is the flagship organization for the development and worldwide promotion of Indian spices. The Board is an international link between the Indian exporters and the importers abroad. The Board has been spearheading activities for excellence of Indian spices, involving every segment of the industry. The Board has made quality and hygiene the corner stones for its development and promotional strategies.

Website: <http://www.indianspices.com/>

The Challenge

Absence of an automated and integrated financial management solution exists in Spices Board. Before proposing iDempiere based ERP solution, spices board was using an ASP.NET based financial accounting package, which is having problems such as lack of integration with third party software solutions, lack of customizable reports, not an open-source platform with lack of source code to do revamp and modifications/rectifications. Early on spices board, the chart of accounts was a combination of Scheme, Program & Activity resulting in large number of account elements and was not in a structured format. Integration with third party solutions was considered to be one of the most highlighted problems existed in Spices board. They were having third party solutions to manage subsidy payments, payroll, pension roll, bank payments, Asset Management etc. For the payments through Banks, Spices board has to submit the details of the transaction and account beneficiaries in a notepad/document and mailing them across respective banks. This has been a tedious process and there was no tracking for payment status for each document as the number of transactions was too much. If a user inquires for payment details, they need to check with the bank and the updates of each transfer has to be fetched from the bank time to time and it will take several days to cross check if there is a miss in any payments. This was a trouble some experience for Spices board as it has to be undertaken manually. For payroll and pension roll payments, the existing system needs to create separate batches for cash and bank payments and need to wait for approval. It will take a considerable amount of time to get processed with all payments. The asset management system was not integrated with the Financial Management system and the Asset invoicing was not validated against the Asset Management system Entry. The Asset Depreciation process and calculations were handled using Excel sheets.

A state of art solution is needed for eradicates hindrances in generating MIS report and decision making for top management on financial aspects on Spices board. External subsidy transaction details done through a third party software solution is not audited and tracked. For failed as well as successful Bank Payment transactions, there are no track records being kept in a centralized solution. There is no solution to manage and undertake automated payroll processing within Spices board. For all these, a fool proof system has to be designed which has been undertaken by SODTECH by proposing iDempiere ERP Financial module.

The Solution

SODTECH using Open source iDempiere ERP. Financial Management Module has changed the face of this challenge and came up with a fully integrated solution towards Spices board. SODTECH is em-paneled by ICFOSS (International Centre for Free and Open Source Software) for the Open source ERP projects across Government of Kerala (India) and associated departments. ICFOSS has awarded SODTECH to undertake this challenging project towards Spices board, India. SODTECH took the effort in clearly understanding the client's need and approached towards solution keeping in mind the client's nested interest in the application and their outlook for a sophisticated application. SODTECH undertook an effort to understand the various process methodologies and levels and learned its best practices and function aspect. SODTECH decided to venture outside its domain of application development, and acted as a guide for the client providing consultation and best approach to roll out their process much smarter and error free. SODTECH with iDempiere ERP, an open source solution, is not tied by any licensing cost for functional changes or version upgrade.

As a solution provider, SODTECH has proposed its iDempiere ERP Financial management solution towards Spices board which is an one-stop solution towards the organizations current challenge. At present, in spices board Financial Management, they are having different schemes where in government will allocate funds based on the same. Respective of these schemes, spices board needs to spend and keep a track on each and every investments made. Based on each activity level, proposed iDempiere Financial management System which is having different accounting dimensions such as Category, scheme, program, Activity, Location etc, where in we have designed a new structured chart of accounts till bottom-level for Spices board, where in there will be activities assigned against budgets, expenditure and their controls. Based on the same, spices board can view as well as decide on when and where they would invest these budget and take management decisions on this behalf.

SODTECH has integrated iDempiere ERP Financial module with subsidy management system , Personnel information System, Payroll System , Pension roll System, Asset management System , Corporate Banking systems. All these third party systems were used by Spices board. In case of Subsidy management system, farmers in different states and districts are using this as a common point to apply for different subsidies granted by SPICES BOARD. Field officers will verify & approve the requests. Meantime, the centralized ERP financial system will be updated with the creation of payment files which can be approved in order to process the financial respective to the subsidy the person has applied for. The scheduler running at the back-end in our ERP solution will coagulate and make multiple payments as a batch and will make as a single document. If a Farmer master data is been edited in the subsidy management solution, it will be reflected back in the centralized financial ERP solution. The system is providing added security by locking the master data updates while a transaction is been processing for the corresponding beneficiary . A secure fund transfer takes place through our application. Bank software integration are done in different levels. SPICES BOARD user will select the payment bank in the Transaction files, and on approval by higher level users, the system will automatically send the payment file to the bank interface. There will be a corporate banking interface for Spices board from each bank. They can see the payment details immediately in corporate banking interface once it is transferred from ERP system.

These files all will be digitally signed and encrypted by the ERP application before sending to the Corporate bank application. SPICES BOARD authorized users can select the files in Corporate Banking Interface, verify and approve / reject the payments. For bank transfers and payments, a to-and-for communication is enabled using our ERP application. A document number will be appended against the payment and bank process the payment and revert us the UTR number and the document number of the payment done for that specific document. UTR and transfer information will be appended with the document with the details of payments done. In case of failure of payments, automatically the payment will be reversed. Again, a payment will be created, where user can rectify the comments from the bank and can place the payment again to bank. This is a completely new automated flow created exclusively for spices board for making bank transfers much more flexible and automated. In case of payments given for transactions received from third party system like subsidy management solution, success as well as failed payment status and information will be reverted back to the respective systems as well with the reference detail information such as UTR number, document/payment details.

MS/Email integration are been done for Spices board, for each payment system generates messages towards respective user mobile number/email address.

In case of Payroll and Pension roll integration, on completion of processing in Payroll/ pension roll system, the data will be transferred to ERP system where separate payment batches will be prepared for Cash and Online Payment transactions. Using ERP integration with asset system of Spices board, the users can cross check the asset purchase details in the asset Management system before proceeding to Vendor Payments. The ERP system will keep track of the asset purchase entries and the depreciation process in the system will calculate the asset depreciation based on the purchase period and depreciation rules. The process will create GL journal of depreciation entries for Accounts user verification and approval. By integrating our ERP application with Personal Information system, users can keep track on personnel details, employee joins, exits, location addition etc. All these details are made available centrally within the application by integrating personnel information solution with iDempiere ERP application.

Bank to Bank transfer, receipts , bank reconciliation, Invoices, Payments, GL Journal, Calendar Year and Period Control etc are few highlights of the application. One of the most promising features for Spices board ERP application is customizable reports where users can generate the reports as per their need, quickly and easily. The annual account reports are available in the system to be presented in for parliamentary purposes for forecasting their growth and productivity. User privileges has been defined and managed from the application. For taxation part, tax engine has been completely designed and a user can select which taxation they need to follow and can add the tax masters as and when needed. Import and export features are facilitated in the system and any window / report format can be directly exported to .PDF, HTML and excel formats.

The Benefits

Spices Board now have a consolidated view of the system with the new online synchronization and integrated ERP application. The financial data from different functional departments are synced with the central server located at the HQ thereby providing a centralized management and quick managerial decision making. The payments, their status, past transaction details, fund allocation and their tracking, integration with third party solutions has made current iDempiere ERP application superior in terms of functionality as well as reduced lead time in executing management decision. The whole range of customizable reports made easy for decision making as well as forecasting the performance of the organization for the next financial year. The iDempiere Financial ERP system provided Spices board with a structured Financial management system, improved process standardization, efficiency, and adaptability with readily available information for financial reporting on the fly. Spices Board has been benefited both financially and reducing uncertainty in the processes. MIS reports based on multiple levels of categorization can be generated without

any development activity. Overall the new system has helped Spices board to build a strong base to concentrate and plan on new avenues for growth. In short, a system prepared for the organization for growth by infusing it with more operational agility and flexibility.


Solution Summary

- Standardized Business Processes
- Improved work flow and efficiency
- Increased cost- effectiveness
- Improved visibility
- Integration of overall business functions
- Improved Operations efficiency
- Immediate access to enterprise information
- Optimize IT Spending
- Better decisions using corporate knowledge
- Enhanced user experience

The logo for SODTECH, featuring the word "SODTECH" in a bold, blue, sans-serif font. The letters are closely spaced and have a slight shadow effect. The background of the page is white with a large, abstract graphic of overlapping light blue and light grey diagonal stripes.

Solutions on Demand

www.sodtechnologies.com

A large, stylized, light blue 'S' logo is positioned in the bottom left corner of the page. It is partially cut off by the edge of the frame.

G Floor, Athulya Infopark, Kakkanad, Cochin-682 030, Kerala, India