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Corporate Giant in Sri Lanka Achieves End-to-End Automation of Separate Payment Processes



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John Keells Holdings PLC (JKH), with a market capitalisation of US \$1.4 billion, is Sri Lanka's largest listed company on the Colombo Stock Exchange¹. JKH has an extensive business portfolio covering private-sector-owned transportation business, tea broking, stock broking, banking, real estate, supermarket, port and marine fuel services and information technology (IT) solutions.²

JKH's complex and diverse payment and collection processes are managed by InfoMate (Pvt) Ltd ("InfoMate"), its wholly owned subsidiary established to serve as a shared service centre for JKH and its group of companies.

JKH's Requirements

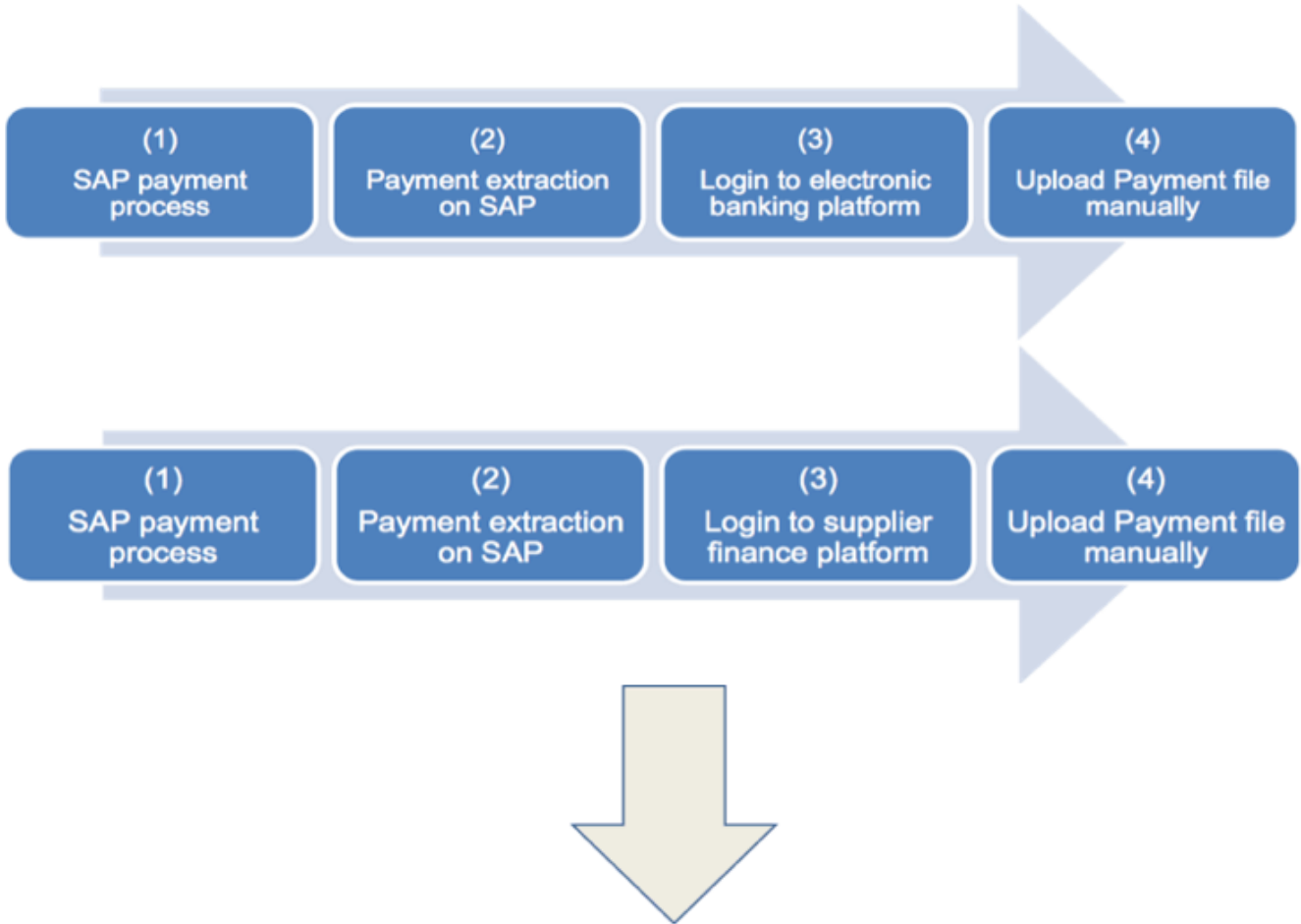
JKH sought a streamlined, end-to-end solution for processing both its daily cash management payments and its supplier finance related payments via SAP, with a view to reducing cost while improving efficiency.

The company's daily cash management requirements include making payments to suppliers on the due date of the supplier's invoice. The other form of activity is upfront supplier finance payments to JKH's suppliers on the invoice date. The company's existing process workflow for its daily cash management payments runs separately from its supplier finance payments processes. This resulted in having a

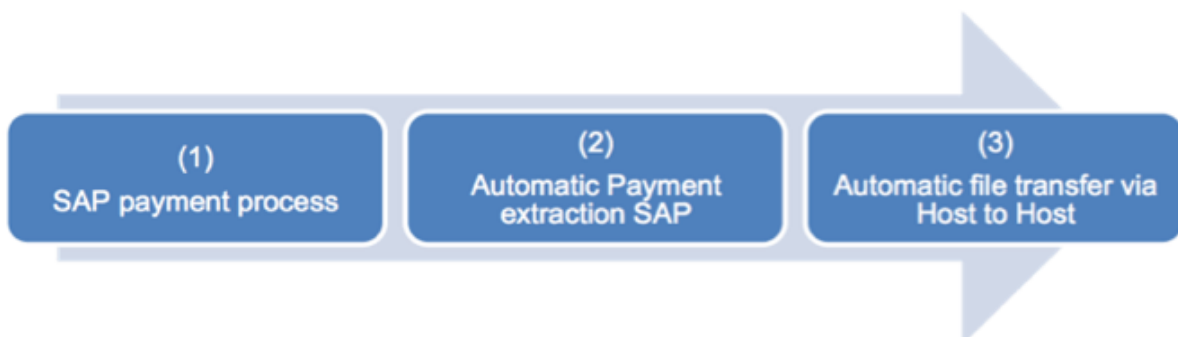
significant amount of manual processing, which was inefficient and more prone to human error.

Workflow for Both Standard and Supplier Finance Payment Processing

Existing Workflow ⁱ



New Workflow ⁱⁱ



- i. For existing workflow, users traditionally had to process payment runs for both daily and supplier finance payments manually, extract the payment file using DB's integrated solution with SAP login to DB's electronic banking platform and DB's supplier finance platform and manually upload respective files for processing.
- ii. The new workflow allows users to use only a single step for both daily and supplier finance payments where both payments are automatically transferred to DB's electronic banking platform and/or supplier finance platform and a notification is sent back to users on the success or failure of file transfer.

Deutsche Bank's Solution

Deutsche Bank developed a customised solution that enabled JKH to use the existing integrated solution with SAP where both types of payment (supplier finance and daily cash management payments) are generated at the time of payment processing and automatically transferred to the bank's electronic banking platform and the supplier finance platform.

This enables the daily cash management payments and the supplier finance payments to be processed concurrently.

The overall solution enabled JKH to leverage a seamless enhanced interface with SAP to send customised payment files to Deutsche Bank for faster automated processing that eliminated manual intervention.

"Key driving factors behind Deutsche Bank's suite of products and services is positive client experience based on secure and reliable communication and processing capabilities. Deutsche Bank's integrated solution with SAP will allow our clients to improve their operational efficiencies and, in turn, their working capital management," says Detlef Henkel, Regional Head of Product Management for Global Transaction Banking at Deutsche Bank, Asia Pacific.

Benefits for the Client

"The innovative solution that Deutsche Bank developed has enabled us to achieve efficiencies and a high level of end-to-end automation for two separate payment processes. Further, the innovation provides seamless integration. This has resulted in considerable cost savings and time savings for our shared service centre, which processes an average of 84,000 supplier payments annually, and saved close to 35 person days," comments Jehan Perinpanayagam, Chief Executive Officer, InfoMate.

¹ Source: <http://www.johnkeellsbpo.com/About-Us/Jonh-Keells-Holdings.aspx>, 1 August 2012

² Source: <http://www.johnkeellsbpo.com/About-Us/Jonh-Keells-Holdings.aspx>