



INFOMATE

ENABLING GROUPWIDE SHARED SERVICES

QUICK FACTS

Industry

Professional services

Revenue

US\$800,000

Employees

85

Headquarters

Colombo, Sri Lanka

Web Site

www.infomateworld.com

SAP® Solutions and Services

SAP® ERP application, SAP ERP Financials solution, SAP ERP Human Capital Management solution, SAP NetWeaver® technology platform

Implementation Partner

Siemens AG

Key Challenges

- Standardize business processes across diverse businesses
- Adopt best practices across the group
- Create shared-services capabilities
- Monetize investments in standard platform and shared services by offering business process services externally
- Optimize ROI and total cost of ownership related to SAP® offerings

Implementation Best Practices

- Adopted the standard ASAP methodology
- Assembled a strong cross-functional project team consisting of a core team, power users, and consultants
- Clearly defined roles and responsibilities, including project sponsor and champion
- Adopted "Why not SAP?" stance for any proposed functionality

Financial and Strategic Benefits

- Gained group synergies in finance, HR, and procurement to lower sales, general, and administration costs
- Adopted groupwide best practices, including clean master data, electronic document workflows, electronic bank reconciliations, and mail-room services
- Improved data quality and accuracy
- Achieved faster accounts closing and consolidation
- Achieved economies of scale by means of common processes and data

Why SAP Was Selected

- Best-in-class coverage of business processes in finance and HR
- Support for industry-specific processes across multiple industries from a single platform
- SAP NetWeaver® technology platform to facilitate integration with more than 10 business-specific, front-end systems
- Data integrity across multiple processes
- Role-based access for better controls

Low Total Cost of Ownership

- Replaced several stand-alone, custom-built systems
- Lowered cost of integration
- Used standard features (less than 2% customization)
- Established a single blueprint for multiple locations
- Used industry templates
- Deployed lower-cost infrastructure

Operational Benefits

Key Performance Indicator	Impact
Higher productivity of finance employees in JKH group	-50 employees
Faster and more accurate accounts closure	By 5 th of month
Lower IT costs (software license)	-10%
Lower procurement	-1% to -2%
Improved service-level agreements (turnaround time)	24-hour turnaround
Improved transaction quality	99.5% accuracy

InfoMate Pvt Ltd is a subsidiary of John Keells Holdings PLC (JKH), Sri Lanka's largest conglomerate with interests in manufacturing, retail, hotels, logistics, and construction. InfoMate functions as a shared-services center, providing back-office services for 70 JKH subsidiaries and for third-party companies. JKH wanted to standardize core processes and deliver services across the group. It chose SAP® software, which resulted in significant business benefits.



“The SAP software and the shared-services model have enabled a group as diverse and dynamic as ours to establish better controls and bring about standardization.”

www.sap.com/contactsap

Dilani Alagaratnam; President – HR, Legal and Secretarial; John Keells Holdings PLC

Shared Services in a Diversified Conglomerate

InfoMate Pvt Ltd is a subsidiary of John Keells Holdings PLC (JKH), Sri Lanka's largest conglomerate. With revenues of over US\$387 million, JKH has interests in manufacturing, retail, hotels, logistics, and construction. InfoMate has 55 clients, principally companies of the JKH Group, located in South Asia. Though set up as a shared-services center, InfoMate now has third-party business process outsourcing (BPO) capabilities.

JKH needed a robust IT platform to enable it to pursue its growth strategy, achieve economies of scale, disseminate global best practices, and exploit group synergies while lowering IT costs. It also wanted to make a strategic entry into the BPO industry. To achieve these objectives, JKH had to address the following challenges:

- Standardize finance, accounting, and HR processes
- Ensure transaction quality through standardized data entry norms
- Establish better controls and improve compliance
- Ensure business continuity with adequate infrastructure
- Optimize IT costs by rationalizing software demand

Leveraging Technology to Enable Shared Services

Deploying a common SAP® software-based platform was a critical step toward standardization and shared-

services delivery. However, JKH did not adopt a “one size fits all” approach. It retained key industry-specific applications, leveraging the SAP technology platform for process harmonization and integration. This led to standardization of back-office processes without loss of flexibility.

Next, InfoMate built extensions over the SAP software for superior services delivery. For instance, it built BPOmate, a world-class document management system, to provide real-time visibility. Then it implemented best practices in business continuity, Six Sigma, and measurement systems. InfoMate also obtained the ISO/IEC 27001:2005 certification for information security procedures. Today InfoMate's portfolio includes analytics, accounts payable, accounts receivable, bank reconciliations, and payroll processing.

Delivering the Promise

JKH has achieved impressive benefits from its shared-services operations. Monthly processing of over 50,000 invoices, electronic bank reconciliations, and accounts closing for 70 group companies are handled centrally. Superior management reporting and synergies in areas such as procurement and finance are key strategic benefits.

As Dilani Alagaratnam, President – HR, Legal and Secretarial, says, “SAP software and shared services have enabled us to be transparent and compliant and to offer better-than-expected returns to our stakeholders in data security, efficiency, and accuracy.”

Driving Strategic Benefits

The creation of this platform is expected to lead to further benefits. Ronnie Peiris, JKH's Group Finance Director, explains, “Reducing the total cost of finance and accounting was the main objective in the first phase. The second phase enabled us to consolidate and reduce our software licensing costs and enhance service levels. In the third phase, we drove reengineering and productivity enhancements by eliminating non-value-adding processes, resulting in fewer errors, process-driven uniformity, and accurate information.”

Ramesh Shanmuganathan, executive vice president and group CIO, says, “To consolidate so many disparate processes across multiple companies was a challenge. But with the best practices supported by SAP software, we could look at the end-to-end business processes rather than at functional silos. This helped us define logical splits of responsibility between the shared-services center and business. In summary, we have been able to successfully integrate people, processes, and technology to deliver a strategic business enabler through shared services, using SAP software as the platform of choice.”

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