

Case Study

Healthcare multinational in the APAC and ANZ regions

Service(s) offered: **Finance and Accounting**

Sector/Industry: **Healthcare**



Set up and management of the Finance and Accounting function post a divestiture

Set up and ongoing management of a Shared Services center for the client's Finance and Accounting function, following a divestiture. The client was under a Transition Service Agreement (TSA) with the parent company, and was in the process of setting up the business as a standalone entity. The project scope included:

- Supporting the transition into an independent function, to ensure business continuity
- Process redesign and optimization
- Shared Services set up and ongoing management

Challenges

- The finance and accounting process had so far been **managed centrally** by the parent company, and had to be **carved out** as an independent function
- The Transition Service Agreement mandated a **strict timeline** for the divestiture

- While under TSA, the **processes and ERP** could not be altered or optimized, making it **inefficient and expensive** for the client's business
- **Limited management bandwidth** in the finance function, necessitating **expert support** to ideate redesign and project manage the F&A process transition

Case Highlights

- **Reduced Cost per transaction** by ~50% over a period of 3 years
- **80% reduction** in the open items in legacy accounts
- **~35% cost savings** realized in the F&A function
- Enabled early exit from the TSA

The Solution

Nexdigm's team devised a scalable model in line with the client's growth plans across **seven countries** – Australia, New Zealand, Singapore, India, Korea, Thailand, and Philippines

Shared Services set up

- Created a **project plan** aligned with the phases of exit for each country, as mandated by the TSA
- **Process redesign and optimization**, to simplify the governing process and gain time and cost efficiency
- **Standardized and simplified processes** across geographies, and aligned them with the business requirements
- Defined service level agreements (**SLAs**), **turnaround** times (TAT), and **governance structure**
- Helped operationalize the Shared Services center within **six months**

ERP transition for F&A processes

- Helped in drafting a Business Requirement Document, including country-specific legal requirements
- **Database validation** and additional **data collection** of the customer and vendor masters
- Cleaned up the books of accounts by resolving legacy open items
- Created test scenarios and conducted User Acceptance Testing (UAT)
- Supported the Data Migration

Ongoing process management

- Managed the day-to-day Finance and Accounting processes and ensured strict adherence to SLAs and TATs
- Undertook ongoing **improvement initiatives** to successively improve delivery and quality standards
- Constantly innovated the ways of working over a period of last 5 years to suit to requirements of the business

Process digitalization

- Digitized the entire Accounts Payable process with the use of workflows, Optical Character Recognition, and Rules Engine to make it more robust and efficient
- Deployed Reconciliation tools for doing complex reconciliations including Balance Sheet Account Reconciliations (BSAR)

Impact

- Maintained **business continuity** through the divestiture, across geographies
- Managed the **set up and go-live** of the Shared Services center within **six months**
- Enabled an **early exit** from the **TSA**, resulting in significant cost savings for the function
- Transitioned Nexdigm's Shared Service set up into a '**knowledge owner**' for the client's operations
- **Reduced Cost per transaction** by ~50% over a period of 3 years
- Reduced **open items** by ~80% through reconciliation and clean-up of legacy accounts
- Set up processes capable of handling ~60% **additional volume** with minimal increase in headcount
- **Continued support** on every transformation project undertaken after the divestiture

For more information on this case study, please write to us at:

ThinkNext@nexdigm.com

You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com