

CASESTUDY

Reinsurance giant automates global invoice processes with Professional Advantage

Transatlantic Reinsurance Company is one of the world's top ten reinsurance organisations. Listed on the New York stock exchange, it has a market capitalisation of US\$4 billion and employs 600 staff in offices across the globe.

The company operates under a highly centralised, lean operational model using automated systems to support activity wherever possible. Databases and systems such as Transatlantic Reinsurance's main underwriting application and its Infor FMS SunSystems General Ledger, for example, are maintained in New York and accessed by branches using a Citrix virtualisation solution.

The problem of geography

For David Radford, Transatlantic Reinsurance Senior Vice President, International Finance and Operations, the centralised approach ensures tight management oversight of the company's geographically widespread operations but it also demands careful planning to avoid creating administrative bottlenecks. It's an issue that was well illustrated by the company's invoicing processes up until recently.

Radford explains, "The way we used to do it was an invoice would come into a branch accounts department where it would have a journal sheet attached to it with information such as account codes. This would be sent to the appropriate person for authorisation, then entered into the General Ledger. There'd be a cheque run and the cheque would be attached to the journal sheet and invoice before being sent around to the cheque signatories. Then the cheque had to be mailed out with a copy of the invoice and accounts would do a manual journal into Infor FMS SunSystems."

It was a time-consuming manual process and with every branch having its own different spending limits, authorisation could mean chasing approval internationally before a supplier could be paid. "What we needed was to automate the authorisation process, the journal process into SunSystems and the payment process for all of our invoices. We wanted to streamline invoice payments and control our overhead," Radford notes.

Transatlantic Re[®]

“We don't do cheques anymore. It's a paperless sequence, electronic from end-to-end.”

Company:
Transatlantic Reinsurance Company

Industry:
Financial Services

Solution:
iPOS eProcurement, B4B, Bank Reconciliation and eRemit Infor FMS SunSystems Enhancement solutions.

Benefits:

- Automated and integrated system means no duplicated data entry eliminated
- Online invoice approvals have removed authorisation bottlenecks
- Invoices are processed in half the time and more accurately
- Workflow supports compliance and provides essential audit trails
- Visibility into invoice payments anywhere in the world
- Seamless integration with Infor FMS SunSystems

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Integration is critical

Radford researched a number of products, looking for a solution to the problem. In 2009, he came across iPOS, an electronic eProcurement solution developed by Professional Advantage exclusively for the Infor FMS SunSystems environment.

Radford says, **"iPOS links into the tables in SunSystems so it integrates as closely as possible."** This was critical if Transatlantic Reinsurance was to achieve maximum automation of its invoice processes. In addition, iPOS' in-built workflow and authorisation processes supported many of the compliance requirements imposed on Transatlantic Reinsurance through legislation such as Sarbanes Oxley.

Before commissioning the software, Radford carried out due diligence to learn more about Professional Advantage. "With any software provider we are always concerned to ensure that they will still be there into the future," he says.

By June 2009, all checks had been completed and deployment kicked off. The first office to go live with iPOS was London and over the next two years implementations followed in Sydney, Paris, Hong Kong, Tokyo, Munich and Gibraltar.



The future

Radford believes that Professional Advantage – through iPOS - has provided a practical and reliable solution to Transatlantic Reinsurance's need for more efficient, automated invoice processing. He concludes, "PA has been very good throughout the project. Their staff have always been cooperative and accessible. They've always tried to find solutions to fit in with our business and business model."

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Electronic files replace physical paper

Now, as soon as an invoice is received at a Transatlantic Reinsurance office, it is scanned and entered into iPOS. Electronic workflows kick in, replacing the physical movement of paper invoices. Approval paths are dictated by criteria on the invoice, ensuring that each document is routed automatically to the appropriate person. This has eliminated the potential for invoices to be lost, misplaced or simply forgotten and it has removed the previous delays associated with paper invoices awaiting authorisation from travelling executives. **As a result, the total cycle time has been cut from 4 days to 2 days.** In addition, with each step in the process being recorded by the software, iPOS has created an accurate and readily-accessible audit trail of authorisations and payments.

Integration with the General Ledger means that iPOS data is automatically captured within Infor FMS SunSystems, removing any need for data to be re-keyed.

"We've **cut out double entry of data** and the need for people to walk around to get sign off. We've also done away with all the manual problems such as human error in authorisation." Radford says. "Because our systems are global, we can view any invoice at anytime, anywhere in the world." This means that the company has far better visibility of upcoming expenditure and of funds that are committed but not yet paid.

To take invoice processing one step further Transatlantic Reinsurance has also deployed CashDesk (B4B, Bank Reconciliation and eRemit), a sophisticated payment solution developed by Professional Advantage. The solutions integrate seamlessly between Infor FMS SunSystems and Transatlantic's bank, streamlining accounts payable by facilitating fast, secure EFT payments. **"We don't do cheques anymore. It's a paperless sequence, electronic from end-to-end,"** Radford notes.

Radford estimates that overall, the invoice processing automation project is **saving the company half a person in each branch.** "Before a more qualified accountant would have to do the work, now secretaries do it within their workload and the accountant can get on and do more value added work. This also help in our Sarbanes Oxley review and sign off as the processes in automated and authorisation is not an issue. This saves on auditors time and cost and ensures that no audit issues arise," Radford says. It's a particularly important benefit for Transatlantic Reinsurance's smaller branches where accounting skills may not always reside in the office.