

SAP Customer Success Story

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Khun Banlu Charukijisopha, SAP Project Leader, BAAC



AT A GLANCE

Company Name

The Bank for Agriculture and Agricultural Cooperatives (BAAC), Thailand
www.baacbank.com

Industry

Banking

Key Challenges

Improve reconciliation of financial records for 600 branches

Implementation Partner

Local systems integrator T.N. Information Systems Ltd. (TNIS)

Solution and Services

SAP® for Banking solutions

Existing Environment

Mostly in-house solutions and branch front end developed by TNIS

Implementation Highlight

Implementation took 10 months

Key Benefits

- Reduced reconciliation time from three weeks to one day
- Helped eliminate data errors
- Provided a clearer financial picture for bank executives
- Streamlined many business processes

Hardware

HP

Operating System

UNIX

BAAC

SAP® FOR BANKING SOLUTIONS TRIM BAAC CLOSING TIMES BY THREE WEEKS

With reconciliations of financial records from 600 branches throughout the country that took up to three weeks to process, the Bank for Agriculture and Agricultural Cooperatives (BAAC) had trouble meeting deadlines imposed by the Bank of Thailand. Using SAP® for Banking solutions, BAAC can now reconcile records in one day and will soon have information available in real time. The solutions have also helped BAAC eliminate data errors, provide a clearer financial picture for bank executives, and streamline many business processes.

BAAC is the leading agricultural financial institution in Asia, according to the World Bank. BAAC has achieved this distinction by meeting ongoing business challenges such as fluctuations in exchange rates and increasing operational costs. BAAC has also tackled its major internal challenge: inadequate financial information due to slow reporting turnaround times by remote branches and the lack of a centralized database.

“We had problems processing information as we reconciled financial records from all our branches throughout Thailand,” says Khun Banlu Charukijisopha, SAP project leader at BAAC. “If we found a problem from a specific branch, we would have to begin the process again. This could take weeks.”

The reconciliation problems made it difficult for BAAC to meet financial deadlines imposed by the Bank of Thailand. After consulting with KPMG, BAAC chose SAP for Banking solutions to help improve its reconciliation processes. The bank then formed a steering committee, headed by its president, to oversee the implementation and manage resulting business and IT changes within the bank. Local systems integrator T.N. Information Systems Ltd. (TNIS) performed the implementation. The project began in June 2001 and went live 10 months later in April 2002.

SAP for Banking solutions significantly enhanced reporting at BAAC – a world-class organization of 12,000 employees, 600 branches, and annual loan disbursements of \$6 billion.

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IMPROVED DATA ACCURACY

SAP for Banking solutions have also helped BAAC eliminate data errors and provide a clearer financial picture for bank executives. The solutions automatically monitor the bank’s liquidity situation. In addition, BAAC was able to reduce the staff in each branch, relocating them to other areas of the bank where they were needed.

“This allowed us to be more flexible and efficient,” says Charukijsofha. That flexibility and efficiency extends across the bank’s operations. “Someone must oversee the system and calculate the deposit and loan figures at the end of each day,” Charukijsofha says. “Before, this person would have had to manually key in the figures for the general ledger. We are saving 150 employee hours per month by eliminating this time-consuming process. There is also a reduction in paper, faxes, and memos.”

As part of the implementation, BAAC adopted standard financial practices to streamline its accounts department and other internal business processes.

“Having a central system has given us the ability to standardize the software we use internally,” says Charukijsofha. “We plan to use the financial information we have to help augment and

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support our [risk-management] responsibility center. There are also plans to implement a human resources system and interface with new Web-banking, retail-banking, call-center, and phone-banking systems.”

BETTER CUSTOMER SERVICE – AND A COMPETITIVE EDGE

SAP for Banking solutions have also benefited the farmers, fishermen, and livestock and forestry workers who have more than 12 million savings and loan accounts with the bank.

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