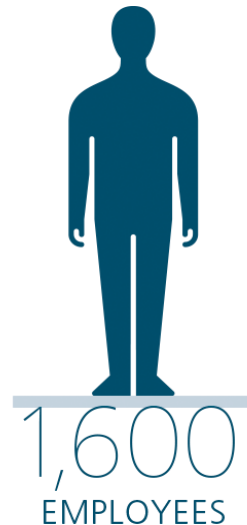# COPROCESS

User Group Meeting, 7-8 June 2018

Perstorp

Full Month End Reconciliation of Balance Accounts using Coprocess

Perstorp in brief

► World leader in several sectors of the specialty chemicals market

► Pioneer in formalin chemistry, plastics and surface materials

► The Perstorp Group is controlled by PAI partners,
a leading European private equity company

► Present in 26 countries and production plants in Europe, Asia and North America

1,600
EMPLOYEES

137
YEARS
of winning
formulas

10
SITES
Perstorp
production

13,6
BILLION SEK
turnover in 2017

The Perstorp Group

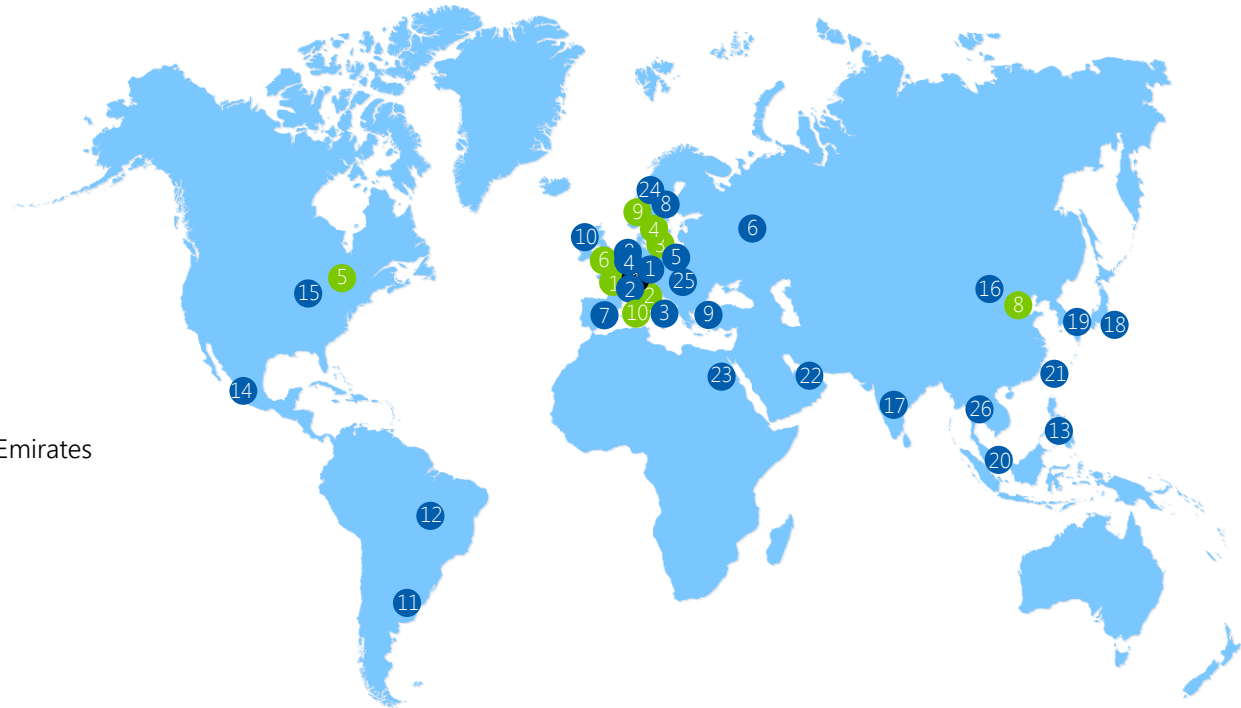Perstorp is the operator of 10 production units in Asia, Europe and North America

Sales organization in three different regions. This, together with sales offices in all major markets and more than 50 agents, safeguards a global presence.

Production units

1. Bruchhausen, Germany
2. Castellanza, Italy
3. Perstorp, Sweden
4. Stenungsund, Sweden
5. Toledo, the US
6. Warrington, the UK
7. Waspik, the Netherlands
8. Zibo, China
9. Fredrikstad, Norway
10. Vercelli, Italy

Sales offices

1. Germany
2. France
3. Italy
4. Netherlands
5. Poland
6. Russia
7. Spain
8. Sweden
9. Turkey
10. United Kingdom
11. Argentina
12. Brazil
13. Philippines
14. Mexico
15. USA
16. China
17. India
18. Japan
19. Korea
20. Singapore
21. Taiwan
22. United Arab Emirates
23. Egypt
24. Norway
25. Slovakia
26. Thailand

How we found Coprocess

- SAP Implementation and major reorganization within Perstorp in 2014,

- Need for improvement of present routines and implementation of global processes

- Need for new solution for Netting process.

- Coprocess can be used for both Netting and Reconciliation.

- I was responsible for reconciliation and improvements in this area.

- Great opportunity for us to implement a solution which can be used globally

- Better control of internal transactions within Perstorp Group.

- Perstorp chose to implement two separate modules: Netting and Reconciliation.

- Coprocess Recon was implemented at the end of 2015.

- 27 companies included in this process.

Perstorp Group Reconciliation- workflow
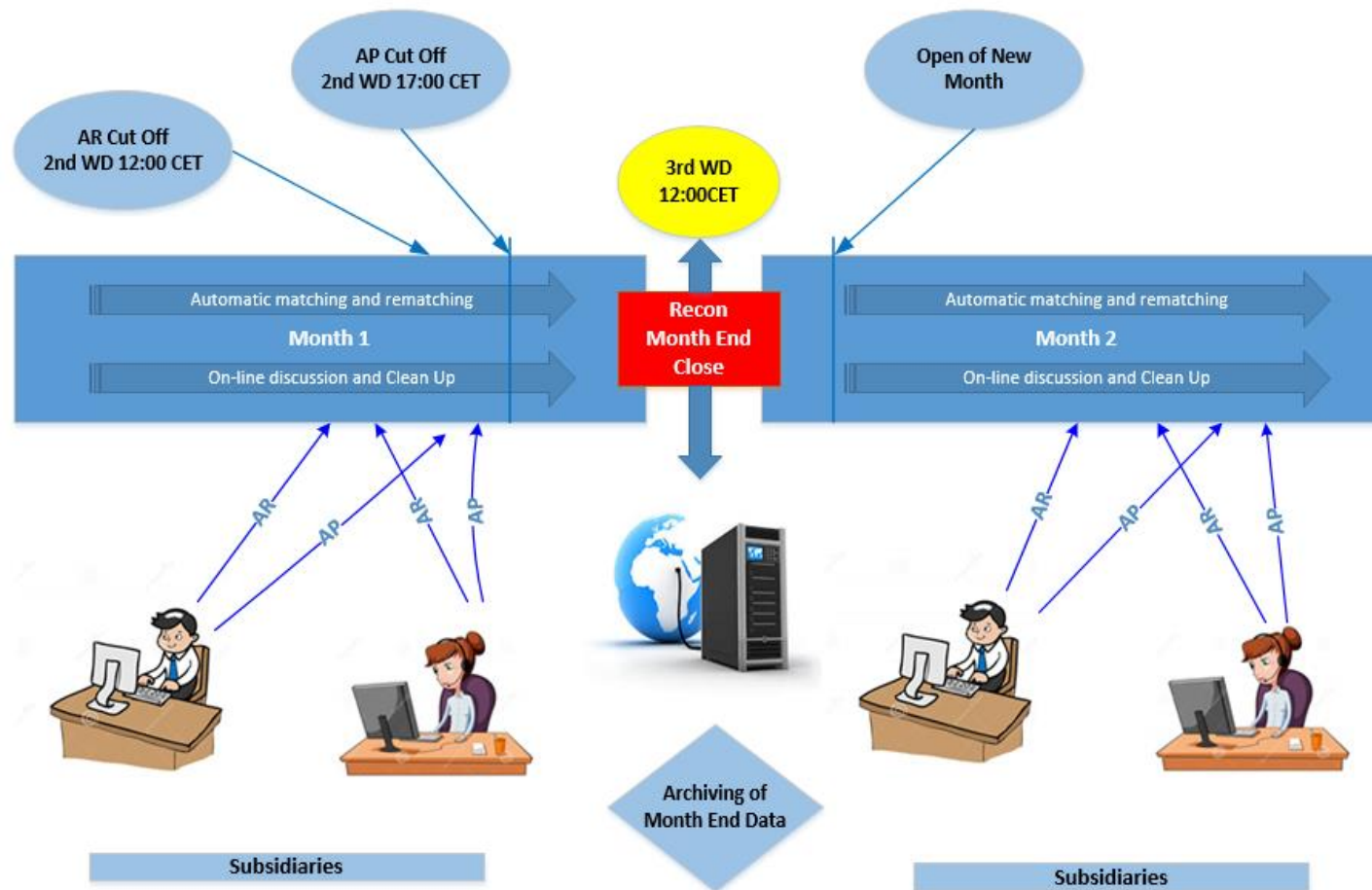
Workflow description

- The process starts with upload or manulal input of **all open intercompany accounts** receivable and payable both invoices and provisions from all local ERP system into Coprocess Recon.

- The deadline for uploading of AR items is the 2nd working day at 12:00 CET; the deadline for the first uploading of AP items is the 2nd working day at 17:00 CET.

- The upload includes an **automatic matching** process that compares AP transactions against AR transactions. **All mismatches must be resloved** before the deadline for intercompany reconciliation, which is the 3rd working day at 12:00CET.

- The subsidiaries are able to start **"discussion" from both AP and AR ledger** in case an invoice is missing or mismatching.

Workflow description

- There are many ways to do the reconciliation in Coprocess, most Perstorps users chose "Mismatch Analysis". The Analysis clearly shows which transaction need to be corrected.

- Once the reconciliation is completed all subsidiaries confirms their debts using **"Confirmation of outstanding current balance".**

- At last the subsidiaries can run **"Reconciliation Subtotals report"** which shows reconciled and revaluated balances. The same values should be reported into consolidation system- Cognos Controller.

- Interface with consolidation system is missing – balances reported into Cognos Controller must be divided by product code. This functionality is not applicable in our case.

Differences between Netting and Recon Module

- Some matching kriteria like due date, invoice date are not relevant in reconciliation.

- The discussion and flag tool can be started from both AP and AR ledger in Recon Module , which allowes faster resolving of all mismatches.

- "Confirmation of outstading current balance", which is important for reconciliation is not avalaible inside the regular system.

- The number of reports which are useful i reconciliation is significantly less then i netting module. "Reconciliation subtotals report" was modified according to our needs.

- Automatically allocating of invoices to a (future) period is not applicable in reconciliation, the new open period is always empty.

Intercompany reconciliation benefits

- The solution is a common platform for subsidiaries with different ERP systems

- The Reconciliation process has become more transparent because Coprocess Recon works at invoice level. Our consolidation system works at balance level, this means that the detail of the underlying invoices is not available.

- The reconciliation process has become more stable and time less spent.

- The number of differences in the consolidation system is significantly smaller and Its much easier to identyfy and correct them.

- The reconcilled data is stored centrally

Perstorp Group has been running a Recon Module for about 2 years and we´re very satisfied with the system and service minded support team.