opentext™

Financiera de Desarrollo Nacional

Industry
- Finance

Solutions
- OpenText™ Extended ECM for SAP® Solutions
- OpenText™ Vendor Invoice Management for SAP® Solutions
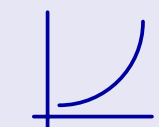- OpenText™ Intelligent Capture for SAP® Solutions

Results

Mitigated risk through business process consistency with full audit trails

Reduced operational costs, eliminating 25% of paper usage

Facilitated home working during pandemic lockdown with zero paper usage

Improved operational efficiency with automation, reducing contract drafting from up to six months to five days

FDN
Financiera de Desarrollo Nacional

Major Colombian financial corporation streamlines contract processes to meet service level agreements

Financiera de Desarrollo Nacional improves risk management, compliance and operational efficiency with OpenText Extended ECM for SAP Solutions

"The drafting of supplier contracts, with multiple versions, many individuals and departments being involved, numerous reviews and approvals etc., used to take anything up to six months to complete. With OpenText we have now reduced this to typically just five days, a massive efficiency gain."

Roberto Sanz de Santamaria
Vice-President of Operations
Financiera de Desarrollo Nacional

Financiera de Desarrollo Nacional (FDN), is a unique financial corporation in Colombia, specializing in infrastructure project financing and structuring, benefitting Colombian citizens and local industry. Focused on overcoming gaps in the market, FDN mobilizes financing sources through direct financing and by attracting investment from the private sector and overseas. Large infrastructure projects in areas including road, maritime, energy, education and health have been successfully structured or financed through its activities.

FDN is focused on overcoming market gaps and mobilizing funding sources to achieve the development of infrastructure in the country. All the innovative actions carried out by the entity are framed in the highest standards, both for structuring and management projects, as well as in relation to financing products. FDN supports the growing infrastructure development needs in Colombia, by issuing timely investment loans and related financial products with a high degree of scrutiny and documentation to ensure compliance. In order to meet the financing demands necessary to aid the development of the Colombian economy, FDN issues an increasing volume of loans and disbursements, which are supported by rigorous processes with an increasing quantity of required documentation.

Roberto Sanz de Santamaria, Vice-President of Operations at Financiera de Desarrollo Nacional explained the information management challenges that resulted, *"Back in 2013 we had very little IT infrastructure. We inherited SAP as our core Enterprise Resource Planning (ERP) platform, but in addition to being greatly under used, it lacked certain capabilities such as document management, process automation and efficient supplier*

documentation handling. Effective and efficient documentation handling is crucial in the regulated financial environment we operate, as well as helping us manage and mitigate risk."

Seamless integration to SAP—A key solution requirement

In order to overcome the challenges of operating in the highly-regulated financial services industry, FDN decided to look for a suitable solution to meet its needs. A number of objectives were identified, including better and more efficient control of documentation to mitigate the risks posed by a lack of precise documentation.

"We used to handle all our documents manually, whether as paper or electronic files stored on network drives," said Santamaria, *"However, this led to difficulties of traceability, of who did what and when, lost documents, confusion over document versions and so on. We knew we needed a solution so we issued a Request for Information (RFI) which helped us narrow down our options. One of the key requirements was that our chosen solution must integrate seamlessly with SAP."*

Also, as a regulated organization, subject to strict audit requirements, FDN has numerous, well-defined business processes. Being able to manage these processes, making improvements and keeping pace with the latest regulatory updates, was key in the final solution decision.

"One solution provider stood out as the best suited to meet our needs around document management and process automation, and that was OpenText," added Santamaria, *"OpenText Extended ECM for SAP Solutions has the seamless integration to SAP*

> *"With all loan processing and contractual documentation being handled by OpenText and easily accessible from within SAP, staff can quickly and easily get to the information they need, helping them improve overall operational efficiency. Requests for physical folders and files has already reduced by 53%."*
>
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> Vice-President of Operations
> Financiera de Desarrollo Nacional

and flexibility in process automation that we sought. Additionally, OpenText Vendor Invoice Management for SAP Solutions allows us to take control of our supplier invoices. We backed up our own research by referencing Gartner Magic Quadrants, which confirmed that OpenText is an important company in the Enterprise Content Management market."

Establishing strategic goals and objectives for a successful project

Having selected OpenText, a project was initiated to bring together key personnel from the process team, IT, their documentation team and other business areas.

"With any project of this complexity and importance, it is vital to obtain guidance on best practices, for example the best way to structure information," stated Santamaria, *"OpenText helped to facilitate this for us. As a government entity, we were already used to complying with how to keep physical files. However, now we had to do this for electronic files and so it was helpful to establish the right way of doing things from the outset. In Colombia, FDN has been at the forefront of electronic document filing."*

The project had to consider the needs of users, business, audit requirements and government regulations, all against a backdrop of increased efficiency. As well as a well-structured taxonomy for documentation, every action is recorded in a comprehensive audit trail, with a timestamp and details of who carried out the action, for example approvals of loans and disbursements.

"With all loan processing and contractual documentation being handled by OpenText and easily accessible from within SAP, staff can quickly and easily get to the information they need, helping

them improve overall operational efficiency. Requests for physical folders and files has already reduced by 53%," said Santamaria, *"OpenText was implemented almost completely 'out-of-the-box' with nearly no development required, especially around integration to SAP. This is in line with our strategy to stay away from customization, to avoid support and maintenance issues at a later date."*

Hitting SLA targets—drafting contracts in days instead of months

Among the major processes that have been implemented using OpenText are loan processing and supplier contracts. For loans, which can be for significant amounts for large projects, it is imperative that every piece of documentation is gathered, indexed and stored so that it can be found easily at a later date to service auditing and other queries.

"Every decision made, every piece of evidence and every action must be captured through the entire loan processing from application, approval and ultimately to disbursement of funds," stated Santamaria, *"OpenText allows us to be flexible with the metadata we hold, so we can identify, for example, stalled processes. System alerts and easily produced reports then allow us to take prompt action. This is just one example of something that we could not do before implementing OpenText."*

For supplier contracts, the whole contracting process is handled with OpenText: from initiation, through the request for proposal (RFP) phase, selection, contracting, execution and payment.

"The drafting of supplier contracts, with multiple versions, many individuals and departments being involved, numerous reviews and approvals etc., used to take anything up to six months to

complete," said Santamaria, *"With OpenText we have now reduced this to typically just five days, a massive efficiency gain that frees up staff time to work on other tasks. Faster contract preparation can ultimately lead to quicker funding, potentially accelerating the project being funded. We have seen a 45% reduction in the time taken to create requests due to process automation. Also, we can easily and quickly report on contract status, for example identifying those that are approaching liquidation, which was impossible to do in the past."*

With documentation now circulated digitally and consistently using the workflow process automation capabilities of OpenText, there is a much reduced reliance on paper.

"Working digitally certainly saves times, improves efficiency, reduces risk and helps us to be compliant," added Santamaria, *"Reducing our reliance on paper is also having a positive environmental impact, year-on-year."*

Many processes have now been implemented using OpenText as a reusable module, providing full traceability with enhanced documentation, including automatic tracking of service level agreements (SLAs). Internal audit reviews that produce actionable improvement plans, has since been adapted for use in additional use cases, such as risk administration and operational events. FDN is also now able to meet its legal obligations for digital filing, complying with Archivo General de la Nación's document management requirements in Colombia.

Building on success

With major processes now successfully operating, FDN has taken significant steps towards becoming a paperless organization. This enabled FDN to successfully operate during the COVID-19 pandemic, as staff were able to continue to work from home, making full use of the now digitized documentation and processes.

"This has been an outstanding, successful implementation, with many positive impacts on the business," said Santamaria, *"Staff at all levels of seniority in the organization are using OpenText on a daily basis, as they recognize the benefits to the company and to their own work. We can see many opportunities for further improvement and have numerous plans to expand our use of OpenText, most of which are based on user requests, confirmation of their belief in the solution."*

About OpenText

OpenText, The Information Company, enables organizations to gain insight through market leading information management solutions, on-premises or in the cloud. For more information about OpenText (NASDAQ: OTEX, TSX: OTEX) visit opentext.com.

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