

BPO & NetSuite ERP Implementation for Fast-Growing Unicorn Startup

Client Profile

Our client is a fast-growing startup in the e-commerce delivery space. It emerged as one of the fastest unicorns in history, with valuation quickly exceeding \$1 billion. The company operates globally, with heavy focus on Latin American markets.



Business Challenge

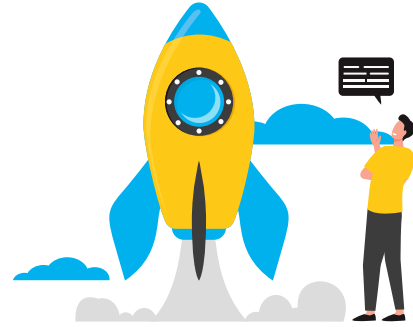
The client's business took off incredibly fast. But fast growth also brings growing pains, especially for a startup.

After gaining large amounts of capital, the client needed better controls and financial reporting to satisfy external audits and intense scrutiny from investors. However, the new business faced multiple challenges in its Finance & Accounting (F&A) operations, including:

- Operations were **starting from scratch, without documented processes, systems, or internal controls** in place to manage the rapid expansion.
- The client relied on local accounting firms to manage the complex legal and tax requirements of each market. However, each firm used a different accounting software. As a result, the executive team **lacked visibility and control of balances, inventory levels, and other key data across the various countries** until end-of-month reports could be reconciled.
- The client **didn't have a consistent, automated process for validating a three-way match between items received, purchase orders (POs), and AP invoices – causing the company to pay for items it never got.**
- Several challenges prevented the client from performing the three-way match process consistently:
 - ▶ With **growing invoice volumes for every country and a high number of lines per invoice (averaging 200 to 300 each)**, the client didn't have enough staff to manually review every invoice line-by-line to perform a three-way match.
 - ▶ The company was **too new to negotiate vendor payment terms**. Thus, it had to pay invoices immediately in cash to guarantee enough inventory to cover its growing sales – leaving no time for a review process.
 - ▶ **Financial systems did not integrate with the inventory system.**
 - ▶ **Immature supply chain processes** didn't ensure warehouse personnel completed item receipts on time, so goods receipts weren't available when vendor invoices arrived. A lack of internal controls also enabled staff to modify POs after invoices were received, further complicating the analysis.



- Vendors only allowed a **5-day window for submitting claims to rectify overpayments**. Without good Procure to Pay (P2P) processes, the client couldn't validate and recover differences on time.
- The client **needed a robust and centralized ERP system** to integrate all their finance functions globally and manage the growth of multiple countries at scale.



Solution & Approach

With aggressive expansion plans in the Americas, the client selected Auxis to help them stand up a new finance and accounting back-office organization from scratch by leveraging Auxis' BPO nearshore platform from Costa Rica and Colombia, instead of trying to build in-house shared services capabilities.

In parallel with the finance and accounting outsourcing services, Auxis was also engaged to implement NetSuite as the new standard corporate ERP system, all within a period of six months from the business launch.

Auxis is currently supporting all AP, AR, and Accounting operations for the client's business in the United States and multiple countries in Latin America, including Mexico and Colombia.

Auxis applied its proven BPO and shared services migration methodology for the discovery, planning, and design phases of the project. Expertly developing as-is process maps and designing to-be process flows enabled Auxis teams to thoroughly identify requirements for each process and activity.

Key components and steps of Auxis' BPO & NetSuite solution included:

- 1 Immediate placement of **resources to start recovering overpayments** from U.S. suppliers.
- 2 Creation of **optimized standard operating procedures (SOPs) with detailed documentation for more than 100 in-scope F&A processes from scratch**, including AP invoice receipt and processing, vendor master data, client invoicing, General Accounting month-end close, Fixed Assets capitalization, indirect tax calculation and filing, and more.
- 3 Implementation of the **NetSuite ERP system**. After design and planning, Auxis configured the software to business requirements, performed data migration, performed extensive testing to fine-tune development and address issues, prepared training materials and documentation, and provided support. The NetSuite modules implemented include:
 - OneWorld for global business management
 - Multi-Book Accounting
 - Financial Management
 - Vendor Portal
 - Fixed Assets Management
 - Electronic Bank Payment
 - Advanced Inventory Management



- 4 Creation of **robust internal controls**, such as the implementation of purchase orders for non-inventory purchases, an approval process for journal entries, and licensing for employees to create purchase orders with a workflow approval process through NetSuite.
- 5 Implementation of **NetLease by NetGain to automate compliance with new lease accounting standards ASC 842 and IFRS 16**. These standards consider long-term leases as assets and liabilities that must be depreciated over the life of the lease instead of expensed, with different rules in the calculation.
- 6 Implementation of the **NetSuite vendor portal, reducing time spent responding to vendor inquiries**. Instead, suppliers can log in independently to update bank accounts, upload documentation required for maintenance processes, and review pending invoices, POs, and payment status.
- 7 Implementation of **OCR (optical character recognition) for automatically populating PDF invoices into NetSuite** through its native Fast Four technology. The tool allows AP staff to see the invoice on the same screen as the transaction where it is processed instead of toggling back and forth.
- 8 Implementation of **automated bank reconciliations and three-way match** through NetSuite. Auxis' BPO team supported the client with a temporary three-way match process for key vendors in Excel until NetSuite was implemented.
- 9 Auxis designed and is implementing **UiPath Robotic Process Automation (RPA) to speed the cumbersome process of extracting invoices from tax portals** in Colombia and Mexico and injecting them into NetSuite.
- 10 Creation of a **centralized AP email account for receiving vendor invoices** to ensure nothing is missed, lost, or forgotten.
- 11 Development of **chart of accounts that comply with regulatory requirements in each country and mapping to the client's global chart of accounts**. Latin American countries maintain complex, stringent, fast-changing indirect tax filing requirements accompanied by intense scrutiny, necessitating a partner with expertise in best practices for compliance.
- 12 To meet the varied indirect tax requirements of each Latin American country, Auxis **selected and implemented a localization service that automatically adapts NetSuite to comply with local tax rules and policies**. Auxis also hired local resources well-versed in Colombian tax requirements, which are one of the most complicated in the region.
- 13 **Risk mitigation** through formalized segregation of F&A duties. For instance, ensuring different employees are dedicated to each part of the Accounts Payable process.
- 14 Implementation of **Adra by Trintech as the financial close management tool to accelerate month-end close**, including implementation of **Adra Balancer to ensure a timely account reconciliation process**. Auxis also proposed Adra's Matcher tool to solve integration issues the client couldn't resolve with its Adyen platform that force the BPO team to manually reconcile cash applications.



Results

Auxis was able to provide a comprehensive BPO solution of people, processes, and technology that the client urgently needed to build their finance operations and system infrastructure for the Americas in a very aggressive timeline.

Key benefits included:



Scalability & Speed to Market

The Auxis BPO nearshore platform provided the experience, stability, and agility the client sought to **quickly enter new markets without compromising quality and controls**



Faster Financial Statements

Implementing NetSuite and Adra helped significantly **accelerate the month-end closing process while providing a more current and reliable picture** of the client's financial health.



More Trust from Investors

Faster financial reporting enabled the startup to better satisfy investor scrutiny.



Better Visibility and Controls for Leadership

Clear insight and control of the company's financial status enabled the client executive team to **use financial data as an effective planning and strategic tool, reacting nimbly to changing conditions. It also reduced risk by ensuring fiscal responsibility.**



Faster AP Invoice Processing & Improved Vendor Relationships

Significantly faster AP invoice processing driven by RPA automation and OCR technology helped the client **strengthen vendor relationships and maintain the inventory it needs to support its accelerated growth. In addition, during the first months of the engagement Auxis' team was able to recover significant amounts of money by timely validating and disputing invoice payments for items that were not received.** Going forward, with an automated 3-way match process, the client will no longer have to dispute these claims as no payments are made for items not received.



Access to Top Accounting Talent, Automation & Best Practices

With 25 years of experience in shared services and finance transformation in Latin America, Auxis was able to provide instant access to proven accounting talent from the top two finance outsourcing destinations in the region.

In addition to talent, the client also benefited from Auxis' matured process improvement and automation platform by accessing the latest tools in the market including UiPath, the #1 RPA platform in the globe, and NetSuite, the #1 Cloud ERP Software.

As part of Auxis' BPO solution, the client gets access to its Center of Excellence that includes strong capabilities around continuous improvement, intelligent automation, and analytics.

