ERP Migration:
Optimising corporate banking operations

In early 2020, analysts like Gartner were already predicting that the "changing nature of ERP" is giving companies new and exciting opportunities to transform how they do business and improve efficiency in leaps and bounds.

With significant disruption caused by the start of the COVID 19 pandemic, many companies with on-premise legacy ERPs struggled to adapt. With many hampered by the need for employees to work remotely.

Circumstances like these have only accelerated the need for cloud ERP migration, and is a move that is championed by all the major ERP vendors as their traditional on-premise applications are slowly but surely reaching end of life.

Whilst any ERP migration is a costly and resource heavy undertaking (particularly for IT), migration to the cloud can and should be seen as a real opportunity for corporates to optimise existing processes and handle their data more efficiently.

This couldn't be more poignant where corporate finance teams are concerned. With many key finance processes passing through ERPs - from payments and collections, right through to reconciliation.

In this guide we'll center on the increasing importance of banking integrations and explain why this should be a key consideration at the start of any ERP migration project.

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When should you factor bank integration in to your ERP migration?

Ideally, banking connectivity should be on the agenda as early in your project lifecycle as possible.

Why? It's always one of the most challenging elements of any ERP migration, particularly if left to the latter stages of a migration.

And if your company works across several geographies or entities, it's highly likely you will need to tackle the complexity of factoring in a cross-border banking integration network too.

This requires significant coordination with all existing banking providers, of which there is often a considerable disparity between compatible transaction files and messaging formats required across different geographies.

On top of that, finance teams must make sure the new ERP system will provide the critical functionalities and fluent end-to-end process flows.

The good news is this element can be managed by a third party. But its imperative to give yourself enough time to map out your requirements, weigh up the differences between taking on the project in-house vs outsourcing to a 3 rd party and finally factoring in enough time for a solution to be implemented.

DIY bank integrations: What's involved?

1. You'll likely require a number of different teams and resources to coordinate with each other to scope out the project. This will almost always involve representatives from IT/engineering, Treasury, Accounts Payable/Receivables, Information security or compliance teams, as well as the bank's own tech teams.

2. Custom specifications can take months to get right. But once they are approved, IT will then need to work through their own internal procedures—namely development, testing, QA, pre- and post production. In practice, it can often take months to develop, test and release a single payment format.

3. Even once your migration is complete, challenges can arise if new payment formats are required later down the line – which will still need to go through the same testing processes.This process can take months, which can result in considerable delays.

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What are the challenges?

Working to the banks' timelines

This can become especially tricky if your organisation is juggling multiple banking relationships, especially as your IT teams will usually be forced to work around the banks' schedules

Working across banks and borders

Although SWIFT is moving from MT to XML, each bank still has its own unique requirements for accepting incoming files.

This means you'll need to ensure that payments are formatted to meet each specific bank's requirements and that output files contain the correct financial messaging data required to complete payments. This can become a complex process to manage when accommodating multiple formats per bank -i.e. to accomodate low value, high value and FX transactions.

Limited bandwidth

Troubleshooting bank issues, editing formats as required by the bank and working with the business to add new banks when the need arises.

IT teams are already thinly spread across numerous projects and support requirements. As such, the time involved in undertaking a bank integration project can be particularly draining on the resource you have available to you.

Fraud detection and prevention

As well as incurring financial loss, payment fraud can seriously damage a company's reputation and lead to the loss of essential data –leading to further compliance issues in the case of a data breach.

It is therefore essential to put effective measures in place to protect your organisation from these risks. For example; digitizing payment workflows, standardizing controls, screening payments and ensuring compliance with the banks and scheme you're looking to connect to.

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Certifications and Expertise

Many companies looking to manage their own SWIFT connection opt for Alliance Lite2 (AL2). But according to the SWIFT Customer Security Programme (CSP), this requires annual certification, auditing and testing. As well as annual self-attestation against 15 mandatory and 7 advisory control within the SWIFT CSP.

This puts a lot of responsibility on the shoulders of internal teamss—as they will be required to have internal SWIFT domain expertise and go through annual recertifications.
There's also the question of domain knowledge: what happens in the absence of SWIFT-trained resource, is there any back-up, and what the cost and time implications if further resource needs to be acquired and trained?

There is a simpler way!

By taking advantage of an ERP-to-bank integration solution, corporates can seriously simplify the banking component of any ERP migration with access to pre-built connectivity and bank transformation capabilities, as well as access to specialist knowledge which may not be prevalent in your organisation.

Working with a third party may also increase the options available to you, enabling you to:

• Combine and centralise multiple forms of connectivity to banks and payment schemes (i.e. a combination of SWIFT and host-to-host integrations) where you may not have the time, resource or knowledge to manage this process internally.

• Benefit from a 2-way connection with your bank to help enable faster reconciliation, not just payments

All this can shave months off your migration project and can help your organization save considerably on build, maintenance, resourcing and compliance/auditing costs.

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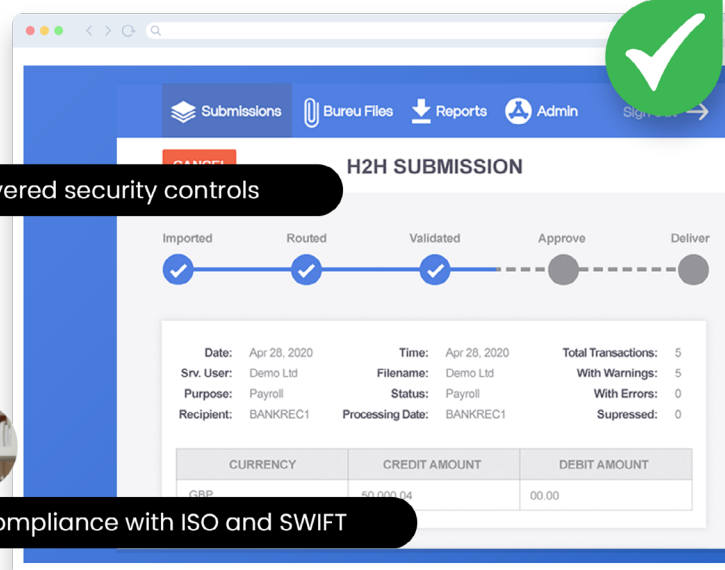
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Why AccessPay?

ERP bank integration brings many challenges for IT—but these can be overcome by adopting a connectivity-focused technology solution that simplifies bank connectivity, mitigates risks and drives down internal resource requirements.

Speed-to-value Our out-of-the-box, bolt-on bank connectivity can help turn bank integration from one of the most difficult aspects of your migration, to one of the simplest. The impact is much quicker time-to-value, with the potential to save thousands in project costs and overheads.

Managed connectivity If you need to connect to the SWIFT network, AccessPay offers Lite2 for Business Applications. This means you only have to attest to 1 point of the SWIFT CSP vs 22 self-attestations for Alliance Lite2 users and up to 31 controls for Swift Service Bureau users. Our coverage also extends beyond the SWIFT network, so if you do require a direct connection to specific banks, we will build and maintain this for you.

Manage ongoing maintenance and support. When your migration is complete, we'll continue to handle all ongoing maintenance, and frequently update our platform in line with standards across all major banks and payment schemes. We also have a world class support team on hand to help when required.

Bank agnostic, file agnostic AccessPay runs off an intuitive file transformation engine, which means we can accept any type of messaging file from your ERP and automatically transform it into the appropriate bank-ready format.

Deliver on time and on budget. Engaging with bank integration experts and implementing an existing SaaS solution naturally frees up internal resource from what is a faily daunting task —leaving your team to focus solely on delivering your ERP migration on time and on budget.

AccessPay is trusted by:

About AccessPay:

AccessPay gives finance and treasury teams the tools to enhance efficiencies and reduce operational costs through enabling digital-first finance transformation. We connect your back-office to the banks and payment schemes you work with for secure transfer of your financial data, with a range of payments and cash management tools available to help futureproof your finance function.

For more information, visit www.accesspay.com

Get in touch to find out how **AccessPay** can help you and your finance or treasury team achieve your goals.

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