SAP S/4 HANA Implementation for Asset Management Company
The client is the Asset Reconstruction Company. The company was established to acquire nonperforming assets (NPAs) from financial institutions and banks with the objective of focused management of these assets and maximization of recovery.

Client intends using SAP S/4 for its business operation & has approached AG Technologies to implement SAP S/4 HANA.

**Business Scenario**

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**Introduction**

The Client is one of the private sector companies registered with Reserve Bank of India RBI as an Assets Reconstruction Company (ARC) under section 3 of the Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.

Client has acquired dues of over Rs. 75 billion of Distressed Loans / NPL transactions from more than 50 Banks and Financial Institutions till FY2018. The client has built strong relationships with some of the leading national and international NPA investors over the past 12 years of its existence.

**Business Need**

Client wanted to have a system that will encompass all aspects of operations for an ARC with FAM (Fixed Asset Management), Trust Accounting, Bills Payment Management, Controls and DSS (Decision support systems) with Reports and Analytics.

Banks/FIs assign the stressed loans and non-performing loans along with underlying assets of the borrowers to the trusts set up by the client through an assignment agreement. Further, under one Trust, there can be multiple borrowers. The client wanted to track the operations at the Trust Level and wanted to track and control costs at borrower level.

The client wanted a system with complete end-to-end integration right from the Acquisition Process, Formation of trusts and issue of SRs to Collateral and Primary Security management that will also take care of the Taxation (GST and TDS) requirements apart from being extremely user friendly, and one which has extensive built-in validations to avoid data entry level errors.
Critical Success Factor

- Definition and documentation of measurable corporate goals and objectives to be achieved from the implementation
- Demonstrating commitment from Key Project Drivers and Project Co-coordinators
- Setting the practical, realistic and achievable expectations from the implementation across the Organization
- Knowledgeable consultants should be with good communication skills
- Disciplined documentation and strict adherence to process and quality standards
- Strong emphasis on building skill and learning environment by focused key user and end user training
- Ownership. Executive Sponsorship - visible and ongoing ownership of the project by senior management – is crucial. Senior management must be active and available participants in the process to ensure that effective decisions are made
- Clarity - No doubt must exist regarding the goals which the project is aimed to achieve, and the commitment required being successful. A rigorous scope management process is required because any development outside the agreed scope might threaten the project in terms of costs and schedule
- Talent. The quality of the project team affects the quality of the deployed solution
- Timely resolution of pending issues to prevent delays in the implementation plan
- Clearly stated project standards to which all participants adhere

Business Challenges

- Tracking of borrower wise cost in trust company
- Express Delivery - SAP S/4 Hana implementation of 68 Company Codes including complicated custom reports in a very limited time frame
- This is an off-beat business, different from the normal businesses for which SAP is generally implemented and used

The Solution

- Company Codes were created at the Trust Level so that operations can be tracked at that level and Financial Statements and other reports required from Legal / Tax compliance point of view can also be drawn
- A Main Company Code was set up to represent client
- The cross company transaction mapped form customer vendor invoices transaction with in SAP standard solution
- Configured Internal order Types for the requirement to track and control borrower wise cost
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