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# EX FACTOR

CFO **PRADEEP KUMAR** streamlines UAE Exchange's budgeting and accounting systems.

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**W**ith 775 branches worldwide, UAE Exchange is a cornerstone in the remittance market. Determined to deliver an enhanced customer experience and improved back-end operations, CFO Pradeep Kumar opted for fresh budgeting and accounting solutions to keep track of the \$25 billion in salaries that is transferred annually through its channels.

Residents of the seven emirates have a fond association with UAE Exchange. In a country that is reliant on its 90 percent expatriate population - where citizens migrate for better job and salary opportunities - sending money back home takes on huge importance for people of the United Arab Emirates. For them, and 400,000 others worldwide who use these services monthly, UAE Exchange is a vital channel that helps them feed, house and clothe loved ones around the world.

The company was founded in 1980, with just one branch to its name. Joining 25 years later, chief financial officer Pradeep Kumar has seen a great deal of change since his arrival. "Back then, we had 27 branches and no global presence," he says. "There's no doubt that the complexity of the operation - and of technology in general - has greatly increased since then." UAE Exchange now boasts 775 branches worldwide, but 70 percent of its revenue still comes from the Middle East, a region - like the UAE - that is highly reliant on migrant labour. "This region obviously has huge numbers of workers from South Asia," Kumar says, "but our expansion strategy involves having a presence in all markets worldwide."

Aside from having a 6.51 percent share in global remittance services, the

firm also offers a range of Forex, prepaid and distribution services, among others. These include its pre-paid card scheme in partnership with MasterCard, and GoCash, a multi-currency travel card that can be used in a six countries of the customer's choosing.

Ensuring the \$25 billion of customer remittance money transferred annually is delivered in a secure and timely manner, is no easy task. Behind the customer-facing in-store staff and online transfer services, a series of advanced technologies and processes are needed to ensure transactions don't go awry. "Our greatest ambition is to automate everything,"

Kumar says. "This stretches from delivering an error-free experience for the customer, to ensuring there are limited back-end costs for human resources."

Although their services may seem smooth, Kumar knew that UAE Exchange's budgeting and accounting processes could not be classed as seamless. "A number of department heads in other countries were using Excel to manually input their budgets," Kumar says. "This was very time-consuming and compromised the quality of their work. We needed to ensure a smooth flow of information, both internally and in terms of the integration with our 150 correspondent banks."

Keeping track of working capital also takes on huge importance for the firm, both in terms of its internal operations, and in dealings with these external banks. "We always have to ensure that there is enough money available," Kumar says. Furthermore, the competitive nature of the money transfer business necessitates a complex pricing model for the company. All financial planning is undertaken in Q4, with a timeframe of 60-90 days needed to create a fully-fledged budget for all operations, encompassing all types of KPIs.

Additional change to the company had put greater emphasis on the need for change. As of 2016, a new corporate structure has been put in place. This will bring all the Group's companies under one umbrella, into a single holding company, while UAE Exchange will also maintain dealings with multiple intermediary firms. "This has necessitated further automation," Kumar says. "There are different levels that need to be considered when consolidating accounts. The more

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companies that this applies to, the more complex the process.”

After a series of meetings with senior stakeholders across UAE Exchange and his finance department, Kumar decided to opt for SAP’s Business Planning and Consolidation (BPC) software. Kumar opened discussions with UAE Exchange’s CIO, and enlisted the IT department’s expertise for the design phase of the budgeting module, a key component in the new strategy. He also sought assistance with the implementation from MDS ap.

Facing “rigid” timeline and budget – some of which were unanticipated – constraints, the process of implementation was not without certain difficulties. “We were certainly concerned that we would not complete the project by the end of 2016,” Kumar says. Adding to these woes were the challenges in deployment and user testing, giving an extra headache to the finance and IT teams. “Seamless” movement of data to the SAP modules was also imperative.

Nonetheless, the end-to-end implementation of the project, from design to user access tests, took nine months to complete, with Kumar keen to stress the physical implementation was “much quicker.”

The budgeting module of the software has now been successfully deployed, with 2016’s work being carried out on the platform. The accounting module, meanwhile, is due to be completed in two months’ time.

Kumar says the completed installations have already proved a fantastic value-add for the organisation. With the module now available to all appropriate stakeholders, the system is automatically updated to reflect budgeting changes. “It’s been a great help in terms of tracking and meeting our timelines,” he says. “It’s improved our accuracy, and really enhanced our governance. Beforehand, it wasn’t uncommon to make modifications to our budget via email. Now, any change goes through the system, giving greater transparency to our governance and

planning.” Kumar is also confident that once complete, the accountancy aspect will bring similar benefits.

The project has added broader operations capabilities to UAE Exchange, releasing bandwidth for the accounts team, which has proved very useful. “The new system will help us have faster time to market,” Kumar says.

He speaks highly of the support he received from implementation partner MDS ap. “They were supportive in terms of meeting our deadlines, which meant they often had to work overtime,” he says. “They did a great job in supporting our domain team for budgeting and accounting and were highly knowledgeable.”

Given the project’s fresh implementation, Kumar says tangible cost savings are yet to be realised, but he is sure they will be evident over time. “By the end of 2016, we will know the full extent of them,” he says. “But I have no doubt it’ll be a substantial amount.”

Although Kumar recognises the importance of keeping up with the pace of digitalisation, he is adamant that customers will continue to crave traditional service models. “The in-store model won’t die any time soon,” he says. “If customers are sending home their hard-earned money, they’ll often want to speak with a human being rather than dealing with a machine.” He is bullish about UAE Exchange’s broad service offerings. “We recognise that digital will be the order of the day, and we’re prepared to deliver services over any device,” he says. “Our overriding aim is delivering the best possible customer experience.”





## About MDS ap

MDS ap provides customers with software solutions, professional services and business support that are focused mainly on SAP Business Analytics Platform. The company also specializes in banking and analytics solutions by the best of breed solution vendors such as Datawatch, LOXON, Pio-Tech, Datalytics and NETinfo. Solutions and service offerings by MDS ap include Data Management, Enterprise Performance Management (EPM), Enterprise Information Management (EIM), Business Analytics/BI (including Real-time Analytics), Data Governance, Enterprise Architecture, Mobility and Omni-Channel Banking Solutions, ERP and Human Capital Management.

MDS ap is part of the Midis Group and has twelve offices across the Middle East and North Africa, Turkey and Central Europe. MDS ap is a Gold Partner of SAP and a member of EPM International.

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