

Case Study



Infosys' Oracle E-Business Suite

Release 12 upgrade helps MoneyGram automate, cut costs, and prepare for growth

Business Context

US-based payment services provider MoneyGram International, Inc. (MGI), allows individuals and businesses to quickly and painlessly send money through its worldwide network of agents. Providing affordable, reliable and convenient payment services, it operates out of more than 200,000 locations in 190 countries and territories and has \$1.3 billion in revenues.

Looking to build a future-ready IT landscape that could help enhance efficiency and flexibility, cut costs, strengthen revenue, and comply with international regulations, MGI wanted to embark on a business process transformation program. Through the exercise - its largest and most significant in a decade - it sought to drive the performance of its core processes to maximize the effectiveness of its personnel in managing financial operations. MGI also required a robust, scalable and flexible ledger and legal entity structure to meet future legal and operational requirements.

MGI partnered with Infosys, which used an out-of-the-box solution to streamline and automate business processes. By helping MGI reduce accounting errors, accelerate month-end closure, gain insight into unit-level profitability, and simplify application maintenance, the Infosys-directed Oracle E-Business Suite Release 12 Upgrade enabled the payment services provider to increase efficiency and save millions of dollars annually.

Challenges

As a global enterprise, MoneyGram had numerous business processes and a diverse system landscape represented by different stakeholders. These combined to form a disparate and complex IT environment. While MoneyGram had implemented Oracle E-Business Suite 11i for Financials in the US and Canada, a variety of applications such as Sun, Sage, Zuchetti, etc., was being used in other countries.

Moreover, owing to multiple acquisitions and takeovers, MoneyGram was saddled with nonsynchronous processes and applications that were merely duplicating efforts. This was leading to exponentially high costs on use, training and maintenance, apart from needing a large headcount to manage these applications. For example, an enormous amount of time and effort was expended every month to manually reconcile the data across applications, accounting for intercompany transactions, consolidating results, and generating reports for the entire corporation.

Being a payment services major, MoneyGram was covered by the European Payment Services Directive (PSD) and had to revamp its organization structure to meet statutory compliance requirements. The company's Organization and Ledger structure was not scalable enough to meet this objective.

MGI realized that its vision to automate its settlement processes and attain business growth depended on building an agile, scalable and robust launch pad that automated and standardized processes. The payment services major needed to leverage Oracle E-Business Suite as a single global application and upgrade it to support a shared service initiative, enhance operational efficiencies and achieve sustainable growth.

MGI needed to overcome varied challenges and required a solution that:

- Enhanced operational efficiency by deploying an efficient, cost-effective, automated, and nimble Enterprise Resource Planning (ERP) application that provided the flexibility to respond to changing business needs and the scalability to meet statutory compliance requirements such as European PSD
- Was future-ready by building a platform for bigger projects in the future such as settlement processing, which includes the implementation of Oracle Receivables, Oracle Incentive Compensation, and Oracle Customer Online

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"With the help of Oracle Partner Infosys we were able to upgrade to select modules of Oracle E-Business Suite Release 12 in record time. With the new solution, we have been able to reduce the potential for accounting errors and close our books more efficiently, ultimately saving us time and money."

Michael McCullough

Vice President, Enterprise Business Systems, MoneyGram International, Inc.

"I want to express an immense amount of thanks to the entire Infosys Upgrade team for their hard work and dedication. Not only did this team completed a successful implementation, but they accomplished one of the fastest known upgrades to Oracle Release 12 worldwide"

Pam Longfellow

Director, Financial Systems - MoneyGram International Inc.



- Enhanced financial management and leveraged advanced functionalities provided by the new financial architecture in Oracle E-Business Suite Release 12 and enhanced operational efficiencies and productivity
- Reduced efforts on accounting, reconciliation and consolidation through a scalable Chart of Accounts, Organization structure and Ledger structure that accommodated global as well as country-specific requirements, and simplified accounting and reporting. It also needed to reduce the huge number of unnecessary staff employed to support non valueadded manual activities

MGI decided to embark on a multi-phase business transformation initiative to upgrade to Oracle E-Business Suite Release 12, leverage a shared service model, restructure the Chart of Accounts, and redesign the Organization and Ledger structures. It wanted to roll out the application to 14 countries across the globe.

The Infosys Approach

MGI engaged Infosys to design and implement its business transformation program because of the latter's experience with Oracle E-Business Suite Release 12 upgrades, thought leadership demonstrated during the assessment phase, partnership rendered, and its reputation in providing effective solutions within aggressive timelines. Infosys implemented the solution in a phased manner by first performing an Oracle E-Business Suite Release 12 upgrade of Financials, followed by the redesign of Chart of Accounts, Organization and Ledger structures and the global rollout of Oracle Financials. The final phase of the automation of the company's core business of settlement processing by implementing Oracle Receivables, Oracle Incentive Compensation and Oracle Customer Online is under way and is due to go-live in production soon.

Leveraging the Global Delivery Model (GDM) and using a hybrid delivery approach of both, onsite and remote units, the 25-member Infosys team completed the upgrade in a short span of 90 days. The Oracle E-Business Suite Release 12 upgrade was delivered well within the prescribed budget. The reduced timeline for go-live gave the client an immediate saving of \$60,000.

Solution Overview

Infosys implemented the Oracle E-Business Suite Release 12 upgrade for the client's General Ledger, Payables and Cash Management functional areas in a time-bound manner, ensuring that MGI's next-in-line multi-billiondollar ERP program stayed on track. It upgraded the client's existing system and leveraged functionalities in the newer version while extending the solution to 14 additional countries at once.

The Chart of Accounts restructure brought about considerable savings in efforts in reconciliation and reporting and increased the efficiency of the consolidation processes. The Ledger and Organization structures not only met the current business requirements but were also compliant with the European PSD and were scalable to meet future business needs. The approach suggested also provided the client with an opportunity to correct issues with their previous configuration and enhance consolidated global reporting.

The global rollout of applications eliminated the lethargy of applications, enabled single source of truth for master data and transactions, simplified global reporting and furthered the implementation of the shared service model.

This business transformation project stands apart because of Infosys' out-of-the-box solution for redesigning the Chart of Accounts, Organization and Ledger structure, and also because it was the first Oracle success for the MGI IT team in 3 years. Infosys' solution addressed all pain points of the client and helped it achieve its multiple business objectives.

Benefits

The Infosys solution leveraging Oracle E-Business Suite Financials Release 12 provided MGI with a more flexible general ledger and better visibility into accounting thus reducing the potential for accounting errors and enabling the company to manage international operations with minimal staff. Automating its IT landscape, it accelerated the monthly financial close by two days, resulting in annual savings of millions of dollars while giving the company granular and actionable knowledge of gains and losses across business units.

The new IT system helped increase productivity and efficiency and enabled collaboration. Some of the other advantages accruing to MGI because of the solution include:

SCALABILITY	The flexible Ledger and Organization structures are scalable to accommodate future requirements such as International Financial Reporting Standards (IFRS), Single Euro Payments Area (SEPA), European Payment Services Directive (PSD), etc.
ENHANCED BUSINESS CONSOLIDATION	The E-Business Suite Release 12 upgrade enhances the ability to consolidate business functions and implement a shared service environment for international rollouts.
INCREASED OPERATIONAL EFFICIENCY	The implementation of advanced functionalities such as data access sets, multi-organization access control, cross-ledger allocations etc., has increased operational efficiency.
FUTURE-READY PLATFORM	The implementation provides a platform for bigger and more complex future projects like settlement processing that include the following Oracle applications: Oracle Receivables, Oracle Incentive Compensation and Oracle Customers Online.
INCREASED SAVINGS	The solution has led to cost savings in audit, accounting and regulatory fees, and enhanced operating margins. Retiring multiple financial systems also meant a considerable reduction in the Total Cost of Ownership.
FACILITATED REGULATORY COMPLIANCE	The solution has provided the necessary controls to comply with international regulations including Sarbanes-Oxley and the European Union Directive on Payment Services.
SIMPLIFIED APPLICATION MAINTENANCE	New security features, improved data access, and flexible reporting tools available with Oracle Business Intelligence Publisher have led to easy application maintenance.
TIME AND EFFORT SAVINGS	The solution has resulted in 50 hours of effort saving per week in transaction processing and accelerated the month close process by 2 days.



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About Infosys

Many of the world's most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow's enterprise.

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