



KYRIBA MINI CASE STUDY

Sixty Seconds with Zahid Tractor...

Zahid Tractor Optimizes Visibility & Investment of Cash Leading to a 50% Drop in Idle Funds

Before deploying Kyriba, the treasury teams at Zahid Tractor and its subsidiaries were using a variety of paper-based records and spreadsheets to control the vast portfolio of treasury transactions within the group. This became untenable and it was decided back in 2013 to review the process with the aim of implementing a treasury management system (TMS).

The project unfortunately fell by the wayside and was resurrected in 2015 when it became apparent that their enterprise resource planning (ERP) platform didn't fulfill all the company's requirements in terms of payments processing, bank reconciliation automation and transaction security.

Zahid's Financial Controller Nadeem Ahmed and Treasury Manager Sanjeewa Aduruge tell us more.

Why did you select Kyriba?

N: Following a rigorous selection process, we selected Kyriba two years ago based on two key determining factors: integral bank connectivity management and security. Having confidence in the security of the payment process was extremely important, and the fact that Kyriba manages the entire process without any third-party integration, was crucial. Menus, mapping, workflows and reporting were also all very favorable compared to the other vendors we investigated.

Why was a cloud-based solution a priority for Zahid?

S: Cost was the main consideration here. The benefit of a cloud solution is that there is no upfront investment in order to get set up. There is no need for any physical facility, no infrastructure, no additional security requirements and no ongoing maintenance costs. Kyriba charges an implementation fee and the monthly subscription fees but the bi-annual



مجموعة شركات الزاهد
ZAHID GROUP

The Zahid family has been connected to commerce for over a century, playing a pivotal role in the development of Saudi Arabia's infrastructure. In 1950 a chance meeting with Caterpillar led to a close-knit relationship, and since then Zahid has distributed Caterpillar machinery and equipment to the Kingdom's private and public sectors. This partnership eventually led to the formation of Zahid Group's flagship company, Zahid Tractor, in 1967 by the late Sheikh Yousuf M. Zahid.



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Financial Controller

upgrades are taken care of automatically by them and there is no need for our internal IT department to get involved. We also found Kyriba to have a higher standard of security than some of the installed solutions.

What is the geographic and functional scope of the implementation?

N: As Zahid operates exclusively in the Kingdom of Saudi Arabia, the scope of Kyriba doesn't currently extend beyond this country. We are using Kyriba primarily for cash management and forecasting, deal capture of our financial transactions and payments processing. Integral to all of this is the bank connectivity.

How would you describe your client services experience?

S: Kyriba has a strong client support system with 24/7 coverage out of Dubai. Response to any queries is always very prompt and we have never faced any security issues or delays in terms of processing payments. Kyriba always informs us in advance of any system maintenance and upgrades.

How would you describe the implementation process?

N: The implementation project was on-time and on budget. Our project manager had a realistic time frame in which to complete the implementation and there were no delays. He was always monitoring and reviewing the status of the project and the technical consultants were knowledgeable and experienced.

What quantitative benefits can you cite as a result of using Kyriba?

N: For the first time, we now have complete visibility of cash across the whole company. Cash collections in the different subsidiaries previously had to be pooled at head office to enable a centralized view of cash in order to make effective short-term investment decisions.

Since using Kyriba, the amount of idle cash sitting in the subsidiaries has dropped by 50 percent and the amount of revenue gained from more efficient investments has grown by 53 percent. Our main objective with Kyriba

was to ensure that our cash management operations are streamlined so that unnecessary overdrafts are avoided, payments and financial transactions are funded, and all excess cash is invested in the short-term money markets.

We maintain a target balance and ensure that all balances in excess of the target are invested. We now earn a return of approximately 1 percent through short-term deposits due to the improved visibility of all cash balances and funds are accurately allocated back to the correct entity.

S: In terms of operational gains, the segregation of duties is now in force for payments processing, meaning that no single employee has complete control of approvals, which in turn reduces errors and eliminates the risk of fraud. We now also benefit from reduced borrowing costs through more accurate identification of funding requirements, and have the ability to set up more reliable cash forecasts and variance analysis. The production time of cash and liquidity reports has also significantly decreased leading to more timely decision-making.

Have there been any cultural changes to the business since using Kyriba?

Corporate banking in Saudi Arabia is still very relationship based. The change in culture from relationship banking to online banking and the reliance on technology was initially quite challenging, but now everyone is used to it so there are no issues. That is the only shift which has taken a bit of adjustment.

What's next for the treasury team at Zahid Tractor and how does Kyriba contribute to that vision?

We expect to integrate Kyriba with our new ERP system and automate all transaction postings and the entire bank reconciliation process. This will increase efficiency and accuracy of treasury functions.

For the next stage, we will introduce Kyriba into other Zahid Group companies and transform the treasury department to a group treasury and enable corporate finance and group treasury functions.