



Kisko Products Inc.

The Client

For over 30 years, Kisko Products Inc. has provided families with fun, delicious and affordable treats. A family run business, Kisko is the largest manufacturer of freeze pops in Canada. Operating in a 115,000 square foot state-of-the-art facility, Kisko continues to be a leader in product innovation. Growing its product line to incorporate new and unique items has allowed Kisko to offer a variety of recognizable brands and pack formats.

Kisko has an ongoing commitment to product quality and providing 100% customer satisfaction as it relates to their products as well as customer service. In addition, Kisko has a further commitment in building a manufacturing culture of increased sustainability. With a GREEN program in place, Kisko is focused on waste management, sustainable packaging and incorporating the efficient use of recyclable energy throughout its facility.

The Challenge

For an advanced manufacturing organization like Kisko Products, every day is a new challenge as they seek to continuously improve their operations. Finding new and innovative ways to develop existing processes not only results in increased productivity, but often improves product quality, strengthens customer and vendor relationships and allows Kisko to further integrate their environmental efforts into their back office and manufacturing operations.

Kisko, like many organizations, followed the traditional Accounts Payable method; cheques were purchased from their financial institution, payments entered, cheques printed, approved, signed and mailed via post to their suppliers. A process that is rarely in the spotlight in this or any company, Kisko realized that their payment practices had been overshadowed by the more pressing demands of manufacturing. It was now time for change.

Kisko looked towards BSA to provide an electronic payment method that would integrate seamlessly with their Infor™ ERP VISUAL installation. Electronic Funds Transfer (EFT) would modernize the process and incorporation with VISUAL would provide added sophistication and better visibility within the Finance department.

The Solution

BSA took on the challenge of creating an Infor ERP VISUAL integrated EFT application using Microsoft Visual .NET framework tools. Essentially, the application would need to validate and convert an Infor ERP VISUAL payment export file into the Canadian Payments Association's CPA-005 Debit Layout Specification. The CPA layout is used by Canadian Banks when exchanging electronic CAD or USD payment details with other Canadian Banks, and currency conversion.

BSA EFT Application Process

The EFT application utilizes four components in its completion of supplier payments; *Infor ERP VISUAL*, *BSA EFT Application*, *Financial Institution Banking Application* and an additional *BSA Emailer Payment Notification* application.



FAST FACTS

COMPANY:
Kisko Products Inc.

WEBSITE:
www.kiskofreezies.com

COMPANY DESCRIPTION:
Kisko Products is the largest manufacturer of freeze pops in Canada. Operating in a 115,000 square foot state of the art facility, Kisko has an ongoing commitment to product quality and providing 100% customer satisfaction.

PROJECT DESCRIPTION:
Electronic Funds Transfer application add-on for Infor™ ERP VISUAL

VERTICAL INDUSTRIES:
Food & Beverage

LOCATION:
Woodbridge, ON, Canada

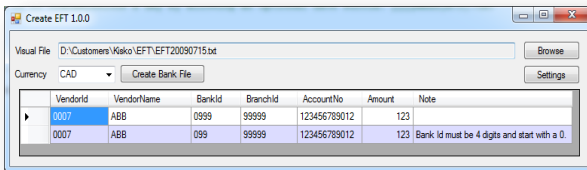
NUMBER OF EMPLOYEES:
50



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The initial configuration of the EFT application takes place within Infor ERP VISUAL. This one time setup includes creation of an export format to provide the critical link between VISUAL and the Financial Institution as well as modification of vendor records to accommodate a direct bank deposit. Using VISUAL's *Vendor Maintenance* screen, Payment Method and preferred bank account details are entered for each Vendor. Within VISUAL, the data is secure and integrated with VISUAL's Payables functions making user application training minimal.

The Payables Cycle is conducted with little change to the user. The same pay process is followed, however, rather than printing cheques, the EFT Export File is created. The Export File contains all the data that the bank will require to distribute payments – bank account numbers, company names, amounts, etc., but prior to transmission it must be verified for accuracy and formatted into the CPA-005 Debit Layout Specification. *BSA EFT Application* will read, verify and encode the Export File to the specified format, while also allowing the payable clerk to take another look for added accuracy. Once the Bank File is created it is ready for transfer to the financial institution.

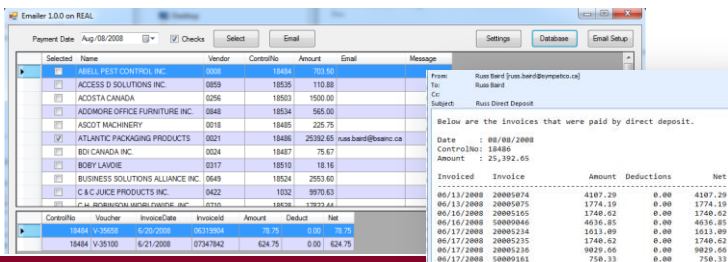


Although each financial institution's application may differ slightly from the next, the overall process is to securely import the CPA-005 bank file instructions and provide final approval for payment distribution to vendors. The bank application utilizes various levels of security to ensure:

- Secure user access to the bank application
- Secure transmission of the CPA-005 bank file
- File verification to ensure each file uploaded is correct and unique.

These measures include password and phrase security, security tokens and file encryption. The banking application is accessed only by those with cheque signing authority. The authorized party will upload the created file, approve each individual payment and release the payments for distribution by the bank. The payment transactions are then complete with confirmation received for record keeping.

Since the payments were issued from VISUAL there is no further update required in the ERP. However, since the vendor will no longer receive a cheque stub with their payment, a final step is required to notify the vendor with payment details. The *BSA Emailer Payment Notification* sends an e-mail message to vendors to advise of invoices paid with their EFT deposit. The email is formatted as plain text and provides specific details including payment date, invoice numbers and payment amounts. The detail is formatted directly from the EFT payment information and automates multiple e-mails in just a few mouse clicks.



The Benefits

Electronic Funds Transfer has provided a variety of benefits to Kisko Products. Through integration of electronic payment into Infor ERP VISUAL they have extended the application and modernized an outdated payables process.

Kisko is currently realizing the following benefits since implementation of the BSA EFT Application:

Improved Cashflow Control Since payments are withdrawn immediately cash bank balances more accurately reflect totals in the ERP software.

Easier Bank Reconciliation With the elimination of matching cleared cheques to the bank statement, bank reconciliation is simplified.

Electronic Payment Approvals No more cheques to sign! Electronic approval allows authorized personnel to sign off on payments quickly and approval can even take place from remote locations.

Increased A/P Staff Productivity EFT reduced the dependency on Kisko's A/P staff for a variety of tasks. In addition, EFT allows a large volume of payments to be written in a single day.

Elimination of Cheque Fraud Increases in cheque fraud have banks recommending EFT to their clients. Losses due to fraud are not always reimbursable by the bank.

Efficient Supplier Payment With postal delays eliminated, suppliers receive their payments quicker and collection calls are reduced. Early payment discounts are more attainable.

Eliminate Cheque Storage/Security Issues Locking up cheques for storage and maintaining their security while in printing and approval process was an ongoing concern that has been removed with EFT.

Reduced Costs Kisko has benefited from reductions in bank fees, cheque printing costs and postage costs since the introduction of EFT transactions.

Green Initiative Hand-in-hand with their efforts in waste reduction, Kisko has reduced paper and printing use through EFT.

The benefits achieved through Kisko Products modernization of their payables process has carried forth their goals of increased productivity, improved vendor relationships and their commitment to the environment. Kisko's lesson to all of us is to never overlook back office processes; the benefits that are within reach may surprise you!

About BSA Inc.

BSA Inc. takes great pride in helping organizations develop strong business management strategy through the use of Enterprise Resource Planning (ERP) software tools. BSA offers its customers a wide range of ERP Support Services, including ERP Diagnostics, Implementation, Process Alignment, System Optimization, Support, and ERP / Business Process Training. BSA has hundreds of customers located across Canada and the United States and draws on the knowledge of its team of Finance, Manufacturing, Distribution, Retail and Technical professionals.