

Accounting Hub Implementation for Global Financial Services Firm

Client Profile

Our client is a nationwide, diversified financial services company. Founded in the mid-19th century this financial services firm provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 8,700 locations countrywide and has offices in 36 countries to support customers who conduct business in the global economy.



Business Challenge

The Client has a regulatory requirement to provide financial and risk information to the government and regulatory agencies in the form of reports. The financial reporting used to be accomplished with reporting from the Oracle general ledger system running on version 11i. The updated statutory and regulatory reporting now has to create reporting down to the individual account level details (Instrument level reports).

The Client's multiple business units, such as business lending or auto finance, had an inconsistent level of accounting detail which caused issues when generating granular reporting and balance reconciliation at the instrument level. These reporting inconsistencies also were a major cause of long processing windows for balance reconciliation determining risk exposures and calculating capitals.

The Client decided to address these regulatory reporting needs by implementing Oracle Accounting Hub as a consistent source of granular level account balances which would give the bank the ability to provide granular level reporting and also reconcile general ledger level balances to its originating instrument. Since the Client's existing general ledger was on older version 11i, the Oracle Accounting Engine would be implemented on a separate R12 instance and feed the instrument level balances back to 11i GL. In order to accomplish this, multiple customizations needed to be designed and built to support the business.

Due to several factors, the test planning and execution was complex. The test plan had to take into account the accounting requirements in each of the individual systems of records feeding the Accounting Hub, the balance reconciliation requirements of each business unit, the complex customizations in the existing GL and an aggressive project delivery schedule.

Business Solution

Radix Bay's functional testing team with its strong Oracle implementation expertise quickly responded to the challenges by completing a detailed system architecture analysis, developing a detailed test strategy and creating a comprehensive test plan.

Since the Testing phase would be a critical driver for the project success, Radix Bay's team developed a thorough testing execution lab using the client's quality assurance tool. More than 25K different test scenarios were developed to cover all the complex data set possibilities. All the test labs were thoroughly reviewed with the client and a formal acceptance process and approval to the test cases was agreed upon.

Fueled with the robust test strategy and detailed test plan, Radix Bay entered into the test execution phase which includes activities like manufacturing data for testing the complex Accounting Hub rules configuration, writing complex SQL queries to validate the sub ledger accounting entries and business validations created by the Accounting Hub, Performance Testing of the Accounting Hub rules, and developing comparison queries to compare the accounting engine configurations after migrating between Dev and Test environments.

After the Accounting Hub rules were successfully validated, Radix Bay's testing team executed the integration testing of the various workflow business event customizations, tested and validated various integration points and finally the balance reconciliation in the R11i instance.

The next step of the project involves writing UAT test scripts and validation queries, co-ordinate the acceptance testing with various business users and support the overall quality assurance including defect management and resolution and version control.

Business values added:

- Radix Bay's test team's comprehensive test strategy and test planning will help the client to achieve its over quality assurance goal and targeted 100%RFT (Right First Time)
- Radix Bay's deep expertise in Oracle Accounting Hub functionality helped the client to identify the design defects during early stage of the life cycle, resulting in 50% overall defect reduction
- Radix Bay's testing team developed the Oracle Accounting Hub validation queries and other complex scripts which can be reused in the future releases and post go-live support helping the client to reduce the future efforts by nearly 20%.
- Radix Bay's sustained efforts towards delivering 100%RFT will help client in reducing post production maintenance and a smoother go live.