

**Company name**

Mukuru

Country or Region

Africa

Sector

Fintech



"We've decreased our travel spend by over 50%."

Rene Abreu

Group Procurement
Manager

CASE STUDY

Company profile

Mukuru is one of Africa's largest money transfer providers and a leading next-generation financial services platform. They serve the emerging consumer market across twenty-five countries, providing safe, convenient, affordable international money transfers through various platforms, including WhatsApp, USSD, the Mukuru App, and their website. Mukuru enables financial inclusion through technology solutions and a range of financial services products to meet their customers' everyday needs.

As a leading fintech provider, Mukuru is dedicated to constructing a robust financial payments infrastructure throughout Africa, seamlessly integrating physical and digital channels. Their commitment lies in unlocking new value-added services for their customers. Customer connection in multiple languages is evident in their Contact Centre, conversing fluently in fifteen languages, showcasing a commitment to serving diverse markets and needs.

Before Fraxion

As Mukuru expanded its operations, managing the intricate web of finance and procurement across multiple countries became increasingly complex. Each country had its unique set of rules and regulations, making it challenging to find a solution that could adapt to their diverse needs. The team needed a robust procurement solution that could deliver mobility, flexibility, and complex business rules support. Identifying an accessible solution capable of supporting a team working in remote locations with extensive travel requirements, and internet connectivity challenges was a fundamental prerequisite.

Discovering Fraxion

The decision to review Fraxion stemmed from a Mukuru team member's firsthand experience with the software during her tenure at a natural resources company. Impressed by Fraxion's capabilities, she recommended it to Mukuru.



"I would recommend Fraxion for multi-national rollouts for project excellence and the very structured, informative guidance at each step, and all the way through the project."

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Subsequently, a meticulous due diligence process, which involved evaluating various international solution providers, solidified Fraxion as the standout choice.

The native mobile app was a crucial factor, aligning seamlessly with the team's movements and travel requirements. Fraxion's mobile app offered on-demand accessibility and capabilities for purchase requests, expenses, and approvals, providing complete visibility and control from any location. Moreover, Fraxion's notable level of customization and flexibility addressed Mukuru's complex requirements, affirming that Fraxion was the ideal solution for their unique and evolving needs.

What started as a solution for specific business requirements has expanded into a platform where standard functionality addresses even more needs than originally scoped. The system's inherent capabilities have proven remarkably versatile, not only meeting but surpassing initial expectations. This adaptability has translated into significant process improvements and savings, demonstrating the resilience and effectiveness of Fraxion in supporting an evolving business landscape.

The solution

Mukuru decided on an initial deployment in their South African entity, which turned out to be a resounding success. Encouraged by the results, they expanded to their largest entity, Zimbabwe, and from there, they undertook a group rollout to all twenty-five countries. The ease of use and adoption across African divisions were remarkable, with staff quickly adapting to the new system.

With Fraxion in place, Mukuru tackled several challenges head-on.

Procure-to-pay suite

Fraxion's integrated procure-to-pay features, encompassing requisitions, purchase orders, invoices, and approvals, have ushered in a new era of efficiency for Mukuru's financial processes. In the past, the requisition and purchase order processes were often disjointed, leading to inefficiencies. With Fraxion, these stages have been seamlessly integrated, offering a cohesive solution that optimizes the entire procurement lifecycle.

One notable aspect is the introduction of decentralized approvals, providing managers at all levels with approval thresholds, limits, and groups tailored to their specific roles. This approach grants them the flexibility to manage spending by country in the relevant currency, a crucial feature for a multinational organization like Mukuru. The ability to set approval hierarchies and currency preferences ensures nuanced and granular control over expenditure, fostering financial governance at multiple organizational levels.



"Improved collaboration between teams and opened channels of communication, departments are now 100% streamlined and interlinked."

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CASE STUDY

Fraxion's procure-to-pay features not only streamline processes but also empower leaders to make informed financial decisions, contributing to a more agile and responsive financial ecosystem for Mukuru.

Mobile app

Fraxion's mobile app has become an indispensable tool for Mukuru's Heads of Departments (HODs), particularly in dynamic fields like marketing and sales where frequent travel is standard practice. The mobile app offers a level of convenience that resonates with these on-the-go decision-makers. HODs express a strong preference for managing approvals directly on their mobile devices, citing the comfort and flexibility it provides, with no requirement to use the proxy functionalities that exist.

Sales agents, often engaging with customers in the field, have also embraced Fraxion's mobile app for expense claims. The user-friendly interface facilitates timely submission of claims, aligning with the fast-paced nature of their work. The mobile app has become an essential companion for sales agents, ensuring that purchasing and expense processes can be efficiently handled while out in the field.

Invoices

Fraxion's invoice feature has revolutionized Mukuru's financial workflows, replacing a manual and email-based system that posed significant challenges. The initial process prior to Fraxion - marred by late approvals, duplicate payments, and the risk of reputational issues stemming from delayed payments, underwent a radical transformation.

Previously, bookkeepers faced the tedious task of uploading thousands of invoices to another system for approval across all countries, an impractical and less-than-ideal approach. With Fraxion, the new process allows each requester to seamlessly upload their invoices directly into the system. Heads of Departments can then efficiently approve these invoices, fostering a more streamlined and controlled process that caters to the complexities of the entire organization.

Reporting

In addressing the limitations of their ERP system at the time, which proved inadequate for their volume and transaction needs, Mukuru turned to Fraxion to elevate their reporting capabilities. They have experienced a progressive shift in the team's ability to accurately report on high volumes of expenditure spanning twenty-five countries. One standout feature that has become the cornerstone of Mukuru's reporting success is the supplier diversity (ESG) reporting functionality. This tailored reporting capability assists in meeting industry requirements and transformation objectives.



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CASE STUDY

For Rene Abreu, Mukuru's Group Procurement Manager, the reporting feature has become a personal favorite. The history tab, in particular, emerged as an unexpectedly valuable tool, providing quick and concise feedback on approvals to end users. This functionality goes beyond mere administrative efficiency – it has become a catalyst for team education and empowerment.

"Through self-service improvements, the business has been able to guide and educate the team", fostering a collective ability to conduct investigations into transactions independently. The reporting feature has truly enabled Mukuru to gain real-time insights, view transaction statuses at any time, and enhance their overall financial decision-making process.

Alerts

The active alert system within Fraxion has proven highly effective for Mukuru's procurement team, offering valuable notifications for various processes. Notably, alerts for certificate expiration have seamlessly functioned, ensuring the company remains in compliance with governance standards.

The alert system extends its proficiency to key procurement stages, including purchase orders, approvals, and invoices, contributing to a streamlined and responsive workflow throughout the organization.

Expense management

Fraxion's expense claims feature has delivered streamlined and efficient expense management across the organization. In the past, the process involved staff members pre-funding their trips and submitting expense requests via email, leading to manual processing of invoices by the treasury team, often resulting in numerous individual payments. However, with Fraxion, this cumbersome process has evolved into a seamless operation.

Now, the bookkeeper effortlessly generates CSV expense reports, incorporating essential banking numbers stored in custom fields, configured in Fraxion. These comprehensive reports are then promptly sent to treasury, where payments are efficiently set up through the finance system. Handling thousands of requests daily from various countries, Fraxion has not only accelerated Mukuru's reimbursement turnaround time but has also significantly simplified the entire process.

The impact of Fraxion on Mukuru's financial operations is reflected in the words of Rene: "It's saving so much time and making things so much easier."

The efficiency gains have been particularly notable in reducing administrative burdens associated with managing expense claims.

CASE STUDY

Cash advances

Navigating the complexities of Mukuru's expansion presented unique challenges, particularly in countries where businesses operate on a cash-based model. The rollout encountered intricacies tied to the nature of cash transactions, necessitating a solution that could seamlessly adapt. Fraxion not only addressed these challenges but also became instrumental in streamlining financial processes.

Notably, the use of cash advances for marketing and sales campaigns brought about a transformative approach. Enabling pre-approval of spending, the cash manager facilitates payouts, and post-trip, reconciles cash with receipts through efficient expense claims. Rene said, "we have achieved significant risk reduction through this process."

Travel management

Mukuru faced challenges with decentralized travel booking practices and high travel expenditure. Employees were making bookings without adequate oversight, leading to excessive and unnecessary spending on travel. Recognizing the need for better control over travel expenditures, Mukuru's CFO decided to roll out travel management as the second phase of the project. This strategic intervention aimed to instill controls and optimize travel spending across the organization.

The results were outstanding – "we've decreased our travel spend by over 50%," said Rene Abreu, "the controls that have been implemented from start to finish have driven so much value for Mukuru."

The implementation of controls, including pre-approval processes and booking oversight, played a pivotal role in achieving this remarkable reduction. The travel functionality has been a "significant driver of value," emphasizing the positive impact on the company's bottom line.

Integration

As Mukuru is in the process of deploying a new ERP system, NetSuite, the upcoming API integration with Fraxion marks a pivotal project for Mukuru.

The team at Mukuru acknowledges Fraxion's unwavering support throughout the journey, emphasizing a crucial role in navigating complexities. With intricate requirements, Mukuru places a premium on a solutions-oriented approach. Rene attested to this by saying "we have very complex requirements and need to work with service providers that can workshop solutions and understand our unique requirements to adequately cater to our needs. Fraxion was able to do that."



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The goals of the integration are substantial, aiming to address historical challenges in accurately allocating and reporting expenses, as well as completing accruals for an accurate profit and loss assessment. The Fraxion and NetSuite integration's potential impact is significant. By filtering invoices across all entities through Fraxion and directly sending them to NetSuite, the process will be streamlined, greatly improving accuracy on the finance side. This enhancement will carry wide-reaching benefits for budgeting, forecasting, and overall financial visibility, aligning seamlessly with Mukuru's commitment to operational excellence and financial precision. The forthcoming NetSuite and Fraxion API integration exemplify a strategic move to empower Mukuru with a robust, integrated system that not only resolves past issues but also propels the organization toward more accurate and insightful financial management.

AP automation

A new chapter unfolds for Mukuru as they eagerly anticipate the release of Fraxion's Accounts Payable (AP) automation feature. The AI data extraction capability within this feature is generating considerable excitement among the team.

The prospect of efficiently processing not only electronic, but handwritten invoices is particularly noteworthy, as Mukuru deals with written invoices from companies across various countries. This new functionality is poised to be a significant enhancement, streamlining Mukuru's invoicing processes, accuracy, and adding a new layer of efficiency and time savings to their financial operations. "AP automation is going to change our lives; it's a big-ticket item. We will be a great test site for Fraxion for this functionality," said Rene Abreu of the AP automation beta program.

Benefits to finance, procurement and beyond

Fraxion's impact on Mukuru's finance department has been nothing short of transformative, surprising even those who expected substantial benefits. The software has seamlessly integrated into the finance workflow, making processes significantly easier for procurement, finance, and treasury teams. The reduction in turnaround times and queries is evident, reflecting Fraxion's efficiency in streamlining financial operations.

A comprehensive review of Fraxion revealed its untapped potential, particularly when senior finance members and financial analysts gained access and discovered its robust reporting capabilities. The software not only minimized tedious work but also provided valuable support to finance in mitigating financial risks.

The benefits extend beyond day-to-day operations, as Fraxion has driven value in audit processes, budgeting, and cost control across specific departments.



"Fraxion flies with PwC auditors, they were amazed by the mature procure-to-pay process. There were no comebacks when we were audited externally."

Rene Abreu
Group Procurement
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CASE STUDY

"As gatekeepers of processes, Fraxion assists finance with seamless processes from one department to the next and provides risk management and control in finance," ensuring accuracy, and preventing financial discrepancies.

The emphasis on risk mitigation and control echoes the significant value Fraxion brings, as evident in successful external audits with PwC, where the mature procure-to-pay process stood out with no issues or comebacks. Acting as a valuable asset in both internal and external audits further solidifies Fraxion's role in elevating financial governance.

Group Procurement Manager, Rene stated, "it works wonderfully for procurement." The improved collaboration between teams, streamlined interdepartmental processes, and the enhanced communication channels underscore the positive impact Fraxion has had on the organization as a whole.

Support

The feedback from the Mukuru team highlights an exceptional level of support, service, and proficiency from the Fraxion team. Application support has provided hands-on involvement, quick response times, and efficient troubleshooting; closing queries within an impressive thirty minutes. Software implementation consultants earned praise for the collaborative problem-solving approach, especially in navigating unique challenges. Sales was lauded for understanding Mukuru's complex requirements and providing innovative solutions. The technical solutions manager was commended as a pivotal part of the project, ensuring meticulousness and client satisfaction. The overall sentiment emphasizes the excellent performance of the entire Fraxion team in providing and supporting a seamless multi-company rollout.

Summary

In conclusion, testimonials from Mukuru provide a collective insight into the tangible benefits and results achieved through Fraxion's integration into their financial operations. The CFO's endorsement of the "value it has introduced and what a powerful tool Fraxion is," underscores the trust and satisfaction derived, with the Group Procurement Manager stating that "Fraxion has been an outstanding vendor to Mukuru."

The multi-national rollout has been seamless with the hands-on support and proactive, solutions-oriented approach by the Fraxion team. The system's flexibility and customization capabilities have seamlessly met internal requirements. Notably, the emphasis on risk mitigation has introduced more financial control across the organization, which has resulted in successful internal and external audits, due to enhanced financial governance.



“Risk mitigation and control are the biggest value adds.”

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Group Procurement
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CASE STUDY

Overall, Mukuru has realized tangible benefits, including increased process efficiency, strengthened financial controls, risk management, and significant cost savings.

Mukuru's clear intention to expand alongside Fraxion as the feature set evolves is evident in their current and upcoming projects. Ultimately, the resounding sentiment of "we love Fraxion" encapsulates the genuine appreciation and satisfaction that Mukuru has found in Fraxion's comprehensive and impactful spend management suite.

BENEFITS

Benefit one

Cost savings

Benefit two

Risk mitigation

Benefit three

Spend control

Benefit four

Ease of use and adoption

Benefit five

Mobility

Benefit six

Auditability

Benefit seven

Efficiency and time savings