

TECHNOLOGY EMPOWERING FINANCIAL SERVICES INDUSTRY

FINANCIAL SERVICES REVIEW

MAY - 2022

FINANCIALSERVICESREVIEW.COM

FINTECH
LATIN AMERICA
EDITION

FACILITATOR OF
SMART FINANCIAL
ADMINISTRATION
AND MANAGEMENT

PROSYSTEM



FRANCISCO VALDIVIESO,
CHIEF ADMINISTRATIVE AND
COMMERCIAL OFFICER

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Prosystem



*The annual listing of 10 companies in Latin America that are at the
forefront of providing Fintech solutions and impacting the marketplace*

PROSYSTEM

FACILITATOR OF SMART FINANCIAL ADMINISTRATION AND MANAGEMENT

The fintech ecosystem in Chile has witnessed a phenomenal growth of 34 percent in the last 18 months, primarily driven by government-driven business accelerator programs like 'Startup Chile.' This growth is now bringing fresh opportunities for both established firms as well as startups to enhance their financial and accounting operations with digital technology. The challenge for growing businesses in Chile, however, is finding robust and customizable financial administration solutions that scale and adapt symbiotically with a growing business.

To illustrate, companies often implement low-cost solutions with fewer functionalities, sufficient to meet their current operational requirements. But not being agile enough to scale the toolkits to keep pace with business expansion, these solutions end up being replaced by the company a few years down the line. This not only puts the company through a series of complicated change management processes to adapt to the new solutions but also adds a heavy burden on the IT budget and bottomline. On top of that, most off-the-shelf solutions are not optimized for the varying financial operations or the changing regulatory policies of the country.

Prosystem—a specialist in fintech software—is solving these challenges for growing organizations across Chile by equipping them with scalable financial administration solutions optimized as per the language, processes, and the regulatory policies of the nation. Prosystem made its entry into the country's nascent fintech market in 1989, helping growing organizations streamline their financial operations. In 2000, the company developed its extremely agile factoring administration solution, which enabled countless organizations to streamline financial

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collaboration and improve cash flow. The solution's success encouraged the company to develop powerful digital solutions for the crediting, leasing, and investment segments.

These solutions are constantly updated to meet the latest requirements of Chile's fintech industry. "We iteratively add new capabilities by meticulously studying the exact pain points in the financial administration of factoring, crediting, leasing, and investment operations," says Francisco Valdivieso, chief administrative and commercial officer of Prosystem. Rather than depending on big tech providers that don't really understand the nuanced requirements of regional organizations, Prosystem's clients can count on personalized solutions to bolster their administrative processes and support them in their journey of sustainable growth. The competitive prices of the solutions are an added benefit, making them the go-to for smaller and medium-sized companies with budget constraints.

Streamlining Factoring Administration

Prosystem's first solution, Series Factoring, is playing a crucial role in boosting Chile's business ecosystem by making financial collaboration across companies faster and easier. It is a core application developed by Prosystem to support operations management, risk analysis, reporting, confirming, trade and collection tracking, among many other functions. Many organizations today are relying on factoring firms to bolster their cash flow, and they are choosing firms that can provide loans against customer invoices in the shortest time possible. For this reason, factoring firms across Chile are increasingly adopting Prosystem's solutions to streamline their factoring workflow and boost payment speed to woo startups and other companies.

Prosystem's clients are especially appreciative of the company's ability to upgrade and augment the capabilities of Series Factoring with the changing financial ecosystem. The factoring segment in Chile has undergone significant transformation. The advent of electronic recession,

especially, has allowed factoring companies to leverage investment funds with the help of relevant entities to obtain liquidity. As a result, factoring companies have gone from being just financial service providers to 'brokers,' playing a crucial role in lowering the barriers of entry for businesses and facilitating greater competition in the market. To accommodate these evolving functions, Prosystem keeps adapting the underlying architecture of Series Factoring, empowering it to seamlessly handle different document portfolios, while considering their operational, risk, and accounting implications.

The company's clients also leverage the updated functionalities of Series Factoring to digitize their entire factoring process, right from quoting to making payments. Rather than having to send individual invoice documents through mail or manually scan each file and email it to the stakeholders, the factoring firms can quickly collect and review all the relevant information in one place. The receivables data from the loan collector as well as the payables data from the loan debtors are easily updated in the Series Factoring system.

The system also acts as a repository for all relevant documents and a central source of truth, which the clients can refer to whenever assessing the risk of particular debtors and making critical decisions. It can generate relevant contracts based on the information in its database. The system helps clients track important dates for sending relevant notifications and documents to debtors and revenue offices as well, rather than the users having to track the dates on calendars.

Simplifying Credit Control

One of the key benefits that Prosystem's credit control system—Series Creditos—brings to the table is the centralization and automation of credit processing operations, including quote generation, payment, extension, maturity, and accruals. The

significant savings in time, resources, and labor cost is just one side of the coin as the system also enables easier assessment and comparison of customer information, including credit data such as collection expense, interest arrears, and pre-payment discount. The information, once updated in Series Creditos by the relevant administrators, is viewable by any of the system's users on an intuitive dashboard. The financial information stored or generated in the system can also be easily transferred to any external, connected software when needed, freeing the users from having to manually enter the information into each system.

It is not just the financial organizations that stand to benefit from Prosystem, but also the businesses that regularly seek financial services. The company has built eCession—a platform for automatic quotation and assignment of electronic documents—for businesses that need factoring services from

was initially following an outdated workflow, wherein after receiving the financial documents electronically, the clients had to check the validity of each document and invoice manually. This was a cumbersome process and hindered the client organization from onboarding more customers and expanding the business.

After a brief assessment, Prosystem implemented its Series Factoring system, before migrating all the relevant information and documents. In addition, Prosystem facilitated a seamless data exchange with the Sii (internal revenue service), ensuring that the documents updated in the system were checked and verified instantly. The system enabled the client to easily define the credit lines, quickly update financial information in the different stages of factoring, and verify their credit worthiness before assigning the loan. The quoting and assigning of factoring services—which used to take days—took mere hours with the software's automation features. Moreover, the daily query of the invoice portfolio allowed meticulous monitoring of the operations, saving a considerable amount of time and resources. Today, the system's capabilities have significantly streamlined the client's operational workflow, enabling them to take on more customers without having to depend on expensive big tech software.

This instance corroborates Valdivieso's mission of offering the same level of digital infrastructure as that of larger organizations to smaller companies with tighter budgets.

Fostering Success through Innovation

Through persistent optimization, combined with a personalized and efficient support service, Prosystem is empowering clients to unlock the full potential of its systems. The company's development team is always on standby to answer client queries and resolve their system-related problems. These offerings not only reduce the time to adapt but also eliminate the need for extensive training. Even beyond being a provider of fintech systems, Prosystem acts as an operational and trend consultant for organizations, helping them onboard the best tools and solutions available in the market. The company's customer-centric stance has positioned it as a major player in the Chilean as well as the overall Latin American fintech ecosystem.

Prosystem plans to expand its solution portfolio and cater to high-profile banks using APIs to facilitate better integration of its solutions with their existing infrastructure. The new upgrades will enable the company to meet bigger technical standards of established banks and financial institutions. Prosystem is also exploring the potential of blockchain technology, and its implications in the future of fintech. As the financial industry progresses toward advanced technologies, Prosystem will be in a position to equip its clients with market-leading fintech infrastructure and propel them to the forefront of the industry. **Fs**

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financial firms. Businesses can leverage this platform to automate the flow of electronic documents between the relevant stakeholders—whether it is a factoring company offering credit, a paying company/buyer to whom the credit is offered, or Chile's internal revenue service (SII) that monitors taxes.

The platform can also be integrated into the workflow of financial organizations. Whenever the systems generate the relevant financial documents, eCession will automatically forward those documents to the stakeholders, saving a significant amount of time for clients.

Ushering Fintech Sustainability in Chile

A recent success story of a financial client substantiates the superiority of Prosystem's solutions. The client organization

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FINANCIAL SERVICES REVIEW



Financial Services Review

Published from
600 S ANDREWS AVE STE 405,
FT LAUDERDALE, FL 33301

www.financialservicesreview.com