


# Duplicate Payments



**Vendor ledger analyses and payments recovery project brings €1M additional cash**

## Business objective

A leading beverage company launched a business transformation initiative at a global level that included its organizational structures and business operating model. The overall goal for the outsourcing project was to increase effectiveness and efficiency to bring the company's Finance & Accounting function to "world class" performance. One of the most important goals of the project was to deploy a global unified solution across all business units to support the business to deliver standardization and process improvement while maintaining high standards of control and compliance.

The set of solutions summarizes Capgemini's specialized approach to each main process: Procure to Pay, Order to Cash, Record to Report and Document Management. The objective was to deliver value elements including improved controls, continuous process improvement and common and global processes by delivering services for the client's operations in Great Britain, France, Belgium, Netherlands and Luxemburg. Leveraging its integrated Global Delivery Network, Capgemini provides services from Poland for customer facing activities and India for back office functions.

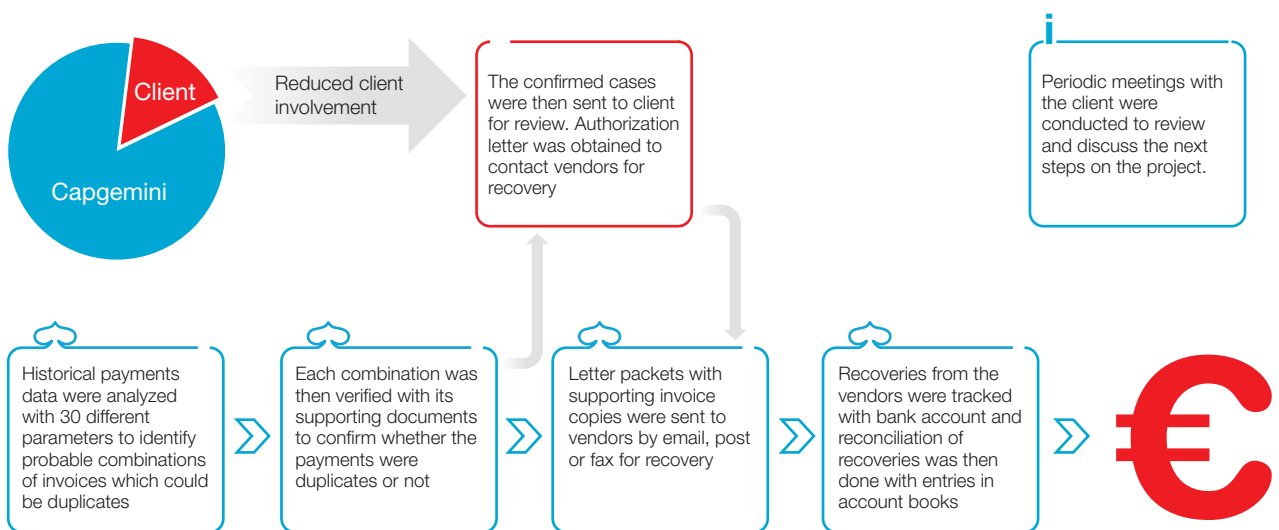


**Capgemini delivered value elements like:**

- Improved Controls
- Continuous Process Improvement
- Common and Global Processes by delivering services for the client's operations in GB, France, Belgium, Netherlands and Luxemburg

**Capgemini solution**

Capgemini's Audit and Analytics team provides a number of services which are designed to analyse data to identify financial leakages – be it overpayments, duplicate payments or under invoicing or overpayment of schemes and discount. The team has designed and implemented such solutions for a number of clients using self built state of the art tools and procedures.



The client engaged the team to provide duplicate payment review services for 3 years of historical data. Historical payments data were analyzed with 30 different parameters rigorously to identify probable combinations of invoices which could be duplicates. Each combination was then verified with its supporting documents to confirm whether the payments were actually duplicates or not. The communications were adapted for the different regional languages of the vendors and included letter packets with supporting invoice copies that were sent to vendors by email, post or fax and followed up with phone calls. Queries received from the vendors were resolved and communicated to the vendors. The recovery process was tracked with bank accounts and then reconciled with supplier ledgers. As a governance model, Capgemini provided a weekly update on the project to the client and meetings were conducted to review and discuss the next steps on the project.

## Best Practices



### Best Practice #1: Duplicate payment identification:

- Data analysis is performed by tool Capable of handling huge volume of data;
- Analysis is done by application of existing algorithms;
- Identified errors are put through Root Cause Analysis process;

*This is a highly interactive and continuous process to ensure process improvement and error reduction.*



### Best Practice #2: Utilize a combination of customer service and cash collection strategies for payment recovery:

- Collections process steps:
  - design a treatment schedule
  - segregation of accounts
- Team members apply portfolio management techniques:
  - making a quality call with customer
  - making an aggressive follow up

*Escalations are necessary when balances or disputes remain outstanding, and team members are well versed in business proto*

## Benefits

Thanks to the collaboration on the project, Capgemini helped the client:

- examine the internal controls within the AP process using tools and methodologies to cover gaps,
- streamline a root cause analysis for any duplicate payment,
- achieve tangible monetary benefits,
- generate key messages for the organization's team involved in the process:

#1 Do not forget this is a promise to pay until it is cashed on a bank account.

#2 Do not assume: "It's a big company, they must be well organized."

#3 Your vendor master file may not reflect valid contact details.

#4 Most vendors do not come back when they receive a duplicate payments.

#5 High PO coverage does not prevent you from having duplicate invoices.

#6 Use the right channels to contact the suppliers, the procurement teams too.

Above all, the project brought tangible monetary benefit to the client as actual monies were either recovered and credited to the client's bank account or the duplicate payment was adjusted with the future payments to the vendor. The project also helped to analyze the internal controls within the AP process and identify gaps.

- **€2.06M** invoices of value **€23B** were analyzed for possible duplicates.
- **418** cases of value **€1.50M** were identified as potential duplicates.
- **€1.01M** has been recovered and reconciled with entries in accounts books.

A catalogue of the "in scope" activities is now broader for BPO with a proven track of €1M recovered and the right control mechanisms implemented. The collaboration between the client and Capgemini serves as a great example of a partnership that drives value beyond transaction processing, contributing to business strategy while proactively managing risk, control and compliance.



## About Capgemini

With almost 140,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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