

Duplicates payments



Vendor ledger analyses and **payments recovery** project brings **1Mn Euro** of additional cash

Business objective

Coca-Cola Enterprises (CCE) has initiated a business transformation at a global level that includes its organizational structures and its business operating model. Capgemini's understanding was that CCE's overall goal for this outsourcing project is to increase effectiveness and efficiency to bring CCE's Finance & Accounting function to near "world class" performance. One of the most important goals to achieve in this project was to deploy a global unified solution across all CCE business units to support the business that includes standardization and process improvement while maintaining high standards of control and compliance.

Capgemini embraces CCE's vision and strategic goals as our own and believes we are the best BPO partner for CCE.

The set of solutions, summarizes our specialized approaches to each main process: Procure to Pay, Order to Cash, Record to Report and Document Management. The idea is to deliver value elements like: Improved Controls, Continuous Process Improvement and Common and Global Processes by delivering services for CCE operations in Great Britain, France, Belgium, Netherlands and Luxemburg. Thanks to wide Capgemini Global Delivery Network services are provided out from Poland for customer facing roles and India for back office functions.

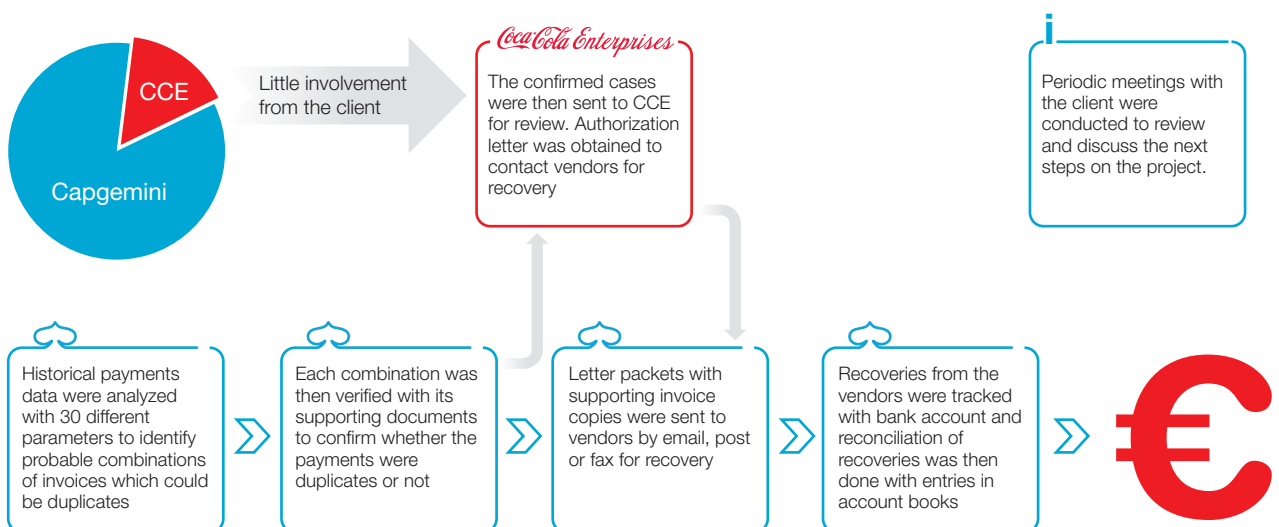


Capgemini delivered value elements like:

- Improved Controls
- Continuous Process Improvement
- Common and Global Processes by delivering services for CCE 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.



CCE engaged this 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. Communication in different regional language of the vendors in the form of letter packets with supporting invoice copies were sent to vendors by email, post or fax and then follow up was done by making calls. Queries received from the vendors were resolved and communicated to the vendors. The recovery process was tracked with bank account and then reconciled supplier ledger. As a governance model, Capgemini provided 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

This project:

- helped to examine the internal controls within the AP process and provided tools and methodology to cover gaps,
- This project helped to streamline a root cause analysis for any duplicate payment,
- This project brought tangible monetary benefit to the client,
- This project generated some key messages for CCE business

#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 Mind you, your vendor master file may not reflect valid contact details.

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

#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 project brought tangible monetary benefit to the client as actual monies were recovered and credited to bank account of the client or the duplicate payment is adjusted with the future payments to the vendor. It also helps to analyze the internal controls within the AP process and helps to identify gaps.

- **2.06Mn** invoices of value EUR 23Bn were analyzed for possible duplicates.
- 418 cases of value EUR **1.50Mn** were identified as potential duplicates.
- EUR **1.01Mn** has so far 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 1 MM euro recovered and the right control mechanisms implemented. Project like this shows that partnership in BPO really exists, so that helps to generate the perception shift of the BPO from transaction processing partner to the strategist and steward in shaping business strategy and proactive risk management, control and compliance. So the partnering and perception shift are the greatest contribution to overall outsourcing industry.

That also means that BPO these days have the right resources to generate value for the client by touching areas never explored or many times underestimated from the value point of view.



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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