

AUTOMATED ANALYTICS: CONTINUOUS MONITORING SAVES € MILLIONS

Using Arbutus technology, we were able to report exceptions, improve business processes and save over € 4,1 million.

CHALLENGE

The fragmented nature of the businesses, our diverse systems and manual data entry made it impossible to prevent errors in vendor invoices and in the application of discounts and challenging to detect problems.

Duplicate Invoices

Purchase invoices are scanned and input in the system. However, the vendor's invoice number is input manually and might be entered incorrectly. Typical errors include taking '1' for 'l' or '0' for 'O' and special characters such as hyphens, dots or dashes are sometimes omitted so "123/OBC.XYZ" might become "1230BCXYZ". Such mistakes invalidate duplicate checks at data entry and we had no controls on duplicate vendor invoices across the different entities of the group.

Discount and Margin Monitoring

During the sales "lifecycle", different types of discounts can be granted on vehicles sold (e.g. seasonal promotions, volume discounts, business packs, ...). The discounts differ by country and across the various brands (totalling over 100 models). The process is mostly manual and some combinations are not allowed or would lead to unworkable margins.

The controls to monitor the discounts and margins on vehicles were inadequate because of the extreme complexity of the process, aggravated by technical factors such as:

- Different databases in each country
- Different data formats within each such database
- Data required from both the ERP system and accounting system

PRODUCT / SOLUTION

Arbutus Analyzer

PARTNER

Sepia Solutions

CLIENT

A leading importer and distributor of cars, motorcycles and scooters, selling different brands across different countries in Europe. The company achieved a consolidated €760M turnover in 2019.

THIS IS NOT FICTION

Although the organisation and auditor chose to remain anonymous, this case study is completely factual. The author's contact details are known to us and we can forward messages should you wish.

ABOUT OUR PARTNER

Sepia Solutions, our partner since 2010 and located in Belgium, is dedicated to delivering quality GRC software solutions and associated services in Belgium, The Netherlands and Luxembourg.

SOLUTION

Payments on duplicate invoice entries could be avoided because of the lead time between the booking of the invoice and the transfer of money. Also, it would be easy to revoke the allocated discount and recuperate the amount as we are dealing B2B with long-term partners, not the actual end customer.

We decided that continuous monitoring would be the perfect way to enhance this monitoring process. So, we developed and scheduled multiple scripts in Arbutus Analyzer to automatically:

- Extract data from multiple sources
- Normalize the data formats
- Consolidate the different data sources
- Perform multiple tests (including different logic per model)
- Email exception reports to the responsible teams

Our initial investment was limited to:

- Software modules & licenses: € 10.000
- Services & training: € 1.000
- Script development: internal cost

The recurring costs are:

- Maintenance & support (per year): € 5.000
- Script maintenance: internal cost

RESULTS

As a result of these automated exception reports, we recovered following pre-tax amounts for the period 2017-2020 YTD:

- Duplicate invoices: € 977.000
- Discount monitoring: € 3.148.000

Because of the frequent and timely exception reports, the responsible teams learned from their mistakes which helped them in avoiding them going forward. We noticed the number of reported exceptions and their total value has gone down as the business processes matured.

So in fact, the largest return was not just the recovered € 4,1 million, but the improvement in our business processes.

These wins also resulted in an enhanced awareness of the power of data analytics within the business and financial control. We therefore expect that these or similar automations will be duplicated for other companies within the Group.

"The largest return was not the over € 4.1 million saved, but the improvement in our business processes."

- CORPORATE AUDIT MANAGER

ARBUTUS ANALYTICS

Whether it's helping to streamline the tax process for an entire country or turbocharging the evolution of an energy sector powerhouse's Audit process, Arbutus is the engine that powers change.

Arbutus technology is leveraged heavily within areas such as Accounting, Audit, Compliance and Fraud Detection. Its speed, power and flexibility is what makes it relied upon by both the public and private sector in the pursuit of actionable results.

SALES INQUIRIES

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