

Case study

Leading banking and financial services company

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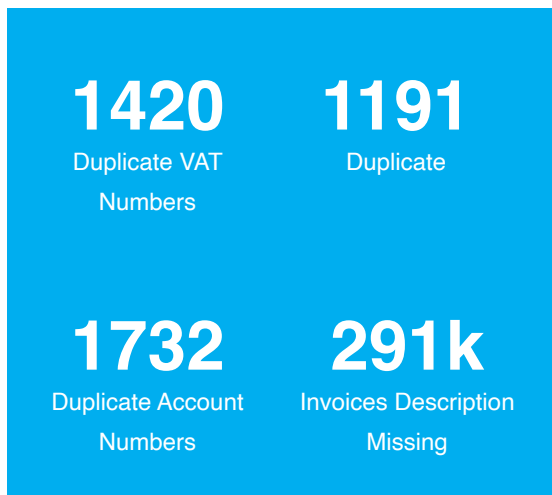


About the client

The client is a leading banking and financial services organization in The Netherlands that was established in 1895. In terms of Tier 1 capital, the bank is among the 30 largest financial institutions in the world. The group comprises of more than 100 Dutch offices with over 40,000 employees and has many specialized international offices and subsidiaries. The bank has a yearly spend of approximately € 3 billion (external), processes 657k invoices, uses 125 entities (one shared service centre) and has 25k vendors with yearly invoice registrations.

The challenge

In 2019 the bank got a refund of over € 1 million from one of its vendor due to overpayments. These overpayments were based upon numerous overcharges from this vendor, that is active in the interim market. The situation raised interest at the bank, as they were not aware of these significant overpayments.



Subsequently they raised a Request For Proposal (RFP) for an Accounts Payable Recovery Audit by a third party. The goal of this RFP was:

- To get a thorough validation on their payables
- To substantiate their suspicion
- To note if this was a one-off incident or an unwanted pattern

Refund due to
over-payments
€1,000,000.-

The right partner: SpendLab

The bank decided to partner with SpendLab for the following reasons:

- Full service approach, from data acquisition until cash recovery
- No cure, no pay business module
- Technological way of work in combination with seasoned AP professionals
- Willingness to start with a proof of concept
- Variety of experience and a data-driven solution
- Network within the business
- AP Risk & Compliance delivery

The solution

SpendLab started with a Proof Of Concept based on the years 2017 - 2019 and focused on three vendors. SpendLab delivered:

- AP Risk & Compliance Report which presented the risks that were present in the AP processes of the banks
- AP Analyzer and Balance Analyzer that SpendLab delivers, which presented the root causes of the undue payments based on vendor level across the 125 entities of the bank.



The results

Root causes identified:

- 180 double billing cases
- 123 unknown credits
- 102 scanning errors
- 52 double payments
- 46 different locations invoices
- 41 undue payments were made

The following insights were derived based on data:

- Foreign branches had more aging credit balances with their vendors due to insufficient control mechanisms
- Implementing a longer term plan to set-up a data science safety net
- P2P processes needed to be centralized to gain control
- Informative functions to their budget owners and purchase department

I.e. it appeared that some invoices were digitally approved within two seconds (trusting the invoice approval of the person before them)

- As a high percentage of undue payments were due to wrong vendor billing, purchasing department had intense discussions with their regular appearing usual suspects

The outcome

Because of our successes and way of working, our relationship with the bank became long term, with formal agreement on periodic recovery audits.

€5,920,777

Gross Recovery



Want to know how we can
realize financial success
for your organization?

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