

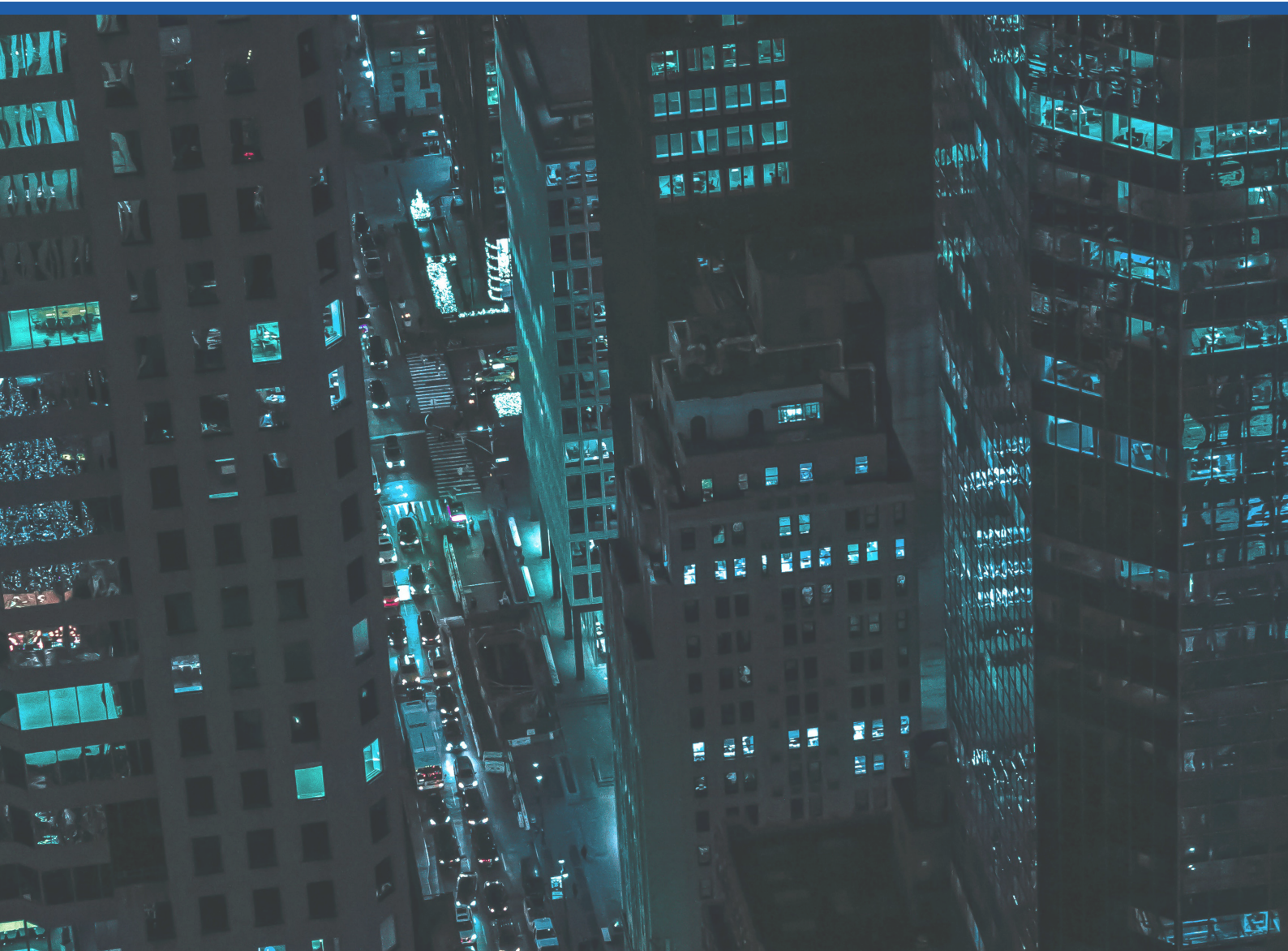
Case study

Global retail company

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The client is an American company specialising in sports retail (clothing & shoes), present globally through a network of more than 2,500 physical stores. SpendLab worked for their EMEA organisation comprised of 59 entities, processing on average 80,000 invoices per year on PeopleSoft ERP.

The challenge

The company was in the context of finance and cost reduction, leading to the need for an external accounts payable recovery analysis. They already conducted AP recovery audits in the past from other partners. Their latest AP project recovered around 90,000 euros (scope 2012-2016, over more than 950,000 invoices). In 2020, the retailer asked SpendLab to conduct an analysis of more than 600,000 transactions with almost 10,000 vendors between 2017 and mid-2020.

The goals

SpendLab is the largest AP Recovery Specialist in the Benelux, focusing on data analytics in combination with deep sector know-how. The retailer knew that no other partner delivers the results like SpendLab and that too with a very little time investment from retailers end. The goals of this analysis were:

- Recovering lost liquidity
- Providing insights to validate the accounts payable health of the retailer
- Finding the best AP recovery partner, after having collaborated with two different AP recovery providers in the past

The results

SpendLab delivered an AP Risk & Compliance Report, which presented the risks that were present in the AP process of the company, as well as the AP Analyzer and Balance Analyzer, which presented the root causes of the undue payments based on vendor level across the 59 entities of the retailer.

In total, more than 180 cases of AP errors with 60 vendors were detected. **SpendLab recovered 268,000 euros**, twice as much than the amounts combined already recovered in the past by other partners.

Various root causes were observed : undue payments, balance reconciliation (discovering unknown credit amounts), open accounts payable and VAT.



SpendLab's analysis showed that:

- Overall, the accounts payable seemed in control and the department seemed mature: there was not a single vendor with multiple undue payments, VAT & collectable AP items were handled well, the cooperation between AP and cost reduction was paying off and no undue payments due to multiple entities were made, nor any findings due to a contaminated supplier master file were observed.
- Nevertheless, during the pandemic, tighter control on leasing/rent vendors (including security) would be beneficial.
- A periodic vendor reconciliation should be considered, especially for utility vendors, to actualize Open AP in PeopleSoft and rectify unknown credits.
- PeopleSoft accepted a duplicate invoice booking with the same invoice reference number.
- Even though there were no cash leakages due to multiple supplier records, over 10,000 euros has been recovered due to wrong vendor payments.



The client's reaction

According to Senior Manager AP and Banking at the retailer: "SpendLab understood the PeopleSoft ERP and knew exactly which tables they have to download in order to execute the recovery project. SpendLab understood the complete workflow of our AP accounting and hence the support required from our side was minimal. SpendLab was very professional in their approach."

The outcome

Deeply satisfied with the collaboration with SpendLab on their EMEA markets, the retailer requested SpendLab to analyze the accounts payable of their American markets as well.

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