

CASE STUDY

FINANCIAL OPERATIONS | RECONCILIATION

Fortune 50 e-commerce company achieves 5X increase in team capacity and 75% reduction in AHT

BUSINESS OBJECTIVE

A global Fortune 50 e-commerce giant powered by a 17% YoY growth is constantly in pursuit of solutions to support its expanding market presence. This includes ensuring that individual business units are equipped to handle the corresponding increase in customer transactions, product lines, and vendor interactions.

Rather than continue to invest in more resources to accommodate the increasing workload, the company looked for a more scalable and sustainable technology-driven approach.

CHALLENGE

The reconciliation of vendor statements is critical for any financial operations (FinOps) team since they represent billions of dollars in financial transactions. Every month, the FinOps team receives reconciliation statements from the millions of third-party sellers registered on the company's e-commerce portal. However, due to high AHT and manual intervention, the team had to set a processing limit of 1200 statements per month and prioritize statements of higher transaction value.

Reconciliation statements from the vendors' systems are generated in Microsoft Excel. However, the lack of a standardized template often results in 1000+ different input formats. Each vendor has a different style of data input (e.g., invoice numbers, column names, nomenclature, definitions, and chronology for line items). The FinOps team was tasked with manually cleansing and consolidating this unstructured data and mapping it across the company's structured financial records spread over six different internal applications. Often, when the data in the vendors' statements is insufficient/incorrect, the FinOps team would have to manually search the six internal applications one-by-one to populate the required fields.

Inherent challenges with the existing reconciliations process, such as inputs from disparate systems, rework, and manual intervention, resulted in high average handling time (AHT) of 120 minutes per statement. This restricted the FinOps team to only completing 1200 statements per month, a mere 20%

of the entire workload, creating a significant backlog. It was evident that as the business grew and the number of vendors on the platform increased, this problem would only increase in magnitude and complexity.

The FinOps team could only handle 1,200 statements per month, a mere 20% of the entire workload

A backlog of unprocessed statements translates to revenue losses, payment related issues with partners, and ultimately impacts the company's vendor relations and reputation. The company also ran the risks of faulting on internal compliance

standards and inaccuracy in financial records. The FinOps teams realized that automation was the only long-term solution to address both current process challenges and provision for future scalability, with minimal investment in additional resources, time, and effort.

SOLUTION

The company first set out to build an in-house automation solution. However, the system was unable to handle the process complexity (multiple rules that govern the identification and management of discrepancies), tackle variations in unstructured data, or deliver faster results with the required accuracy. As a result, it could only replace 20% of the process and handle data reconciliation across two of the six internal systems.

The team partnered with Soroco for its expertise in leveraging the work graph, in-depth domain knowledge, and priori experience in designing reliable and scalable solutions for the e-commerce industry. Soroco's end-to-end process transformation includes optimizing each task within the reconciliation process to create a logical, streamlined workflow.

The team now uploads the vendor statement directly on Soroco's automation platform. The platform seamlessly integrates with the six different internal company applications in the backend.

By the numbers

1000+

different vendor reconciliation statement formats consolidated

06

disparate internal company systems parsed for information

Through a process called 'normalization', the platform then leverages heuristics to pull in relevant data corresponding to each vendor or invoice number (e.g. complete invoice numbers, order status, tracking and delivery information, payment-related information, etc.) from the six applications.

Soroco also created a more effective exception management system that compares the data against internal records based on predefined rules to identify discrepancies. Now, rather than simply highlighting errors, the automation system goes a step further to automatically rectify exceptions or notify relevant stakeholders for further action.

With 98% of the transactions completely automated (requires no human intervention), Soroco's system has currently scaled the team capacity by 5X (from 1200 to 6000 statements processed every month). As the business grows and the volume of statements increases in the future, the system can scale-up the process accordingly.

Not only did Soroco deliver a scalable and comprehensive solution to address the challenges of a complicated process but did so within a go-live period of just three months.

IMPACT



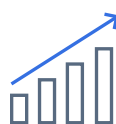
75%

reduction in Average Handling Time (AHT)



\$1.7B

worth of reconciliation statements processed



5X

increase in statements processed



98%

of transactions require no human intervention

ABOUT SOROCO

Soroco's AI-driven process analytics and automation solutions are enabling enterprises to achieve ambitious cost savings, customer experience, and employee engagement objectives. Soroco's solutions are commercially proven, built to scale, and deployed across eight industry verticals at global F500 leaders.



Visit us @ www.soroco.com

WHAT'S NEXT



Want to see your enterprise transform?



Like what you read?

[Read more success stories here](#)