

CASE STUDY | FINANCIAL OPERATIONS | ACCOUNTS PAYABLE

# Global e-commerce company automates 95% of the clearance process for missing invoices

## BUSINESS OBJECTIVE

The vendor ecosystem is a critical component of any e-commerce business. From third-party sellers that help these companies serve billions of customers on the e-commerce portals to internal suppliers, the vendor network is a significant part of the company's business and revenue model.

The FinOps team at a Fortune 50 e-commerce giant needed to streamline its vendor accounts payable (AP) process for this reason. The company wanted a solution that could add more speed and accuracy to the process, eliminate the scope of rework (minimize or remove process errors and duplication of efforts), and reduce manual intervention.

Most importantly, as one of the largest players in its field and expanding at a year-on-year growth rate of 17%, the company needed a solution that could enable it to scale up its operations without having to invest additional resources or efforts.

## CHALLENGE

The company's FinOps team is responsible for monitoring and managing vendor payments. For all goods and services procured, the company issues a purchasing order (PO) and reserves the estimated amount as 'accounts payable' (AP) on the balance sheet. The vendor delivers the goods as per the PO, creates an invoice, and receives the due amount which is then removed from AP.

However, in multiple instances, the company receives the goods but doesn't receive the corresponding invoice from the vendor. The company calls this 'received but not invoiced' (RBNI).

The complete transaction details are stored across four key internal applications, each with critical PO related data, a database for invoices, vendor contact information, etc. Additionally, the team uses an RBNI Reports tool to generate periodic reports about POs for which the invoices are missing and Paragon, a system for vendor communication.

**The FinOps team could handle only 23% of the unresolved RBNIs which represent approximately \$300M+ in dollar value**

The RBNI Reports tool generates a monthly report on the RBNIs to be processed. Earlier, the FinOps team would have to manually collate PO and vendor-related data across the four key internal applications for root cause analysis. Once the reason for missing invoices was established, the team would then manually fetch the corresponding vendor details (contact details, whom to contact, etc.) and raise a ticket on Paragon, raising a request to the vendor for the missing invoice. This process would require frequent follow-ups until the ticket was resolved.

Manually extracting data across disparate systems, reconciling them, initiating vendor communication, and subsequent follow-ups was a time-consuming exercise that was prone to errors. Due to manual bandwidth constraints, the team could only research 90,000 goods, which is a mere 23% of the total open RBNI cases each month. The remaining cases went unresolved and accumulated in the RBNI backlog.

The monthly average of open RBNI cases amounted to \$300M+ in dollar value across the US, Canada, UK, Germany, France, Italy, and Spain. This led to delays in vendor payments and adversely affected the overall vendor experience. The FinOps leadership needed a solution that could manage the process end-to-end and alleviate the compounding RBNI case backlog.

## SOLUTION

Soroco had previously led multiple successful transformation projects within the FinOps function at the company. To solve this new challenge, the team once again chose Soroco as the preferred technology partner. The company wanted a highly modularized and automated system that allows the team to handle more RBNIs with greater speed and accuracy.

### The Soroco Advantage

- **Modular, highly customizable solution for scalability**
- **Consolidating and integrating inputs across six disparate internal systems**

Soroco’s solution is based on a relational DB architecture, with a centralized database that automatically extracts data from each of the four critical systems. The database is continually populated with automated inputs from the RBNi report. Through a series of defined processes, the system then collates and consolidates missing information from the four critical systems. Finally, the system reaches out to the vendors and auto-generates tickets for them.

One of the biggest challenges that Soroco had to overcome was incorporating the high number of rules that govern how the system prioritizes and processes each RBNi. For example, the system needs to automatically prioritize ‘Unhealthy Ineligible’ RBNis (unresolved and 45 days past their due date) followed by the RBNis that represent higher transactional values.

Additionally, the system needs to provision for a wide range of rules (vendor or country-specific rules and compliance, financial regulations and standard, diverse languages, etc.) across the multiple geographies that the company operates in.

## IMPACT



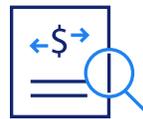
**300K**

transactions processed per month



**100%**

of ‘Unhealthy Ineligible’ RBNis cleared



**1M**

transactions researched everyday



**\$900M+**

worth of RBNi researched

## 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.



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