Optimizing Travel and Expense Spends (T&E) for a US-based Airline Company

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Strategic Imperatives

OBJECTIVE

Optimize T&E spend as per industry benchmarks

SITUATION

Large and growing volume of transactions due to decentralized spend through corporate cards and allowances

CHALLENGE

Discovering opportunities for saving and detecting instances of leakage due to erratic or non-compliant spend behavior

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Detecting non-compliance through intelligent audits

Move from 'rule-based' to 'pattern-based' sampling of transactions for conducting audits. Investigate employees who fit a pattern of filing 'high volume - low value', 'high volume - high value' or duplicate claims.

Detecting leakage through spend behavior analysis

Discover and analyze price variance in hotel bookings across transactions. Reveals employee preferences and opportunities to negotiate better deals with hotel chains.

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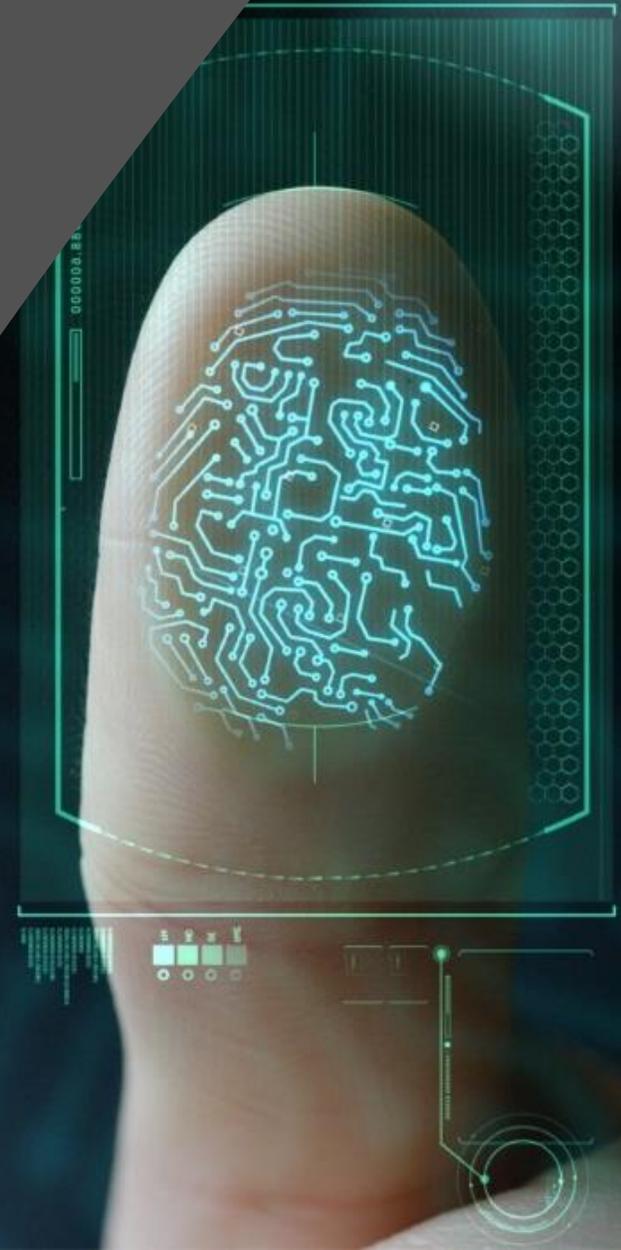
Key benefits delivered

Non-compliance Detection

22% Non-Compliance detected as compare to

8% in previous fiscal
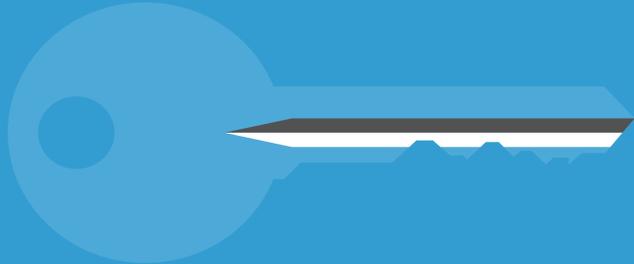
Leakage Detection

$ 14m leakages uncovered as compared to **$ 3.8m** in

previous fiscal

Optimizing Travel and Expense Spend for a Swiss Investment Bank

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Strategic Imperatives

OBJECTIVE

Identify high spenders, saving potential & price benchmarks for negotiating contracts

SITUATION

No transparency of Travel Expenses due to decentralized spends via corporate credit cards and a frail expense management system

CHALLENGE

Identifying maverick spends, saving potential and detecting employee outliers in the organization

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Identified frequent travel routes and preferred hotels with Spend Analysis

Discovered high spends on airfare and hotel bookings to identify the frequent travel routes and preferred hotels. Revealed employee preferences and opportunities to negotiate better deals with airlines & hotels.

Identified ideal price points for benchmarking with Maverick Analysis

Identified price variance while booking hotels and flights, by different employees, during different times of the year. Showed ideal price points for negotiating deals and contracts with airlines & hotels.

Detected employee outliers and high spenders with Exception Analysis

Identified Employees with variance in booking amount and invoice amount due to upgrades in airfares or hotel reservations. Revealed employees violating company policies.

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Key Benefits delivered

Identifying Maverick Spends

15% of total travel expenses were detected as maverick spends across Hotel Bookings & Airfare
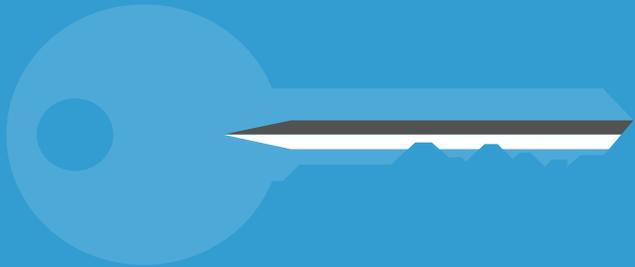
Identified Employee Outliers

10-30% of employees were detected as outliers with price variances across travel expenses

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Improving Procurement Visibility for a US-based Industrial Aluminum Company

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OBJECTIVE

Enhance spend visibility

CHALLENGE

Increase the granularity of insights

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74,000 procurement transactions analyzed to uncover a saving potential of **12%** on a spend of **$162 M**

Identified **12** behavioral patterns associated with **3** vendors that consistently drove exceptions over a **$40 M** spend

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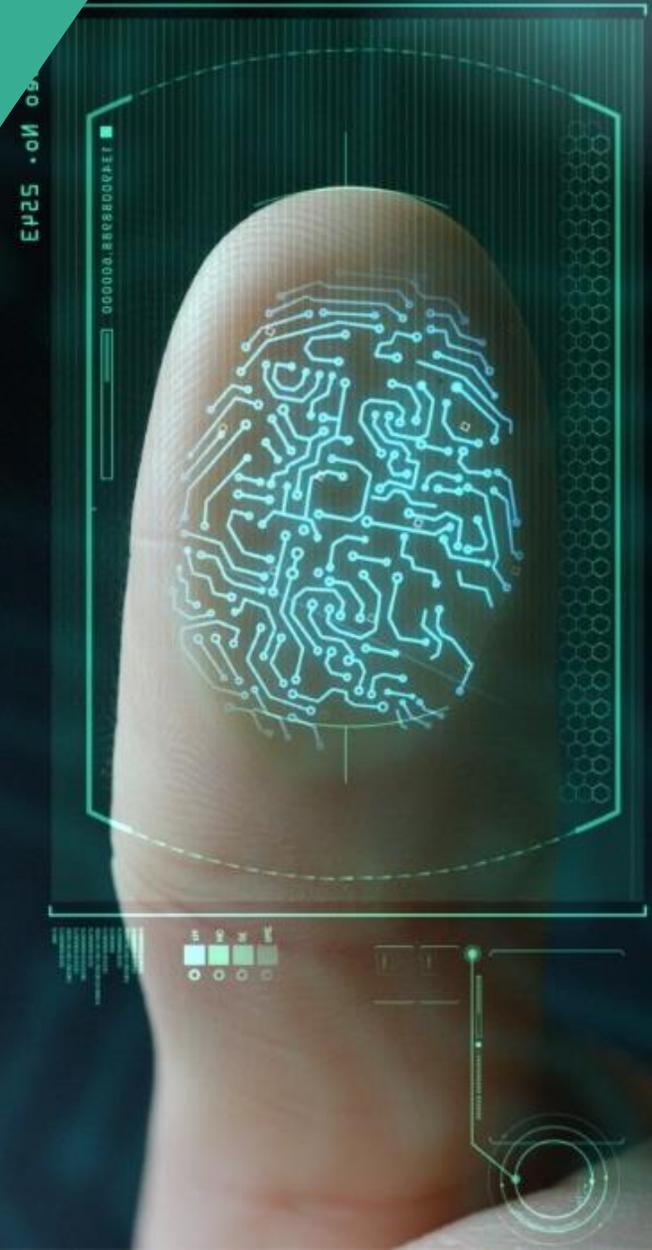
Key insights delivered

Price Variance Insights

32% Price Variance driven by 5 Items

29% Items had price variance

14% transactions had odd behavior

Collusion Detection

A single item purchased by one buyer from a

particular vendor led to **89%** Price Variance

signaling a potential collusive behavior

Improve spend visibility and saving potential for an American Multinational Oil & Gas Corporation

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Strategic Imperatives

OBJECTIVE

Improve spend visibility and increase saving potential

SITUATION

Same Goods being purchased at different prices and bias towards certain vendors leading to spend leakage

CHALLENGE

Identifying price variance, purchasing patterns and arresting maverick spends in order to improve saving potential

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Detected "unreasonable prices" for some of the goods purchased

Identified same goods being purchased at different prices. Detected correlations between pricing and other factors such as requisitioner, buyer, receiver, supplier, timing, etc. which revealed enormous price variances for several transactions

Detected purchasing patterns

Identified correlation between transactions under a certain $ threshold with factors such as requisitioner, buyer, receiver, supplier, timing, etc. This revealed extensive use of a supplier in some instances while other options of suppliers providing better prices were available

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Key Benefits delivered

78% price variance from Top 12 Items purchased

10% of the total number of transactions identified having price variance

Over 55 Patterns identified as contributors to price variance

USD 5.8M worth Price variance by spend value

98% price variance for transactions of a single item found (Inflatable Life raft)

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Predicting Invoice Fallouts for a Swiss Multinational Pharmaceutical Company

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Strategic Imperatives

OBJECTIVE

Reducing High Cost of Operations by predicting invoice fallouts

SITUATION

High Cost of Operations due to high number of manual resolutions and rejections of invoices

CHALLENGE

Prevent fallouts by mining and monitoring patterns that are known to cause them historically

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Challenges

HIGH INVOICE BACKLOG
Backlog of over 11k invoices in Austria across 1500 vendors across all payment terms

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DELAYED VENDOR PAYMENTS
40% critical vendors had delayed payments with an impact of over 100 M Euros

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56
Discovered patterns driving exceptions
Patterns for Delayed GRN, Missing GRN, Non PO Invoices Delay, System related issues.

32
Predicted actionable insights
Predictive actions driving proactive behaviour across the Vendor and Buyer community

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Key insights delivered

32%
reduction in invoice exceptions

▲ **First Pass Yield (FPY): 60-65%**

Compared to 30-35 % in Jan'19

▼ **Invoice Backlog: 54%**

On an invoice backlog base of 11k in Jan'19

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