



# Are you losing money to overpayments?

In most cases, yes. Overpayments are common operational control weaknesses that can negatively impact the P&L. They can also be magnified by inefficient control and business process designs, limitations in one-size-fits-all tools, and lack of ownership over the process.

We typically see four root causes of overpayments—and while all eat at your bottom line, enterprise systems can catch most of them. But duplicate liabilities are typically left unscrutinized.

## Why you might be overpaying

<b>Duplicate liability</b> Different invoices referencing the same delivery or service	<b>Invalid liability</b> Invoices for amounts the company no longer owes
<b>Duplicate invoice</b> Multiple identical invoices	<b>Invalid invoice</b> Incomplete or inaccurate invoices

Begin by looking at duplicate liabilities—that’s the best starting point when evaluating overpayments. From there, successful organizations can continue to realize hard savings through **1)** reviewing historical data to identify erroneous payments; and **2)** establishing a repeatable process and controls to prevent overpayments before they even happen. We’ll help you get there.

## ROI you can’t ignore


Organizations typically overpay within a consistent range of 0.25% to 0.50% of their spend each year. This trend holds true even for businesses that have baseline controls in place, such as ERP checks. You can approximate your one-year overpayments with a simple calculation:

$$0.25\% \times \text{Annual Spend}$$

## Your Potential Overpayments

By taking a closer look at payment processes, we helped one organization realize these results:

 Recovered **\$4M** in overpayments from the last 3 years by identifying duplicate invoices and liabilities

 Applied more than **\$10M** in credits by tracking down invalid liabilities

 Reduced the supply base by more than **50%** which helped address duplicate liabilities and invoices

## Identify and recover

Using the ClearSulting Overpayments Recovery Engine (CORE), we sift through your invoices to uncover any erroneous payments that were missed—and that ultimately impact your bottom line. We'll also share our perspective on possible root causes for your overpayments and partner with you on validation and recovery strategies.

### HOW IT WORKS:



1. We review your data



2. We conduct current-state S2P process interviews



3. We perform statistical testing on one year of payment history (at least \$100M of spend) using CORE



4. We deliver a dashboard that shows where you should investigate further and how to uncover value



5. We provide recommendations on how to identify and prevent these control risks



6. You start saving

**CORE** is a ready-made analytics visualization tool that leverages targeted testing methods to quickly crunch data associated with your spend.

## Creating positive change through digital finance

ClearSulting's innovative problem-solving and proven technology workflows help procurement and finance leaders embrace digital to become better business partners. Acting as a link across your business, we connect your vision with the processes, technology, and systems that yield success. We offer digital reporting, enterprise performance management, finance effectiveness, financial close, risk advisory, and treasury services that take a digital-minded approach to push your business further.

## Get started

When you're ready to streamline your payment processes and uncover savings, let's talk.

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