



SOLUTION OVERVIEW

CASEWARE™ MONITOR O2C

Order to Cash (O2C)

The order to cash process represents the final step of customer relationship management – completing the sale and delivering the product. Regardless of the end customer, it is important that this interaction reinforce the perception that the customer made the right choice and wants to continue doing business.

Order to Cash is a difficult process to manage since it often spans several functional areas of the company and includes external providers such as credit card processors. The integration of these underlying systems and operational units are therefore prone to fraud, errors, mismanagement and revenue leakage.

Pricing discrepancies, for instance, are often written off and are a direct profit leak. Pricing reconciliation issues can mean delayed payments, higher administration costs and product returns. When product margins are razor thin and competition from all quarters is in play, capturing even a 2% discount or discrepancy could mean the difference between profit and loss, especially in retail operations.

These issues are a source of frustration for management in their efforts to gain full visibility into the O2C process and final revenue recognition. They want effective controls to maximize revenue and just as importantly the ability to easily adapt to changing market conditions all the while ensuring that the customer experience is optimal.

Continuous Monitoring

Continuous monitoring solutions provide an organization with an independent point of observation over its O2C business processes. It enables identification of control breaches, fraud and money leakage, while ensuring data quality and providing feedback on key performance metrics across the entire process.

An independent point of observation is important in continuous monitoring because solutions that are embedded tend to only provide insight into that system. CaseWare™ Monitor however enables all aspects of the O2C process to be monitored holistically and provides assurance that the interfaces between systems are working correctly.

The continuous monitoring system should be accessible by all users in the organization. Since an effective monitoring solution can touch multiple business processes, it is important that stakeholders can access and monitor the results regardless of their location, technical ability or business role. This is important in processes such as O2C where many types of operational users will be using the system.

A key feature of an effective solution is the deployment of fraud and deficiency issues as they occur within a framework that ensures that they are addressed in a timely manner.

CaseWare™ Monitor O2C

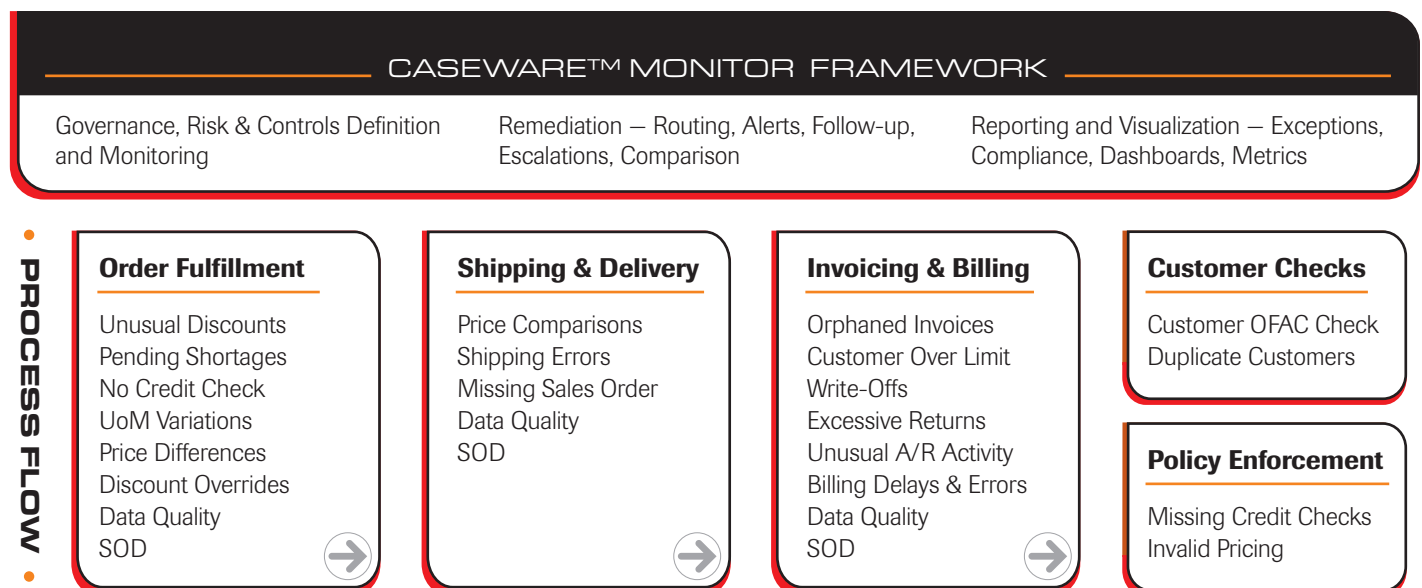
CaseWare™ Monitor O2C enables all Order to Cash processes to be monitored, regardless of the underlying systems, data sources, platforms or locations. Results from these disparate sources are consolidated and presented in CaseWare™ Monitor O2C for use by any authorized users, regardless of location.

Using CaseWare™ Monitor O2C, all facets of the Order to Cash process from order fulfillment through to invoicing and billing can be monitored to provide insight into specific issues as well as the overall health of the internal controls. Notifications and workflow management are built into the CaseWare™ Monitor framework ensuring that issues receive proper attention and their resolution managed.

CaseWare™ Monitor O2C suite of tests is comprehensive and covers the full lifecycle of Order to Cash. The suite includes tests and reports for Segregation of Duties, Master Data Monitoring, Exception Reporting and Metrics & Performance Monitoring

The following chart shows the different areas of O2C monitoring and some aspects that are monitored:

Figure 1 – CaseWare™ Monitor O2C



Workflow and Reporting

When an event occurs, relevant alerts are triggered and a stringent remediation process is followed to ensure that any high risk activities are addressed as stipulated by the business process owners.

Other key aspects of the solution are the automation of the reporting function and visualization of the process environment. CaseWare™ Monitor O2C automates key reporting for stakeholders, including regulators and external audit.

Reports include:

- Key Metrics
- Intra/Extra process SOD analysis
- Fulfillment > Shipping > Invoice > Receipt Anomalies
- Fraud Analysis, Money Leakage
- Fast/Slow Turnaround Times

SAMPLE OF O2C REPORTS

Order Fulfillment

Discount Overrides

Unusual Discounts

Orders with No Credit Check

Variations in Unit of Measure

Pending Shortages

SOD – Adjustments in Price

SOD – Unauthorized Discounts

SOD – Credit Limit Changes

SOD – Sales Order Creator & Approver

SOD – Pricing to Ordering

SOD – Authorizer Same as Updater

SOD – Changes in Price

Order Data Quality

Shipping & Delivery

Order Price differs from Shipping Price

Shipping Document with Missing Sales Order

Shipping Price differs from Billing Price

Shipping Error Analysis

SOD – Shipments with Invalid Creator

SOD – Shipper same as Invoicer

Shipping Data Quality

Invoicing & Billing

Orphaned Invoices

Write-offs over Threshold

New Customer has not Paid

Customers over Limit

Customers with No A/R

Excessive Credit Limit Extensions

Excessive Credits or Returns

Receipt vs Invoice Anomalies

Sales Orders with No Billing

Invoicing & Billing (cont'd)

Billing Delays

Billing Errors

Unusual A/R Activity

Debit Memos Unaccounted For

Suspect Revenue Recognition

SOD – Unauthorized Changes to Invoices

SOD – Receipt & Invoice

SOD – Invoice & Adjustment

Invoice & Receipt Data Quality

Customer Checks

Prohibited Customers

Duplicate Customers

Validate Credit Limits

Out of Date Contract Prices

Customer Data Quality

Policies Enforcement

List Price vs Order Price

Invalid Pricing – Null, etc

Shipping Document Verification

Return Policy Not Enforced

No Credit Check



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