



Freight Case Study: Fortune 500 retailer expands testing, recovering millions in routing guide violations while reducing audit staff

The Challenge

A Fortune 500 retailer was searching for a solution to audit large volumes of freight transactions. This function was assigned to a team of individuals comprised of managers, plus senior and staff analysts. This audit team was responsible for the data analysis and identification of routing guide violations, research of violations and the recovery of overpayments. The process was mostly manual, utilizing Microsoft Office products.

The retailer was growing through mergers and needed to continue the audit process without adding additional auditors. The objective was to expand testing while reducing the audit staff. Management believed this could be done through leveraging technology to automate a large percentage of the transaction testing. The task can be a monumental one considering the potential volume of data, business rule complexity, number of financial systems, and interpretation of the data and required tracking of claims status. The experience of team members, available tools and data integrity directly affect the success of the initiative. Team members are typically higher level employees because specialized technical and business expertise is required. Often intimate knowledge is necessary in the preparation and analysis of data. Additionally, team members must have experience specifically with audit techniques in order to construct the appropriate industry and unique business criteria for analysis and resolution of violations.

Solution

Our solution to these problems was to implement CashFlow Guardian (CFG), a software tool that identifies and supports the consolidation, identification, and analysis of data through recovery and claim resolution. CFG empowers an organization with capabilities that exceed ERP systems and/or manual efforts utilized by alternative tools such as Microsoft Excel or Access. CFG represents a strong approach for audit projects and the issues involved with teams performing the work. CFG supports traditional historical audits as well as continuous, near real-time monitoring of violations. This enables organizations to become proactive, rather than reactive with audit initiatives. CFG processes complex, transaction specific business rules to identify violations in areas such as failure to consolidate, consecutive day shipments, unauthorized carriers, commercial zone issues and routing guide violations - to name a few. Taking the audit beyond most tools and methods, CFG enforces an organization's workflow and collaboration processes to manage claim recovery and resolution.

Results

Adopting CFG as an audit tool solution enabled the company to be more productive, processing business rules at night and automatically generating claims for reducing future payments to vendors. The process ends with exporting the claims in a format for import into the company's ERP system. This focuses resources on the audit itself as opposed to extraneous activities such as data preparation, query building, report definitions and collection follow-up. CFG was able to achieve an 80% reduction in staff while expanding the audit scope.

CFG is a tool built specifically for the audit industry and includes features that will directly increase auditors' productivity and accuracy. Another important result of using CFG is the identification of business process issues that often lead to change in business operational practices. For instance, by tracking occurrences utilizing the workflow component, internal control weaknesses can be documented and action plans implemented to correct future violations.

CFG is used today to identify and recovery millions of dollars related to transactions violating the company's routing guide.

For More Information

For more information about CashFlow Guardian software, call CashFlow Guardian at 443.378.5808, email sales@CashFlowGuardian.com or visit <http://www.CashFlowGuardian.com>.

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