

Case Study: Banking

# First-tier global consumer credit servicer streamlines AP and AR

A major U.S.-based provider of consumer credit and debit card services worldwide improves accuracy in accounts payable (AP) and accounts receivable (AR) workflows, reducing errors and yielding millions in soft benefits.

High-volume transactions. Thousands of vendors and customers. A global footprint. And an outsized reliance on outdated manual processes for invoice processing and billing.

All this added up to a significant challenge in the core finance and accounting processes for one of Cognizant's long-time financial services clients. Looking to make AP and AR more efficient, our client asked us to take over these tasks, using a virtual desktop infrastructure (VDI) setup to maintain information on its own servers.

## At a Glance

Cognizant recently implemented automated digital finance and accounting workflows to streamline AP and AR for one of the world's largest consumer lenders.

## Outcomes

- Realized soft benefit of \$160+ million by correcting logged but unspent allocations to purchase orders.
- Handled ~100,000 vendor invoices per month with greater than 99% accuracy.
- Centralized disparate operations on four continents to client's in-house servers in two locations using VDI.

## Better processes improve vendor and client relationships

Our client is one of the largest global credit and debit card servicers, with operations on four continents. It receives and processes more than 100,000 invoices every month from vendors and was struggling to accurately track, record, prioritize and expedite payments. Invoices arrived via email and standard mail to offices or through an online portal; clerical staff opened each one, reviewed its contents, scanned or uploaded documents, imported data into fields in the ERP system, then forwarded the invoices to a second reviewer to sanitize and approve data inputs.

The massive volume of transactions, combined with this cumbersome and slow process, presented an increasingly costly challenge. The company used different processes for AP and AR at several of its operations, received a disproportionately high volume of inquiries about the status of specific invoices, and needed to flag high-priority invoices for faster payment to promote trust and receive timely service. Duplicative payments were common, amounting to millions of dollars in overpayments each year, and valuable time was spent correcting and corroborating vendor account balances.

The company's purchase order (PO) process also operated independently by geography and/or business division, so visibility into spending was limited at the corporate level. POs lacked identifying information that would prevent duplicates. With many POs open, millions remained unspent, tying up budgets and constraining spending, even if the monies were never spent.

## Formalizing processes to improve efficiency

Our client asked us to redesign its AP, AR and PO workflows to reduce costly manual processes, digitizing the functions and moving toward a

common platform that would expedite invoices. Our longer term objective was to implement a single operating model for digital accounting in the AP/AR functions.

Our customized business process management solution minimizes the involvement of staff by automating time-consuming steps. Our solution uses Kofax MarkView® to help automate the AP process—scanning information and acting as a workflow management tool. It protects confidential information by running on an Oracle database on the client's own servers using VDI. We pulled SQL reports from Oracle to generate data to establish performance metrics for our service-level agreements. Data recognition software scans invoices to auto-populate predetermined data fields in the company's ERP. A Visual Basic (VBA) validation tool in Microsoft Excel checks data before approving invoices and flags errors.

Relying on Cognizant's centralized processing centers—one in Asia and one in Europe—our client now has a streamlined digital accounting process for AP, billing and AR, and purchase orders, eliminating the possibility of human error while flagging problematic issues for escalation.

## Finance function for the future

Cognizant's solution is achieving greater than 99% accuracy in invoice processing, helping the client realize savings of more than \$160 million by identifying and eliminating open POs that had been booked but were left unspent and recover hundreds of thousands of duplicative payments to vendors. It provides the client a dashboard for visibility into its performance against key metrics, while providing comprehensive reporting and a clear audit trail.

## Learn more

To learn more about our Digital Finance & Accounting solution, visit <https://www.cognizant.com/digital-finance-and-accounting-solutions>.

---

## About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us @Cognizant.

---

## Cognizant

### World Headquarters

500 Frank W. Burr Blvd.  
Teaneck, NJ 07666 USA  
Phone: +1 201 801 0233  
Fax: +1 201 801 0243  
Toll Free: +1 888 937 3277

### European Headquarters

1 Kingdom Street  
Paddington Central  
London W2 6BD England  
Phone: +44 (0) 20 7297 7600  
Fax: +44 (0) 20 7121 0102

### India Operations Headquarters

#5/535 Old Mahabalipuram Road  
Okkiyam Pettai, Thoraipakkam  
Chennai, 600 096 India  
Phone: +91 (0) 44 4209 6000  
Fax: +91 (0) 44 4209 6060

### APAC Headquarters

1 Changi Business Park Crescent,  
Plaza 8@CBP # 07-04/05/06,  
Tower A, Singapore 486025  
Phone: + 65 6812 4051  
Fax: + 65 6324 4051