

Lights Out Finance – GR/IR Clearing

Function:
Finance

Processes:
GR/IR

Industry:
Cross-industry; Consumer & Industrial Products;
Energy & Resources; Healthcare & Life Science;
Public Sector; Technology, Media &
Telecommunications

Business Driver

Finance teams face several month- or quarter-end GR/IR challenges

- Pressure to clear GR/IR for correct representation of liability.
- Potential time-consuming analysis governed by manual clearing
- Possibly overstating liabilities, resulting in incorrect cash position



Solutions Overview

A mechanism to automate the clearing process can reduce the time to close at period end and enable a faster close. Doing so can also provide real time insights to GR/IR variances caused due to vendor behavior patterns, as well as 3-way matching discrepancies. Effective GR/IR Clearing processes can also suggest next steps based on materiality of variances, criticality of vendor, PO value, material and other criteria. Plus, it can enable automatic write-off or write-up based on historical age thresholds and vendor invoicing patterns.

Features

- Understand the subtle delivery and invoicing behaviors of vendors, and the triggers for matching discrepancies
- Provide instant feedback to vendors on short deliveries, inflated invoices, and other discrepancies
- Automated resolution to discrepancies based on past user behaviors
- Automated debit memo creation when an invoice is booked outside of tolerance
- Communicate GR/IR discrepancies to purchasing teams immediately after occurrence
- Collect insights based on patterns—types of differences, locations, vendors, materials, etc.

Potential Benefits

- Faster and easier prioritization of high value variances with high impact to margin or inventory
- Minimize the time required for analyzing open GR/IR items, writing off or writing up high volume PO line variances
- Improve housekeeping of clearing account and minimize potential fraud
- Increase visibility to repeat offenders, short receipts, inflated invoice prices
- Faster close cycles
- Real-time GR/IR aging
- Improve cash flow for Treasury Organization
- More current accrued liabilities for Treasury Organization



Machine Learning

- Automate discrepancies resolution based on past vendor behavior



Core SAP

- Accounts payable and procurement
- Predictive analytics



Analytics

- High value variance analysis
- Vendor behavior analysis
- Reduced close time

For more information contact
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