

BPO FUTURE FORWARD

THE FINANCE & ACCOUNTING



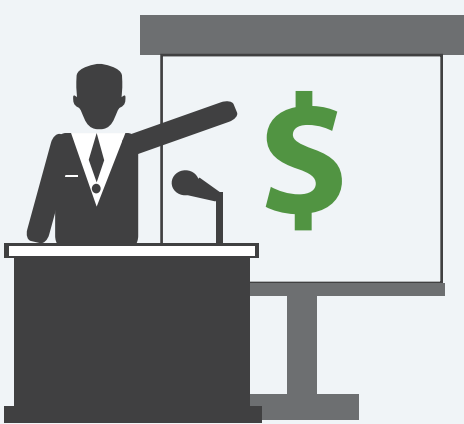
(F&A) SERIES



6 ways to strengthen payment recovery programs

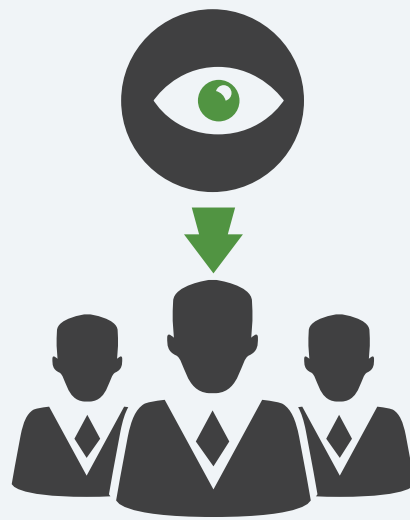
A strong payment recovery program is not just about audits and recovering money lost through wrong and erroneous payments. It also introduces controls to prevent errors upfront and identifies potential pitfalls. Here are 6 ways to make recovery programs comprehensive, self-sustaining, and capable of providing quick pay backs.

1. GET THE RIGHT OUTLOOK



Understand and evangelize the benefits of recovering payments by treating it as a revenue source

2. MONITOR RECOVERY PARTNERS



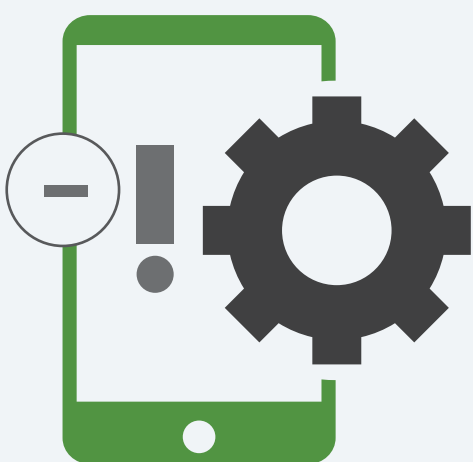
Sign strict confidentiality agreements with vendors and make them more accountable for results

3. EXAMINE THE ENTIRE SOURCE-TO-PAY PROCESS



Ensure the recovery process focuses on both pre-pay and post-pay activities, with appropriate controls at each stage to avoid wrong payments

4. AUTOMATE TO DECREASE ERRORS



Develop custom algorithms and logic that thoroughly check possible causes of payment errors upfront

5. IDENTIFY CONTINGENCIES



Detect potential errors – missed cash discounts, pricing and currency errors, incorrect vendor details, and more

6. CONDUCT A COMPREHENSIVE RECOVERY AUDIT



The audit should include understanding processes, identifying cash leakage points, recovering approved and outstanding claims, and finding improvement areas