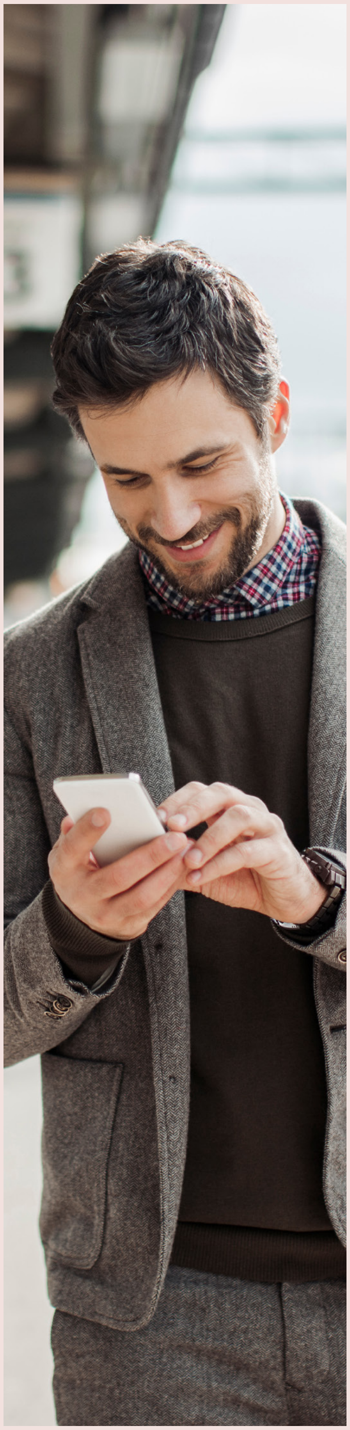
CASE STUDY



# CLAWING BACK TO INCREASED PROFITS


## Abstract

Clawing back commissions can improve the profitability of any business that depends on channel partners for sales. Here's how Infosys BPM helped stem revenue leakage for one of the largest mobile services providers in Europe.

Infosys BPM's client is among the largest mobile services provider in Europe with over thirty-five million customers enjoying the benefits of the latest in 4G and 5G technologies.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## A crucial partnership

A long-standing partner to the client, Infosys BPM manages and is ultimately responsible for the validation and payment of over £60M each month to the client's indirect channel partners. The Infosys BPM team operates with a 100% accuracy target, as the payment of on-time, accurate commissions is critical to strengthen the client's relationships with its partners who are crucial to the growth of their business.

## Missing claw backs and lost commissions

The client had a claw back policy for commissions. If any customer discontinued their subscription within a short time of joining the client's network through a channel partner, the commission paid to the partner would be claimed back. Though the business rules for claw backs were built into the ERP IT systems, there was no mechanism in place to verify if these claw backs were actually being collected.

Infosys BPM proactively carried out a detailed analysis of 6 months of connections data comprising over 500,000 customer telephone number (CTNs). They found that for over 630 connections out of 7,000 which got disconnected within the stipulated period, the commissions had not been clawed back by the ERP system. Concerned that the client was losing out on commissions amounting to £1.06M, the team approached the client with these findings, with a request to let them examine and vet all the business rules configured on the ERP systems.

## Sharpening the systems claws

After a detailed analysis of the client's policies, the Infosys BPM team discovered that, 60% of the payments were related to revenue share and the onshore team had no control over these payments. After taking approvals team identified inconsistencies in the ERP systems. 22 channel & partners had been paid duplicate revenue share payments amounting to over £1.8M when their business was getting merged in the ERP system. Also due to a system flaw triggered by overlapping payment run jobs team identified another £1.2M worth overpayments. Altogether, the revenue leakage due to overpayments and lost commissions which could have been reclaimed, was close to £3M.

To address these issues, the team first communicated with and convinced the channel partners about the reversal of the over payments. Also, to prevent future misses, they suggested corrections to the business rules on the system, and after approval from the client stakeholders got these changes implemented by working closely with the in-house ERP IT teams.

To prevent overlapping of payment run jobs leading to overpayments, the team suggested additional jobs monitoring and system controls over the weekends to avoid any duplicate entries being posted. Further, new checks have now been implemented in the payment run process.

## Benefits with reduced claims

The team took over a project post discussion with the onshore team to reduce the claim volumes. Team used six sigma methodology to identify the root causes of the claims and started fixing the upstream processes which had direct impact on the claims inflow. The team also built a query in ERP which helped identify any incorrect data uploaded in SAP and fixed them before the settlement. With this solution, Infosys BPM was able to deliver the following benefits to the client:

- Added new controls which helped identify more than 10k duplicate claims
- Fixed more than 65800 CTN's before the payment run
- Helped avoiding claims, resulting in more than 14 FTE saving
- Reduced the claims volume by 35%

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