



Pricing Compliance Review and Recovery

IDENTIFYING DISCREPANCIES THAT CAN ERODE YOUR PROFITS

GLOBAL PRICING COMPLIANCE REVIEW AND RECOVERY

Pricing errors are a costly issue that can silently erode your company's profits. However, the issue often fails to get the attention it deserves. Despite the frequent lack of alignment between contract terms and the amounts paid once goods and services begin to flow, surveys show only one in four companies is using automated contract management tools to aid in compliance monitoring.¹ As a result, the savings buyers work so hard to negotiate can simply leak away, one invoice at a time.

Noncompliance can represent a significant drain on your bottom line. History has shown us that large global manufacturers can have tens of millions of dollars in pricing discrepancies annually.

A common root cause is negotiated price reductions that simply fail to be applied. But there are other sources of costly errors as well, including the wrong units of measure, currency issues, unapplied discounts and more.

¹ Ardent Partners, "The State of Strategic Sourcing 2014: Connecting the Dots."

Common Root Causes of Costly Errors

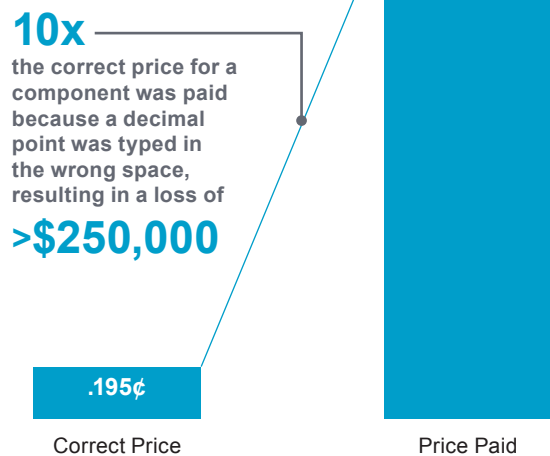
- Improper currency
- Directed buy
- Improper application of discount
- Outlier/price fluctuation
- Part replacement/carryover
- PO/payment terms
- Prototype
- Temporary pricing (i.e., amortization)
- Unit of measure
- Commodity escalation (i.e., indexes or weights)
- Expendable/returnable packaging
- Finished/less finished
- Left side/right side
- Missed productivity
- Multiple prices for same part
- Price multiple/decimal point
- Spot buys
- Unapplied retro adjustments

Even a Single Error Can Make a Big Impact!

Example of Audit Findings for an Automotive Manufacturer

- A structured analysis of PO data identified a price discrepancy in a high-volume part
- The correct price was \$.195, but the price paid was \$1.95
- A similar part from same supplier was analyzed to determine standard pricing
- Shipments were evaluated to determine a potential overpayment
- The result: more than \$250,000 was recovered

Huge Price Difference Caused by a Typographical Error



Benefits of Pricing Compliance Reviews

Action Step	Benefit
Verify price accuracy at payment and across the full “price history”	Improved profitability
Verify PO/payment terms	Cost savings and improved cash flow
Review systems and procedures	Strengthening of major controls
Identify root causes and recommend remediation	Prevention of recurring errors
Partner between accounts payable, shared services and procurement on process improvements	Substantial performance savings

TAKE A PROACTIVE APPROACH TO PROTECTING YOUR PROFITS

apexanalytix auditors skilled in pricing compliance can help you improve your profitability by uncovering issues hidden in your direct spend. They dig deep, go beyond the obvious and take a holistic look at your operations.

Highly sophisticated apexanalytix firststrike® software helps our team produce stellar results—consolidating and analyzing large volumes of data from disparate purchasing and payment systems in record time. Our own data experts help us mine the information to pinpoint high-probability recovery opportunities.

We examine your direct-spend transactions to validate contract prices. We also look for system and process control weaknesses and provide recommendations that can help you continuously improve. We even examine previous statement audit recoveries to “reverse engineer” supplier pricing issues and to identify trends and anomalies that can signal lurking problems.

To make certain you can maintain pricing compliance long after your review is complete, we also offer firststrike tools to monitor your ongoing disbursements for errors. firststrike can help you proactively uncover mistakes in units of measure, pricing entries, currencies, missed retroactive pricing adjustments—and more.

THE APEX ANALYTIX ADVANTAGE



Highly skilled pricing experts and data analysts who know how to produce superior results



Powerful apexanalytix firststrike analytics for data mining, analysis and reporting



Carefully crafted, repeatable methodology focused on rapid results



A comprehensive analysis of the root causes of errors to help you tighten controls and protect hard-earned profits



Availability of companion firststrike tools for ongoing monitoring and protection



A proven track record as the partner of choice for many of the world's largest companies

“apexanalytix top strengths are their professionalism, technology and people.”

Accounting Director,
Global Automotive Company

apexanalytix
Ultimate supplier management™



apexportal
Supplier Portal
Software

Supplier Discovery
Supplier Registration
Risk Management
Performance Management
Supplier Inquiry
Dynamic Discounting
Supply Chain Financing
Payment Terms Optimization
Simple E-invoicing
Contract Management
Document Exchange
Supplier Statement Audits

apexrecovery
Recovery Audit
Services

Accounts Payable
Retail Merchandise
Pricing Compliance
Contract Compliance
Pre-escheatment
Unclaimed Property
Sales & Use Tax

firststrike
Controls &
Analytics
Software

AP Controls
Fraud Detect
Reporting & Analytics
Retail Audit
Vendor Risk Analysis

smartvm
Trusted
Supplier Data

Web App
API
Plus
apexportal

BENEFIT FROM A COMPREHENSIVE FAMILY OF GLOBAL AUDIT SERVICES

apexanalytix offers global audit solutions for virtually all aspects of your financial operations. We go well beyond the traditional accounts payable audit to explore new and innovative audit opportunities—helping you recover more and protect more than ever before. Using our innovative firststrike software, auditors are able to quickly consolidate and analyze large data stores, file fact-based claims and protect your bottom line. We use a seamless process that keeps you fully informed, while reducing the demands on your time. Other apexrecovery recovery audit services include:

- **Accounts Payable:** Recoup duplicate payments, paid credit memos, missed discounts, uncaptured credits and more without disrupting vital supplier relationships.
- **Retail Merchandise:** Shorten audit cycle times, identify new controls and pursue recoveries.
- **Contract Compliance:** Find and recover losses associated with indirect spending.
- **Pre-escheatment and Unclaimed Property:** Avoid government fines, recover unclaimed property and keep funds from being escheated to the state.
- **Sales & Use Tax/VAT:** Assess compliance, identify overpayments, develop refund/credit claims and more.

Join the growing number of companies selecting the apexanalytix to transform their procure-to-pay operations. Contact apexanalytix to see how our comprehensive ecosystem of audit services and technology can help.

apexanalytix revolutionized recovery audit with advanced analytics and the introduction of firststrike overpayment prevention software. Today, apexanalytix leads the world in supplier management innovation with apexportal and smartvm, the most popular supplier onboarding and compliant master data management solutions available. With over 250 clients in the Fortune 500 and Global 2000, apexanalytix is dedicated to providing companies and their suppliers the ultimate supplier management experience. To learn more, visit www.apexanalytix.com, email apexinfo@apexanalytix.com or call +1 800-284-4522.

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