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Information Currency:

Using Oracle Endeca to Streamline Your Deduction Management Process in Oracle Channel Revenue Management

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Information Currency: Using Oracle Endeca to Streamline Your Deduction Management Process in Oracle Channel Revenue Management

Abstract

Do you have a handle on the current state of your deductions and disputes in Receivables? Are you able to quickly identify and act on customer claims? Do you have an understanding of why customers are taking deductions? Discover how Oracle Endeca exposes information to transform a mountain of transactional data into "Actionable Insight". Whether you current use Oracle ChRM, or if you are interested in learning about Oracle's complete solution for promotional and non-promotional deductions, this paper is for you.

Current Business Challenges

In today's marketplace, companies continue to struggle with deductions and invoice disputes. The ability to answer and manage these deductions may impact a company's financials in two ways: unresolved deductions add to the size of the receivables; and delays in resolving deductions can increase the expenses associated with the deduction management process. But the struggles don't stop there. Not only are these companies faced with increasingly complex business interactions, both internal and external, they are tested with the exponential growth of information and transactional data. They are faced with sorting through mountainous reports and navigating through several applications to answer questions such as:

- What is my Days Deductions Outstanding (DDO)?
- What are the causes behind these claims? Are they promotional or non-promotional? Can I reduce the number of claims?
- What is my aging by customer? What is it by claim specialist?
- What is my claim cycle time from receipt to close?
- Do I have erroneous deductions? Duplicates? Can I reduce them?

Only after wrangling in this data can companies begin to recognize and take corrective action to eliminate inefficiencies, prevent revenue leakage and reduce the costs associated with deductions and deduction management.

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Deduction Management - Tactical Information

Businesses are in a constant battle to reduce the number of hours lost in a day dealing with non-value oriented administrative tasks. In the past claims specialists and managers might spend 25% of their time searching for relevant information. Imagine the typical day for a claims specialist. They would arrive to work in the morning. They would begin their day running and reviewing multiple reports in MS Excel or on paper for aging claims and new disputes and deductions. They would then go about sorting and searching to prioritize their work for the day based on age or value. And when they start reviewing the individual claims and taking action, they are jockeying between multiple data sets, hard copy reports and their business systems.

Oracle Endeca for the eBusiness Suite enhances the user experience, providing timely and accurate information through the use of guided navigation and filtering tools. The Endeca adaptors for EBS give insights into the day's priorities through a combination of graphs, data searches (structured and unstructured), and integration with the eBusiness Suite. This UI can be considered the starting page, or the prologue page to the start of each business day. Imagine our claim specialist from above. Rater than the analogue reporting start to their day, they access Oracle Endeca for Channel Revenue Management, equipped with a set of prebuilt tactical tools to review and manage the deductions process, and are immediately able to move through the Measure, Identify, Prioritize and Resolve loop to manage real time issues and opportunities.

In addition to the out-of-the-box integration you can easily create your own graphs and data tracking points to suit your personal needs so you can bring in your own data and build new Oracle Endeca components for Oracle ChRM

Anatomy of Endeca

Oracle Endeca Information Discovery provides the following features:

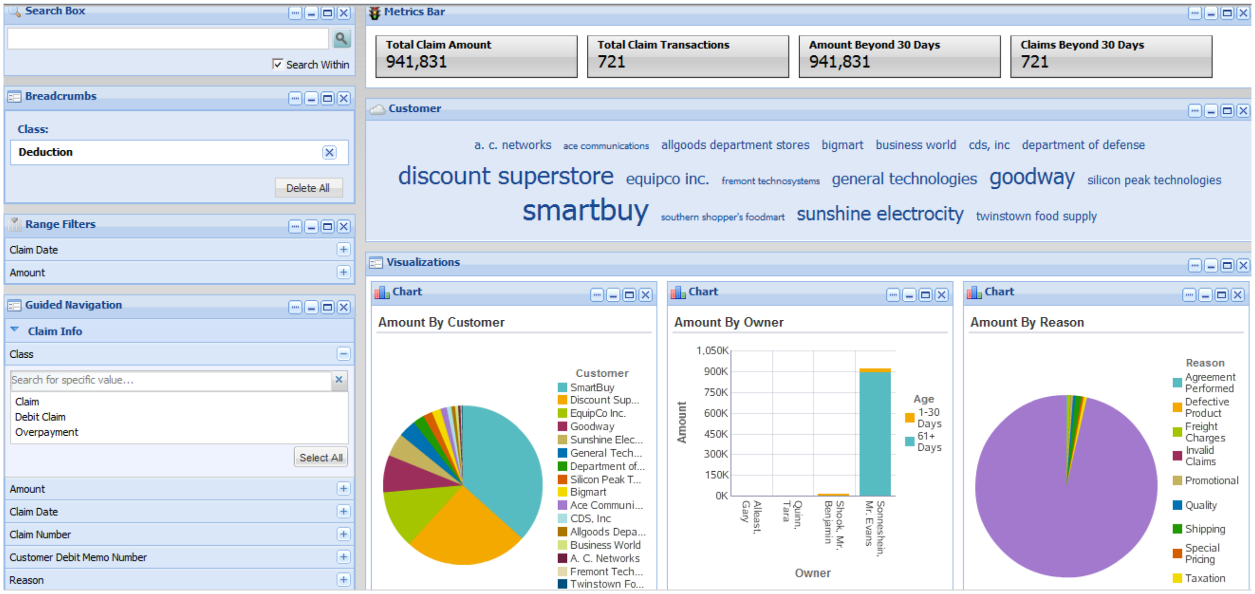
- Search Box – allows the user to search for data, both structured and unstructured
- Breadcrumbs – displays the current search parameters/reduction criteria
- Metric Bar – provides an summary of data point
- Tag Clouds – a data point field with visual accents for high occurrence items (changes on search parameters)
- Range Filters – controls results based on data point ranges such as dates and value
- Guided Navigation – listing of data points and data point values used to reduce results
- Customized charts – represents data graphically
- Collection set of results tables – Displays transaction specific information. Can be used to drill down into the application

Business Scenarios

Below are a series of business examples to illustrate how users can leverage "actionable information" by moving through the Measure, Identify, Prioritize and Resolve loop of Endeca to manage real time issues and opportunities.

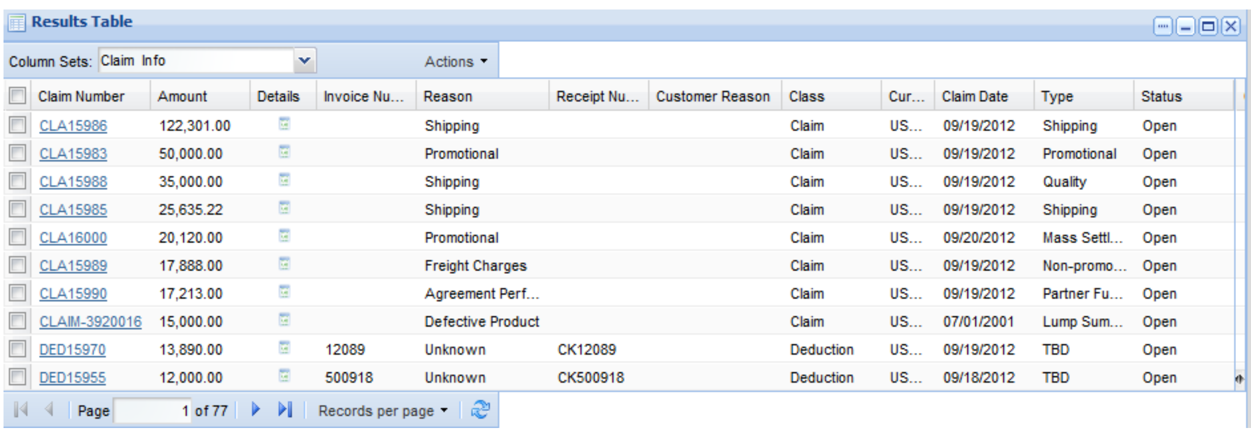
Scenario #1 – Claims Department Management: Claim Investigator Behind on Workload

The Accounts Receivables department has noticed that quite a few of the deductions and disputes raised over the last sixty days remain unresolved. They notify the claims department about the issue. The claims manager opens up the Endeca homepage and quickly reviews the graphs. (See image below)



It isn't long before she realizes she has a problem with one of her claims specialists. By selecting "Deduction" in the Guided Navigation pane, she is able to quickly isolate her search on deduction claims. As the page refreshes she notes that in the center chart "Amount By Owner", there is a significant value in outstanding claims being managed by Mr. Sonneshein. Furthermore, she is able to quickly identify that the majority of these claims are over 61 days past due.

By clicking on the bar within the chart, the results table below the charts will display a listing of all the claims beyond 61 days.



Results Table

Column Sets: Claim Info   Actions

Claim Number	Amount	Details	Invoice Nu...	Reason	Receipt Nu...	Customer Reason	Class	Cur...	Claim Date	Type	Status
CLA15986	122,301.00			Shipping			Claim	US...	09/19/2012	Shipping	Open
CLA15983	50,000.00			Promotional			Claim	US...	09/19/2012	Promotional	Open
CLA15988	35,000.00			Shipping			Claim	US...	09/19/2012	Quality	Open
CLA15985	25,635.22			Shipping			Claim	US...	09/19/2012	Shipping	Open
CLA16000	20,120.00			Promotional			Claim	US...	09/20/2012	Mass Settl...	Open
CLA15989	17,888.00			Freight Charges			Claim	US...	09/19/2012	Non-promo...	Open
CLA15990	17,213.00			Agreement Perf...			Claim	US...	09/19/2012	Partner Fu...	Open
CLAIM-3920016	15,000.00			Defective Product			Claim	US...	07/01/2001	Lump Sum...	Open
DED15970	13,890.00		12089	Unknown	CK12089		Deduction	US...	09/19/2012	TBD	Open
DED15955	12,000.00		500918	Unknown	CK500918		Deduction	US...	09/18/2012	TBD	Open

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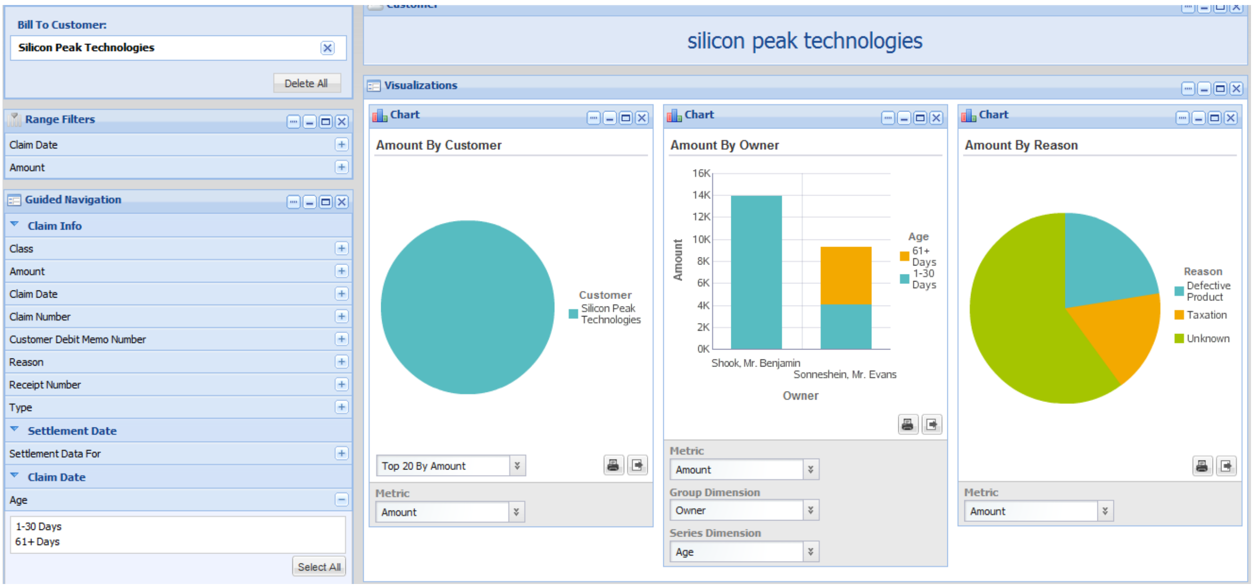
Prebuilt hyperlinks for the claim numbers allow her launch into the standard ChRM claim form and perform the necessary actions to reassign the claim to other claim specialists.

Scenario #2 – Cross Functional Information: Claims Resulting from Defective Product

While reviewing the outstanding claims by customer metric, a claim specialist has identified a trend with one of their firm's largest customers. It appears that over the last two weeks, the number of claims have increased significantly. By clicking the customer name in the "Amount by Customer" chart, the claim investigator quickly spots an issue in the "Claim Reason Chart."

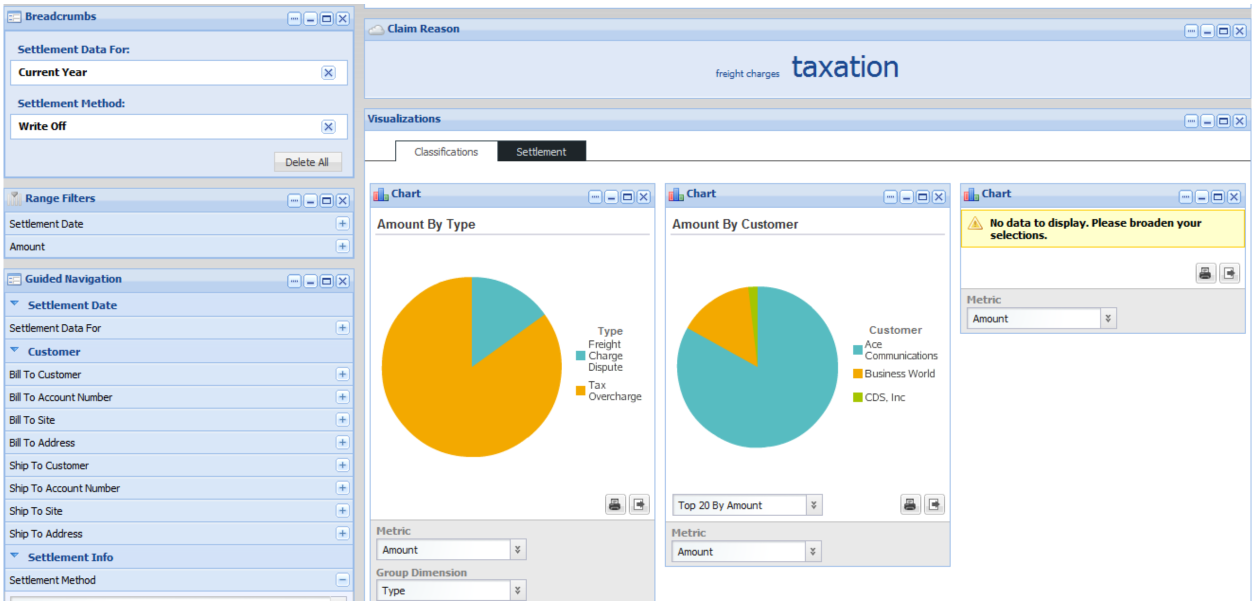


It appears that there is has been a rise in the defective product claims. By drilling further into the chart they realize that the majority of the defects are related to two specific items.

This information is then handed over to the department manager for review and collaboration with manufacturing department to identify if there is an issue with production.

Scenario #3 – External Factor: Write-off Abuse

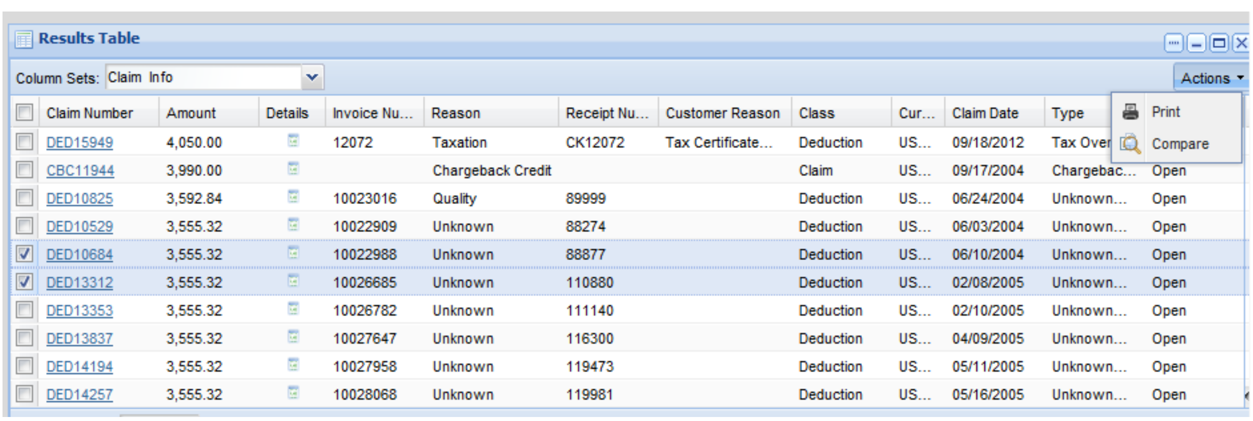
The claim department monitors the value of write-offs and notices a trend with one of their customers. At first glance it appears that a growing number of write-offs are coming from one specific customer (see below).



By drilling further into the chart to review the transactions, the claim specialist realizes that the vast majority of claims are fewer than twenty dollars. Upon review of the customer record in eBusiness Suite, the claim specialist realizes that the automatic write-off amount is 20 dollars. After discussions with the account executive, it is determined that the customer write-off limit be reduced and the account put under review.

Scenario #4 – Deduction Mishap: Duplicate Deductions

While reviewing deduction amounts for a specific customer, the claims investigator was alerted to a series of claims with the same deduction amount. By enabling the “Compare” component of the results table, the investigator is able to select multiple result lines and compare the data values side by side to determine if there is a possible duplicate(s) deductions. Once a course of action is determined, the claims investigator can drill into the action and cancel the claim.



Claim Number	Amount	Details	Invoice Nu...	Reason	Receipt Nu...	Customer Reason	Class	Cur...	Claim Date	Type	
DED15949	4,050.00		12072	Taxation	CK12072	Tax Certificate...	Deduction	US...	09/18/2012	Tax Over	
CBC11944	3,990.00			Chargeback Credit			Claim	US...	09/17/2004	Chargebac...	Open
DED10825	3,592.84		10023016	Quality	89999		Deduction	US...	06/24/2004	Unknown...	Open
DED10529	3,555.32		10022909	Unknown	88274		Deduction	US...	06/03/2004	Unknown...	Open
DED10684	3,555.32		10022988	Unknown	88877		Deduction	US...	06/10/2004	Unknown...	Open
DED13312	3,555.32		10026685	Unknown	110880		Deduction	US...	02/08/2005	Unknown...	Open
DED13353	3,555.32		10026782	Unknown	111140		Deduction	US...	02/10/2005	Unknown...	Open
DED13837	3,555.32		10027647	Unknown	116300		Deduction	US...	04/09/2005	Unknown...	Open
DED14194	3,555.32		10027958	Unknown	119473		Deduction	US...	05/11/2005	Unknown...	Open
DED14257	3,555.32		10028068	Unknown	119981		Deduction	US...	05/16/2005	Unknown...	Open

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Conclusion

Oracle Endeca for Channel Revenue Management provides a foundation for real time analysis of transactional data, allowing the user to quickly find information, act on this information, and achieve their business goals. Users can leverage the out of box solution to navigate through the Measure, Identify, Prioritize and Resolve loop of to reduce the time to process claims, expedite dispute resolution cycle time, decrease dispute volume with root-cause analysis and reduce revenue leakage. Endeca also allows for easy configuration of your own data points and calculations so you can deploy your own components and start tracking and acting on such items as Deductions Days Outstanding, time between claim generation and claim ownership, open tasks and alerts as well as many more.

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