# nexdigm

# An Indian Pioneer in e-commerce

Service(s) offered: **Techno-Financial review**

Sector/Industry: **IT/ITeS**

## Reporting Inadequacies in Revenue and Associated Processes

The organization is an e-commerce marketplace leader handling over 1 million customers online every month. The business was integrated with multiple interlinked applications across engineering, customer care, and business operations.

The management of the organization appointed Nexdigm to conduct a review of select process areas (revenue collections from customers, payments to third parties (sellers), refunds and promotional schemes) to identify critical vulnerabilities and/or revenue leakages.

### Challenges

- Multiple touch points (e.g. an end-to-end revenue cycle involved over 30 touch points) for understanding the overall application architecture and data flow

- Accounting was based on summary reports generated from the business applications daily

- Terabytes of data (containing customer profiles, transactional data, and data captured automatically during the process) with over 10 million transactions per day

- In certain cases, processes/approval mechanisms were modulated based on business needs at multiple points in time for the period under review

## Case Highlights

- A consolidated report to the management highlighting process control gaps including technology and fraud vulnerabilities along with its associated value at risk

- Identified potential areas for revenue leakage and incorporated controls to make processes more effective

## Approach

### Overview

- Extensive study of company procedures relating to revenue transactions

- Identification of gaps in the current process

- Process of revenue realization

### Monitoring Mechanism

- Review of system controls

- Receivables cycle

- Data analytic techniques to gain insights on revenue leakage

- Mapping cost vs revenue

### Reporting

- Exception reporting

- Trend analyses

- Assessment of potential risk indicators

- Impact analysis

- Restructure the process as per the client's requirements

## Solution

With integrated teams from Technology Advisory, Internal Control, and Forensics, we adopted the following approach:

- Review of control gaps/vulnerabilities in info/data security across the technology infrastructure, database, and various applications

- Performed data-driven intelligence in the form of unusual trends and patterns

- Review of gaps in process or identifying transactional inconsistencies

- Mapped process controls with the financials

## Impact

- Helped the company incorporate a data intelligence driven approach while reviewing revenue processes for effective decision-making and control monitoring

- Identified cases of potential revenue leakages and helped the company incorporate controls against the vulnerabilities identified to make the processes more effective

- Exceptions reported where promotional schemes may have been misused by customers or company employees

- Access management and access controls put in place

For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

**www.nexdigm.com**