

## ADVANCED ANALYTICS

# Days Payable Outstanding

Days payable outstanding (DPO) is an efficiency ratio that measures the average number of days a company takes to pay its suppliers. A company's DPO can both positively and negatively impact supplier relationships and their overall bottom line. In most cases, payment terms are established at the beginning of the relationship to ensure fair and on-time payment. However, there are often instances where companies pay suppliers too early or too late. When companies consistently pay suppliers too early, it is the equivalent of giving suppliers an interest-free loan. If there are consistent delays with paying suppliers, vendor abrasion and a strained relationship is inevitable.

There are many scenarios that could lead to financial inefficiencies, but the good news is that by accurately measuring your ongoing DPO and identifying gaps in your payment terms you can quantify your company's working capital opportunity. For businesses, maintaining consistent working capital to pay operating expenses and fund investments is crucial for healthy operations. It can be just as critical for business owners and finance leaders to have clear visibility and control over their company's untapped cashflow.

### Optimizing Days Payable Outstanding

An experienced analytics partner can help companies uncover hidden opportunities by better managing their cashflow and optimizing days payable outstanding. As a leader in recovery audit, we use our technology-enabled approach to quickly and securely ingest, link, and model high volumes of disparate, complex data. Layering in artificial intelligence and machine learning, our proprietary big data infrastructure and spend classification technology efficiently manages large and complex data sets, reducing the bandwidth and time commitment from partners.

Visibility of this data then allows our unique team of data scientists, auditors and contract management experts to work together to quickly uncover anomalies – including purchase price variance, spend fragmentation and vendor normalization issues – while identifying revenue-generating opportunities hidden deep inside your data. Our unique, secure technology platform and unmatched audit expertise powers the hundreds of retail audits we conduct each year. It is the breadth and depth of our expertise, coupled with our global reach, that makes us a trusted audit partner for 75% of top global retailers and a third of the largest companies in the Fortune 500.

### Providing a Full Range of Advanced Analytics



**Purpose-built big data infrastructure**



**Data scientists**



**Working capital & DPO**



**AI & ML**



**True net cost**



**Price variance**



**Price optimization**



**Spend categorization**



**Product portfolio optimization**



**Vendor normalization**



**SKU consolidation**



**Promotional trade funding**

## PRGX Helps Organizations Like Yours



### Reach Wider

Bringing together the fragmented data across all departments, systems, stakeholders, geographies, and more.



### Dig Deeper

With a data-led approach that guides you to over 300 common points of leakage in some of the hardest-to-mine areas of the source-to-pay cycle.



### Act Faster

So you can make the right insights, take action earlier, improve the bottom line sooner, and accelerate the shift from reaction to risk mitigation and prevention.

## Industry Expertise

As our auditors' expertise deepens, PRGX introduces industry cross-training to ensure senior auditors develop domain expertise across a spectrum of industries. The combination of industry specialization and cross-industry proficiency promotes knowledge-sharing and proliferates best practices, fueling the innovation mindset that's at the heart of all we do.



Convenience Stores



Grocery Stores



Specialty – Electronics



Department Stores



Mass Merchants



Specialty – Hardlines



Drug Stores



Specialty – Apparel

## Delivering Client Satisfaction Through:

- ◆ Ongoing cash recovery
- ◆ Root-cause prevention of errors going forward
- ◆ Operational scheduling and progress reporting
- ◆ Dedicated audit director managing each program
- ◆ Data privacy and security
- ◆ One-stop shop for recovery audit, contract compliance, advanced analytics
- ◆ Expertise and technology
- ◆ Industry pioneer/source-to-pay steward
- ◆ Global scale and reach
- ◆ Highly referenceable client base
- ◆ Diverse portfolio in numerous industries