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THE DISPUTE POLICY WILL INCREASE REVENUE BY \$472,006 THIS YEAR

BY GROUP 45

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Introduction

A marketing agency like Yellecate focuses on providing marketing services to businesses looking to expand their business. A grave issue with client disputes arose, and the company's management contacted its Data Analytics department to consult on its expertise.

Statement of the Problem

Yellecate defines a dispute as dissatisfaction with a company's services and refusal to pay. Nearly 20% of all claims raised against Yellecate resulted in a payment opt-out, resulting in a loss of revenue of around 5% in US dollars for the company.

Objectives

1. Investigate the root cause of the country suffering the highest revenue loss from disputes
2. Identify possible patterns relating to customers behaviors
3. Actively increase the business operations of the top income-generating countries

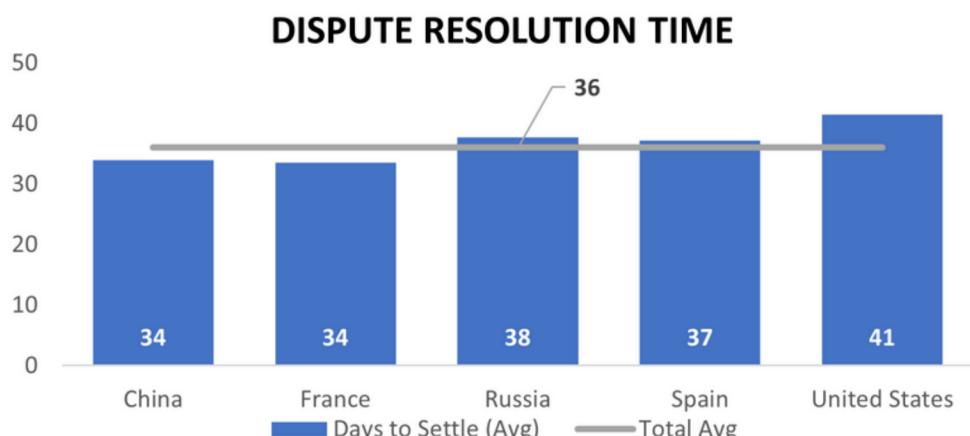
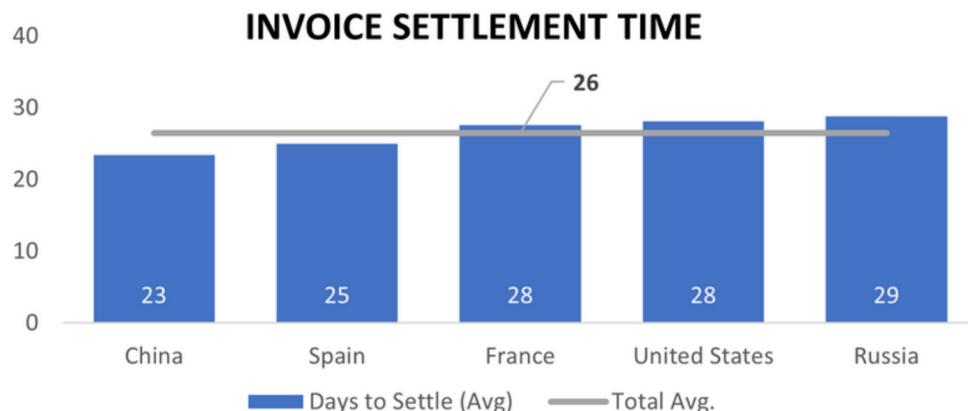
Goals

1. An increase in revenue for the company on a long-term basis
2. Reduce annual disputes costs and losses

Methodology

Using Microsoft Excel and SQL, the raw data was cleaned and manipulated. A pivot table and chart analysis will help us better understand the data. We use these applications to gather and analyze information and make recommendations.

Findings



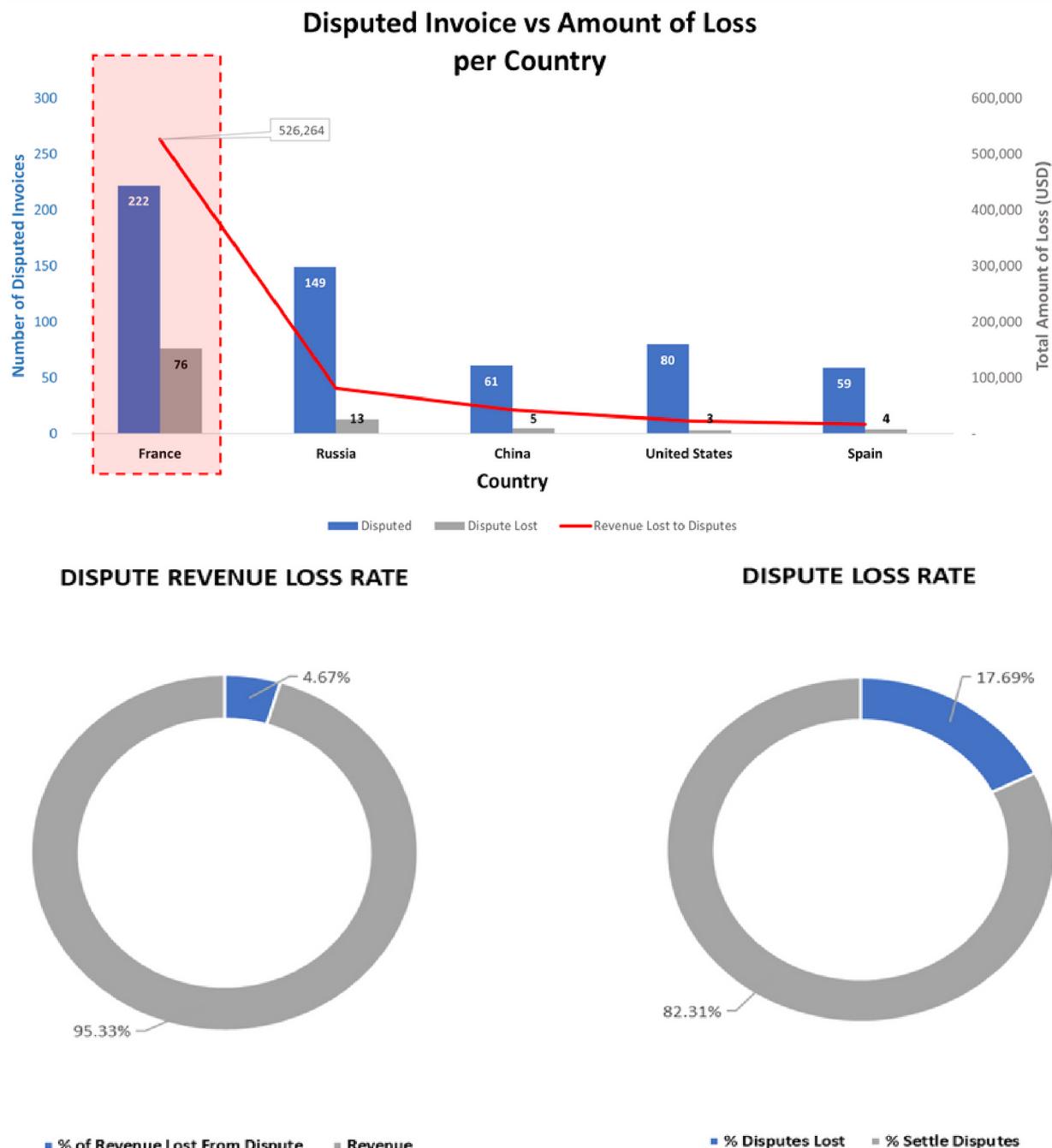
Dispute Resolution Time & Invoice Settlement

Generally, invoices for business are due within 30 days. Small and medium-sized companies are commonly required to pay at the end of the month after receiving the invoice.

Invoice data from Yellevate shows that the average invoicing time is 26 days, and the average disputed invoice resolution time is 36 days. The data also clearly showed a lack of significant differences among countries regarding the settlement of invoices for all disputed and undisputed invoices.

Dispute & Revenue Loss Rate

Yellevate's total dispute revenue loss rate is \$690,167.00, or 4.67%, with France getting the highest share with 3.56%, worth \$526,264.00. France has the highest revenue loss rate compared to the other countries at 1.11% only.



France has a high dispute loss rate due to its high percentage of revenue loss occurrences. France has the largest share of lost disputed invoices, comprising 76 out of 101 disputes. The dispute loss rate is 17.69%, and 13.31% is from France alone, remarkably high and alarming compared to other countries with 4.38%.

Recommendation

Our recommendations for top management are outlined below, starting with the countries with the most promising performance. We then move down the list to the countries with the least appealing performances. In addition to helping Yellevate increase revenues on a long-term basis, our recommendations will also reduce losses and disputes on a yearly basis.

Increasing business operations and maintaining positive business relationships in these three countries:

Row Labels	Count of Settled Date Undisputed Invoices	Total Disputes	Total Invoices	Dispute Rate
China	555	61	616	10%
France	339	222	561	40%
Russia	238	149	387	39%
Spain	337	59	396	15%
United States	426	80	506	16%
Total Invoices	1895	571	2466	

China

- The country with the highest number of undisputed invoices worth \$2.86 million
- Top of the list of countries with the fastest settlements with a 23-day settlement time
- China also has the lowest dispute rate with only 10%

As a result of these 3 factors, China is the number one place to expand business operations. Business relationships are stable, and the risk of doing business is low. Increase business activities in China to boost revenue and reduce losses.

Country	Days to Settle	Average
China	23	26
Spain	25	26
France	28	26
United States	28	26
Russia	29	26
Grand Total	26	26

Spain

- Despite low revenues overall, the business situation in Spain is still promising
- Second place to China for the lowest dispute rate
- Second place to China at the top of the list of countries with the fastest settlements with a 25-day settlement time

These three factors make Spain the second-best place for business expansion. Business in Spain is slow but stable, with low risks, so it is necessary to boost revenue and reduce losses by increasing business activities.

Country	Days to Settle	Average
France	34	36
China	34	36
Spain	37	36
Russia	38	36
United States	41	36
Grand Total	36	36

USA

- American businesses succeed despite slow dispute resolution 11 days after the due date. However, they are ranked third with 1.53 million dollars in undisputed invoices
- The American dispute rate is 16%, the third lowest
- The USA is also third in speedy settlements, with a 28-day settlement time

The USA ranks third among business expansion destinations. Business with Americans can be effortless if management can resolve disputes effectively, as the American economy has incredible potential for growth and stability. US businesses still face relatively low risk (0.84% revenue loss rate), the lowest among all countries.

The last section of the report is the most critical part of the project. Here we will reveal the real problem that needs attention by the management.

Country	Undisputed Invoices	Dispute Rate	Revenue Lost Rate	Dispute Lost Rate	Revenue Loss Rate (by Country)
China	2,857,605.00	10%	0.29%	0.88%	1.06%
France	1,655,697.00	40%	3.56%	13.31%	13.35%
Russia	1,113,399.00	39%	0.55%	2.28%	3.32%
Spain	965,282.00	15%	0.12%	0.70%	1.04%
United States	1,531,248.00	16%	0.16%	0.53%	0.84%

Russia

Russia has the second-highest dispute rate at 39%. However, almost all of these disputes were won by Yelleivate, losing just 2.28%. In addition, the terms of the contract and payment opt-outs remain unclear. Resolutions are possible if revisions take place in the future.

France

France is in the top 2 countries for undisputed invoices of \$1.66 million settled within 30 days. Although they still have the highest revenue loss rate at 13.35% or more than half a million dollars, the risk is still high. However, France is also the fastest at resolving disputes, taking only 34 days.

To maintain healthy business relations, France requires a standard dispute policy, and Yelleivate needs to investigate and resolve the root causes of disagreements to avoid a deterioration of the business relationship.

Other Recommendations

Review and change the process sequence for a more strategic approach

- Credit checks should be performed regularly on new and existing clients to improve credit and collection processes. Also, train staff on effective dispute resolution and collection strategies and implement a system for tracking and managing overdue invoices.

Hire native-speaking customer service representatives or CSRs.

- The English language may be challenging for a client. Client-CSR misunderstandings could be behind France and Russia's high numbers of disputed invoices. Using a native language reduces misunderstandings and disputes.

Reward on-time paying clients

- Consider offering incentives or rewards for clients who pay on time consistently. Positive payment behavior could be encouraged with client relationships made stronger.

Conclusion

Country	Dispute Lost	Dispute Rate	Dispute Loss Rate	Dispute Won	Win Rate	Win Rate Average (with standard dispute policy)
China	42,630.00	10%	0.88%	391,906.00	91.20%	94.01%
France	526,264.00	40%	13.31%	1,031,977.00	66.73%	
Russia	81,291.00	39%	2.28%	935,092.00	92.82%	
Spain	17,046.00	15%	0.70%	246,409.00	95.33%	
United States	22,936.00	16%	0.53%	453,193.00	96.69%	

Computation:

$94.01\% - 66.73\% = 27.28\%$ (additional win rate if standard dispute policy applies)

We would like you to think about the significance of this figure here. Data shows that Yellevate wins on dispute invoices by an average win rate for all countries implementing the standard dispute policy is 94.01%. Furthermore, it is worth noting that only France scored below 91%. Compared to the average winning rate, there is a difference of 27.28%. What is the reason for the low winning rates in France? Currently, the standard dispute policy is not in effect in France.

Computation:

$40\% - 27.28\% = 12.72\%$ (France's dispute rate after implementing standard dispute policy)

France could see a significant drop in its dispute rate from 40% to 12.72% if its dispute policy is adjusted.

Computation:

$\$690,167.00 / 12.72 \% = \$54,258.00$ (France's lost revenue after implementing standard dispute policy)

If the current lost revenue of France is \$526,264.00, that will only be \$54,258.00.

Computation:

\$526,264.00 - \$54,258.00 = \$472,006.00 (added revenue from France alone if a standard dispute policy was in place this year)

This year, Yellevate can increase its revenue by at least \$472,006.00 if the standard dispute policy for France implements fully and the performance of the other four countries remains the same.