

GROUP 16 MEMBERS

Peter Castro

Jan Albert Rabara

Jonalyn dela Cruz

Marivel Peralta

Nathanael Romano

Herbert Mendoza

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PROJECT ASSIGNMENT #1

Yellevate's Dispute Analysis

PROBLEM

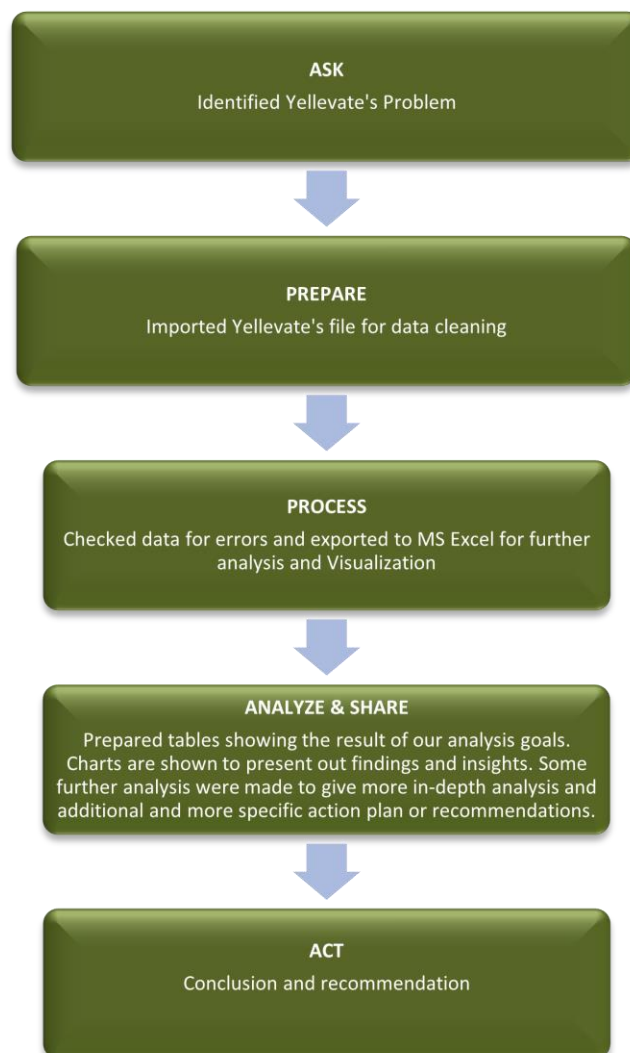
For the past few years, Yellevate has been struggling with client disputes. Yellevate defines disputes as clients expressing dissatisfaction with the company's services and refusing to pay for them.

This has been a huge financial burden for the company. Statistically, nearly 20% of the disputes raised against Yellevate resulted in a payment opt-out. This has led to an approximate 5% annual loss of revenue (in USD).

Yellevate asked us to work on the data provided to identify the causes of disputes and come up on actionable strategies to solve them.

METHODOLOGY

This is how we investigated the issue:



ASK

Given the data, what are the causes of disputes which lead to revenue loss?

What actionable strategies can we recommend to solve the problem?

PREPARE

We prepared the data for clean-up by importing Yellevate's given data in Postgre SQL.

PROCESS

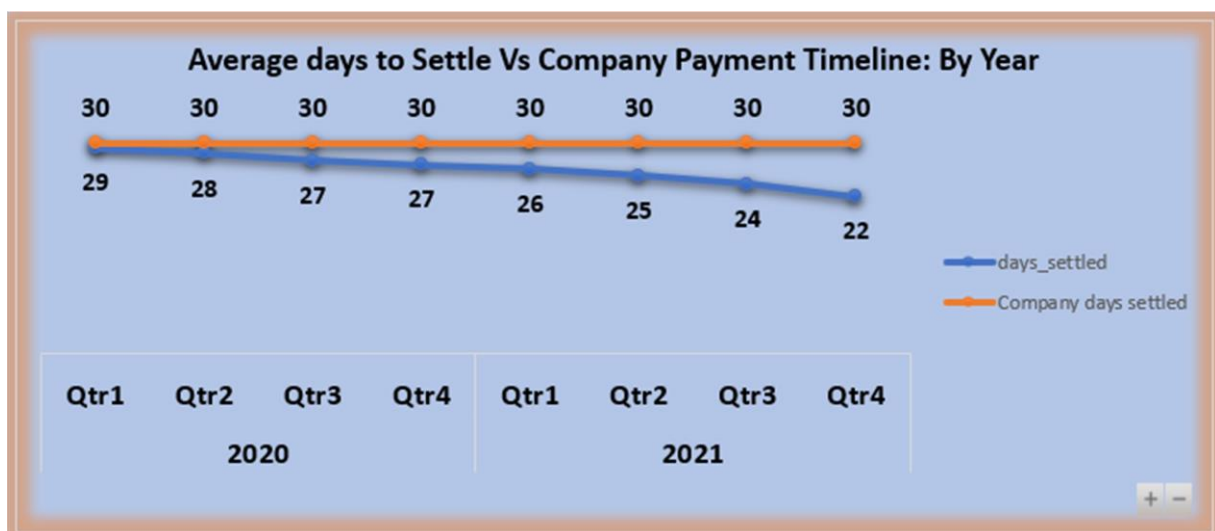
Here's how we cleaned the data and checked for errors in preparation for further analysis and visualization.

- We've checked the values to detect typographical errors by using DISTINCT command. We did not check for typographical errors on customer_id and invoice_number as these are unique values.
- "0" & "1"'s were updated into labels like "Disputed" and "Not Disputed", "Lost" and "Won" through CASE syntax to make the labels more understandable to the audience
- We've also added "paid_or_unpaid" column to aid further analysis

ANALYZE & SHARE

1. The processing time in which invoices are settled.

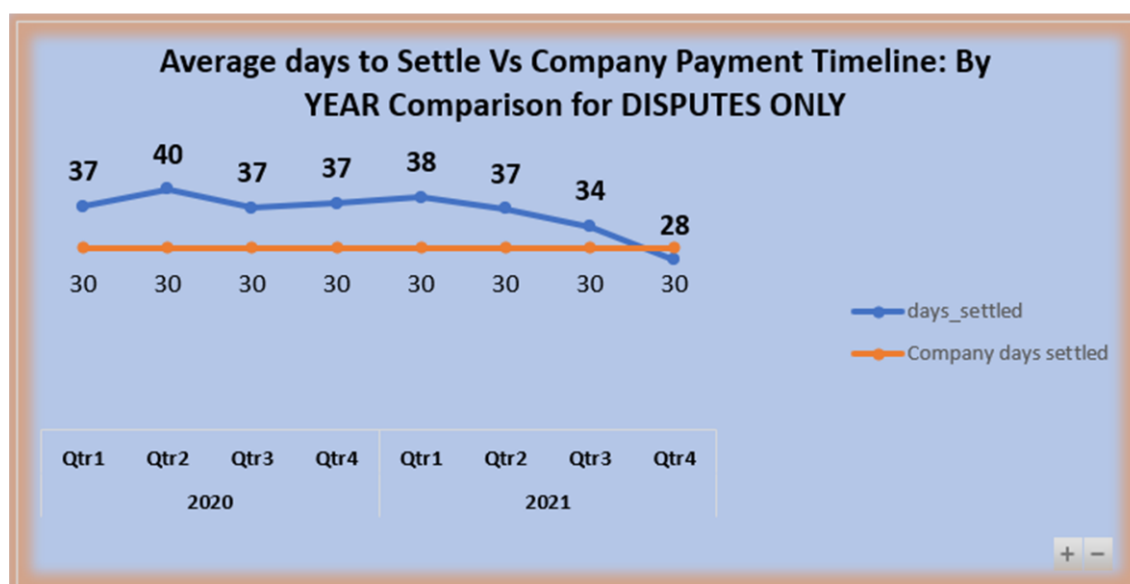
Row Labels	days_settled	Company days settled
2020		
Qtr1	29	30
Qtr2	28	30
Qtr3	27	30
Qtr4	27	30
2021		
Qtr1	26	30
Qtr2	25	30
Qtr3	24	30
Qtr4	22	30



We checked the **average number of days to settle** and observed that they're all within the company's threshold.

2. The processing time for the company to settle disputes.

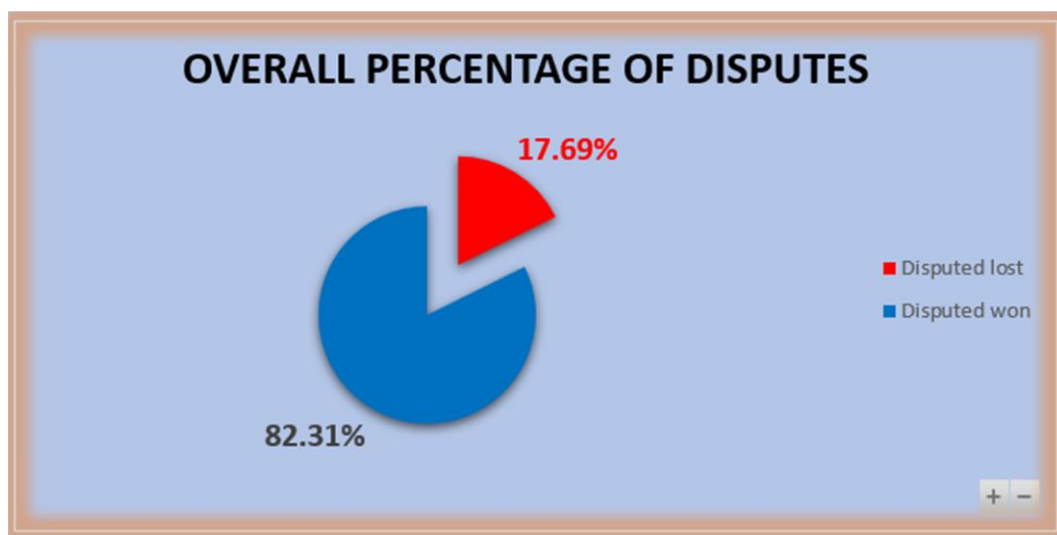
Row Labels	days_settled	Company days settled
2020		
Qtr1	37	30
Qtr2	40	30
Qtr3	37	30
Qtr4	37	30
2021		
Qtr1	38	30
Qtr2	37	30
Qtr3	34	30
Qtr4	28	30



We've dissected the **Average Days to Settle** Invoices with **Dispute** and found out that Yellevate takes longer days to settle invoices with disputes and it crosses more than a month.

3. Percentage of disputes received by the company that were lost

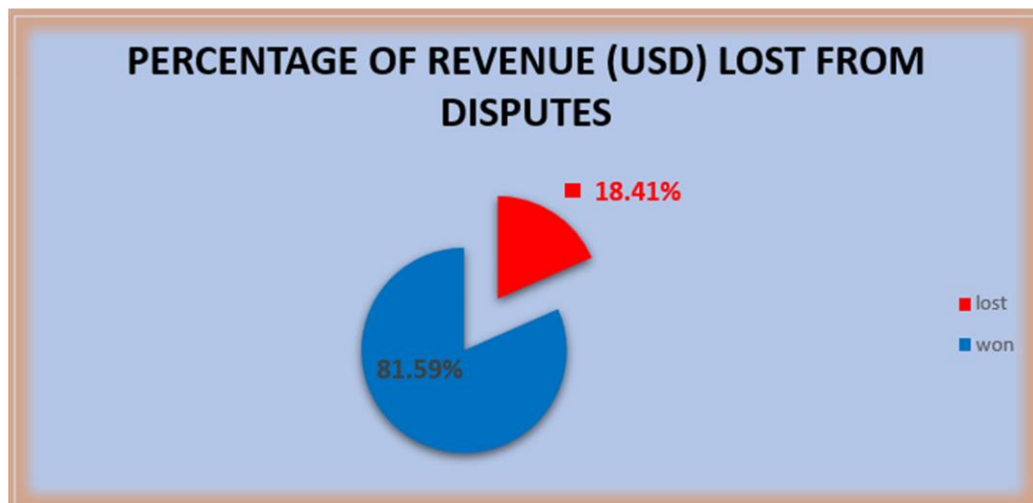
Country	Count of dispute_lost
lost	17.69%
won	82.31%



When Yellevate losses from disputes, it is also a loss on its revenue. So, we've checked the percentage of the invoices where Yellevates lost the dispute to see how big the impact is.

4. Percentage of revenue lost from disputes

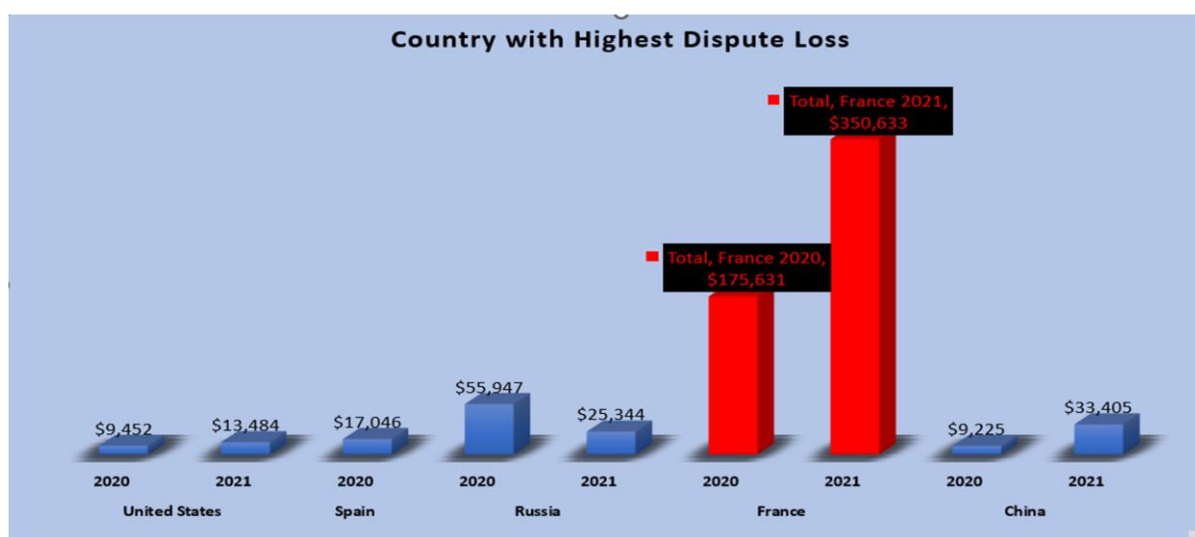
Country	Sum of invoice_amount
lost	18.41%
won	81.59%



Since we found out that there is 17.69% of dispute lost compared the Yellevate win, we've also checked how this specifically impacts the revenue. We found out that Yellevate is losing 18.41% revenue on lost disputes.

5. The country where the company reached the highest losses from lost disputes (in USD).

Country	Amount	Amount in %
United States		
2020	\$9,452	1.37%
2021	\$13,484	1.95%
Spain		
2020	\$17,046	2.47%
Russia		
2020	\$55,947	8.11%
2021	\$25,344	3.67%
France		
2020	\$175,631	25.45%
2021	\$350,633	50.80%
China		
2020	\$9,225	1.34%
2021	\$33,405	4.84%

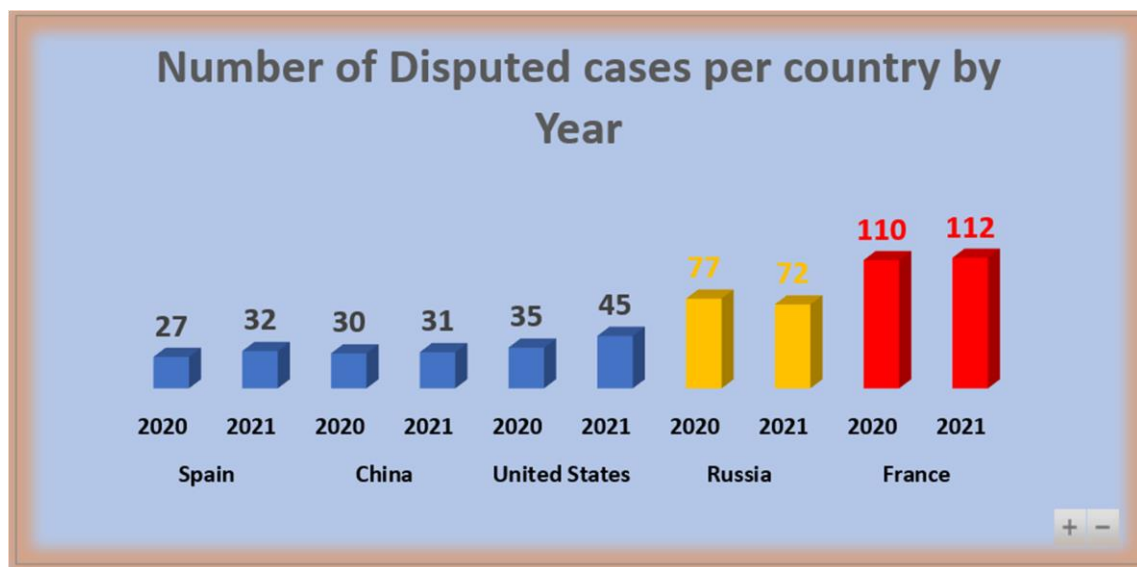


With the information we've got from the previous analysis, we've looked further which country significantly contributes to Yellevate's losses to get a bigger improvement once the issue is addressed and resolved in the specific country

The graph shows that **France** contributes greatly to the loss of revenue due to disputes.

FURTHER ANALYSIS 1

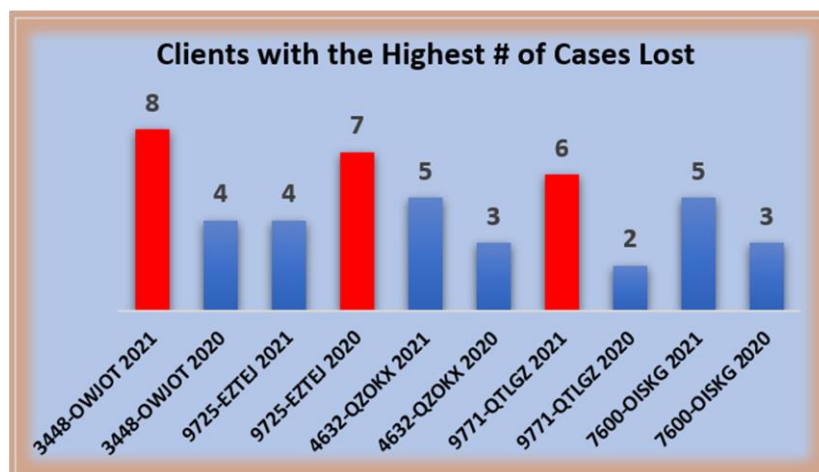
Country	Count of disputed
Spain	59
2020	27
2021	32
China	61
2020	30
2021	31
United States	80
2020	35
2021	45
Russia	149
2020	77
2021	72
France	222
2020	110
2021	112



We've also checked the number of disputes per country to see its relevance to the revenue loss. Looking at the graph, France still tops the counts of disputes among the countries with Yellevate, followed by Russia.

FURTHER ANALYSIS 2

Row Labels	Count of update_dispute_lost
9771-QTLGZ	8
2020	2
2021	6
9725-EZTEJ	11
2020	7
2021	4
7600-OISKG	8
2020	3
2021	5
4632-QZOKX	8
2020	3
2021	5
3448-OWJOT	12
2020	4
2021	8

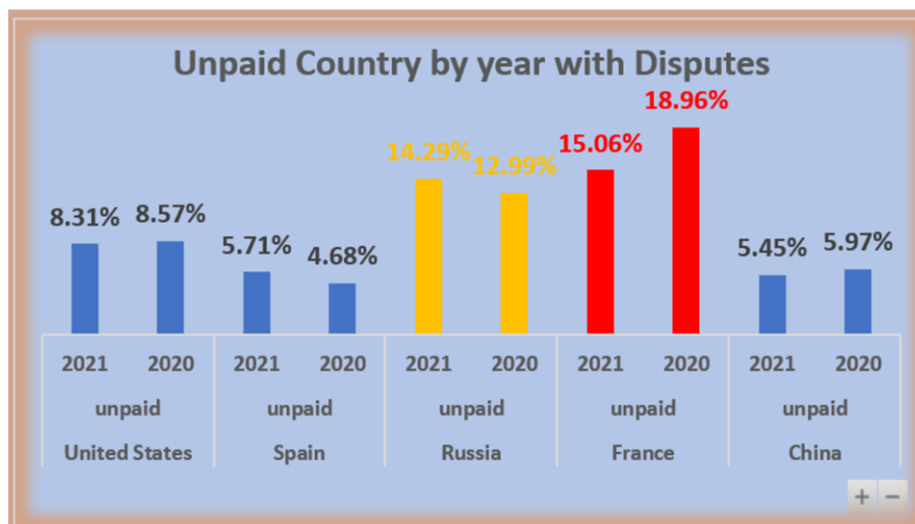


Since **France** has the highest number of disputed and disputed lost invoices, we looked on its top 5 companies contributing to the lost disputes to see their behavior when it comes to disputes. The top 5 lost-dispute-contributing companies in France were also the same top 5 lost-dispute-contributing companies overall.

Also, with the exemption of one customer 9725-EZTEJ, the rest of the customers included on the top 5 lost-dispute-contributing companies has increased the number of lost disputes from 2020 to 2021 by 40% and above.

FURTHER ANALYSIS 3

Country	Count of paid_or_unpaid
unpaid	100.00%
Spain	10.39%
2020	4.68%
2021	5.71%
China	11.43%
2021	5.45%
2020	5.97%
United States	16.88%
2021	8.31%
2020	8.57%
Russia	27.27%
2020	12.99%
2021	14.29%
France	34.03%
2021	15.06%
2020	18.96%



Since there are invoices that are disputed, tendency, most of the companies will not pay for those invoices, which impacts the company's income cashflow even Yellevate won the dispute.

FURTHER ANALYSIS 4

Country	Amount
United States	
2021	\$1,329,075
2020	\$1,386,066
Spain	
2021	\$782,559
2020	\$835,243
Russia	
2021	\$1,146,175
2020	\$1,222,740
France	
2021	\$1,601,187
2020	\$1,814,840
China	
2021	\$1,882,049
2020	\$2,080,217



France is our second biggest client, while China is the first. There is a decrease in revenue because of the increase in the dispute lost.

ACT

STRATEGIC ACTION PLAN

Goal: Minimize Dispute Lost and Revenue Loss (Future Steps to make)							
	Action Step 1: Monitor and handle Accounts with Disputes	Action Step 2: Settle Disputes	Action Step 3: For unsettled Disputes from Action Step 2, know the root cause of the Dispute (Technical)	Action Step 4: For unsettled Disputes from Action Step 2, know the root cause of the Dispute (Commercial)	Action Step 5: For unsettled Disputes from Action Step 2, know the root cause of the Dispute	Action Step 6: Revise Accordingly and Implement	Action Step 7: Review and Reflect
Responsible Department	Accounting/Business Development Team	Business Development	Marketing Team	Procurement Team/Business	Legal Team	Business Development Team/Legal Team	Business Development Team
Resources Needed	Business Development: 1. Established Dispute cut-off. Meaning a timeline where Clients is given number of days to examine the service provided by Yellevate. After the number of days passed, invoice must be paid on time. 2. Email Notification Template-email notifying Client of the start and due date of Dispute cut-off Accounting: 1. Payment reminder Template-7 days earlier from the 30 days due date	1. Email Notifications showing constant communication 2. Contract	Feedback Form Templates according to the Service Agreement between Yellevate and Clients with specifics on the Scope of Works that should be provided	Procurement Team-New RFQ/RFPs, Canvass Sheets and Cost Comparison Business Development Team-Determine correct and current cost to charge for the Marketing Services Accounting Team-Study if a more flexible payment terms can be implemented		Current Service Agreement Legal Team-Revise Service Agreement reflecting the changes made	Business Development Team-Consolidate all files from Accounting, Procurement and Marketing that gives new cost study, scope of works and payment terms Business Development Team-Quarterly review of Accounts' Loss in Revenue Percentage.
Action Plan Purpose	Track and monitor if Delayed payments decreases every month	Lessen the Dispute Loss	To be able to pin-point if the Scope of Works and Quality of Works is the reason for disputes	Knowing the competitive cost of Services according to the current Market/Industry as well as if current payment terms can be more flexible	To know if the current Service Agreement has loopholes disadvantageous to Yellevate	Business Development and Legal Team to initiate termination of Current Service agreement and propose new Service Agreement	The Department should know the current profit margin in every Marketing Project. If Disputes Lost is higher than the profit margin, they should recommend the termination of contract/business with these accounts.
Completion Date	We recommend to complete this within a month after presentation.	We recommend to action immediate after receiving the Dispute notice, if the Dispute Cut-off is 7 days, then completion days is 23 days.	Recommending to send Feedback Form the same time Works are completed or at least same date of invoice date	We recommend to complete this within a month after presentation since quotations may take some time to get.	We recommend to complete this within a month after presentation	We recommend to complete this within 2 month after presentation	Quarterly review
Evidence of Improvement	We should be able to see a decrease in the late payments even with those invoices with Disputes since we stopped Clients raising Disputes on the last minute.	We should be able to see a decrease in Disputes raised since there is cut-off already provided as well as constant reminders.	We should be able to pin point the reason for Dispute if connected to the Scope of Work and Quality of Work	We should be able to pin point the reason for Dispute if connected to Commercial reason (i.e. price competitiveness)	We should be able to pin point the reason for Dispute if connected to Legalities and validity of the contract	We should be able to see a decrease of disputes to a lesser percentage, as well as increase in won disputes in favor of Yellevate We can also pinpoint Clients that still do not follow the new Service Contract and terminate/cease business with them .	Yellevate can filter profitable Business Partners

ACT

Action Plan Summary

1. **Giving a Dispute-Cutoff** - a number of days where a Client can raise a Dispute after reviewing the services provided by Yellavate. These can give a limitation to them raising Dispute on the last minute. We can also give Yellavate a considerable amount of time to settle.

2. **Check for any loopholes** - In the event of Dispute Loss- Action Step 3 and Step 5 focus on reviewing the Technical, Commercial and Legal reasons why there are Disputes in the first place.

3. **Agreement Revision** - After knowing the loopholes in Technical, Commercial, and Legal, we can now revise accordingly and propose a new agreement.

4. **Quarterly Review** - In the event that the following steps did not lessen the losses per account, Step 7 will be the basis for the recommendation of terminating accounts. A quarterly review of all accounts. Filtering the profitable business to those that are not.

Further Recommendation:

Yellavate should not rely on mere assumptions as to why disputes rise. Firstly, there should be a checklist or feedback forms sent to clients to rate the quality of service provided to assure the completeness of the services rendered by the company.

In addition, the company must also review the component of its Marketing Service Agreement such as the Statement of Work and its Standard Terms for technicalities that may be causing the disputes.

Here is some measure in dealing with delinquent clients :

- Send an email to notify them.
- Have a contract and make payment terms clear
- Don't let a customer's debt build up too much.
- Communicate with the client to know the reasons for the delay in payments or get in touch with the person in charge or someone within the organization to see if they can assist.
- Offer easier payment terms like installment.
- Seek legal advice as a last resort.