Customer Payment & Revenue Risk Analysis

Business Requirement Document

Contents

PROJECT DETAILS

PROJECT NAME
Customer Payment & Revenue Risk Analysis

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1. EXECUTIVE SUMMARY

This Business Requirements Document (BRD) defines the requirements for analysing **customer payments and accounts receivable** for ABC Company, a FinTech company experiencing delays in payments and potential revenue loss.

Purpose: Identify high-risk clients, quantify revenue at risk, track Days Sales Outstanding (DSO), and provide actionable insights to improve cash flow.

Audience: Stakeholders at ABC (CFO, Finance Head, Accounts team) and XYZ analysts/project managers responsible for delivering the solution.

The project includes analysing historical invoice/payment data, calculating key financial metrics, and creating an **interactive dashboard**. The proposed process replaces manual tracking with a structured, automated, data-driven approach. Functional requirements include tracking revenue per client/product, identifying high-risk clients, calculating DSO, highlighting revenue at risk, and generating stakeholder-ready insights.

2. PROJECT DESCRIPTION

ABC Company has observed **delayed payments** from clients, affecting cash flow and revenue. XYZ has been engaged to **analyse the problem, generate insights, and provide actionable recommendations**.

The project involves:

- Collecting historical invoice and payment data
- Cleaning and preparing data for analysis
- Calculating KPIs (DSO, Revenue at Risk, High-Risk Clients)
- Creating an interactive dashboard to visualize trends and risks
- Delivering a report with **insights and recommendations** for ABC's management

3. PROJECT SCOPE

In Scope:
- Analysis of client invoices for the last 6–12 months
- Identification of high-risk clients and revenue at risk
- Calculation of KPIs: Total AR, DSO, Revenue at Risk, On-Time Payment %
- Dashboard creation (Power BI / Excel)
- Reporting insights and recommendations

Out of Scope:
- Real collections or credit approval decisions
- Integration with ABC's live ERP system

IN-SCOPE ITEMS	OUT-OF-SCOPE ITEMS
Item 1: Analysis of client invoices for the last 6–12 months	Item 1: Real collections or credit approval decisions
Item 2: Identification of high-risk clients and revenue at risk	Item 2: Integration with ABC's live ERP system
Item 3: Calculation of KPIs: Total AR, DSO, Revenue at Risk, On-Time Payment %	
Item 4: Dashboard creation (Power BI / Excel)	
Item 5: Reporting insights and recommendations	

4. BUSINESS DRIVERS

Business Driver 1: Reduce revenue loss due to late or missed payments	This is about stopping the company from losing money
Business Driver 2: Improve cash flow and liquidity management	This is about keeping the company's money moving smoothly
Business Driver 3: Enable data-driven decision-making for collections	This is about using facts and numbers to decide who to call for money
Business Driver 4: Provide a framework for ongoing monitoring of high-risk accounts	This is about setting up a system to keep watching the tricky customers

5. PRESENT PROCESS

- ABC currently tracks invoices manually in Excel
- Overdue invoices are reviewed periodically without prioritization
- No automated dashboard or systematic reporting
- Collections decisions are reactive

6. PROPOSED PROCESS

- Analyst (XYZ) cleans and consolidates invoice/payment data
- Calculates KPIs: Days Overdue, DSO, Revenue at Risk, High-Risk Flag
- Builds an **interactive dashboard** to monitor client payment patterns
- Generates **report and recommendations** for stakeholders
- Establishes a process for **weekly AR monitoring and high-risk client tracking**

7. FUNCTIONAL REQUIREMENTS

Requirement ID	Description	Priority	Category
R001	Track total revenue per client/product	High	Reporting / Analytics
R002	Identify high-risk clients based on overdue payments	High	Risk Analysis
R003	Calculate DSO trends per month	Medium	KPI / Trend Analysis
R004	Highlight revenue at risk per client/product	High	Reporting / Finance
R005	Provide actionable recommendations to stakeholders	High	Reporting / Insights

– PRIORITY

VALUE	STATUS	DESCRIPTION
1	High	Track total revenue per client/product
2	High	Identify high-risk clients based on overdue payments
3	Medium	Calculate DSO trends per month
4	High	Highlight revenue at risk per client/product
5	High	Provide actionable recommendations to stakeholders

– CATEGORIES (RC1)

ID	REQUIREMENT	PRIORITY	RAISED BY
R001	Track total revenue per client and product	High	Finance Head
R002	Identify high-risk clients based on overdue payments	High	CFO
R003	Calculate DSO (Days Sales Outstanding) trends per month	Medium	Analyst (XYZ)
R004	Highlight revenue at risk per client/product	High	Finance Head
R005	Generate actionable insights and recommendations for stakeholders	High	Project Manager

8. NON-FUNCTIONAL REQUIREMENTS

| ID	REQUIREMENT
NF001	Accuracy: Calculations must match source data with 100% accuracy
NF002	Usability: Dashboard must be interactive and easy to read

NF003	Performance: Dashboard should load data and visuals efficiently
NF004	Security: Confidential client data must be protected (simulated dataset)

9. GLOSSARY

TERM/ABBREVIATION	EXPLANATION
AR	Accounts Receivable
DSO	Days Sales Outstanding
High-Risk Client	Client with Days Overdue >30
Revenue at Risk	Total unpaid amount from high-risk clients
KPI	Key Performance Indicator

10. REFERENCES

NAME	LOCATION
Excel & Power BI documentation	Zip
Sample datasets for financial analysis	Zip
Industry best practices for accounts receivable and cash flow management	Zip

11. APPENDIX
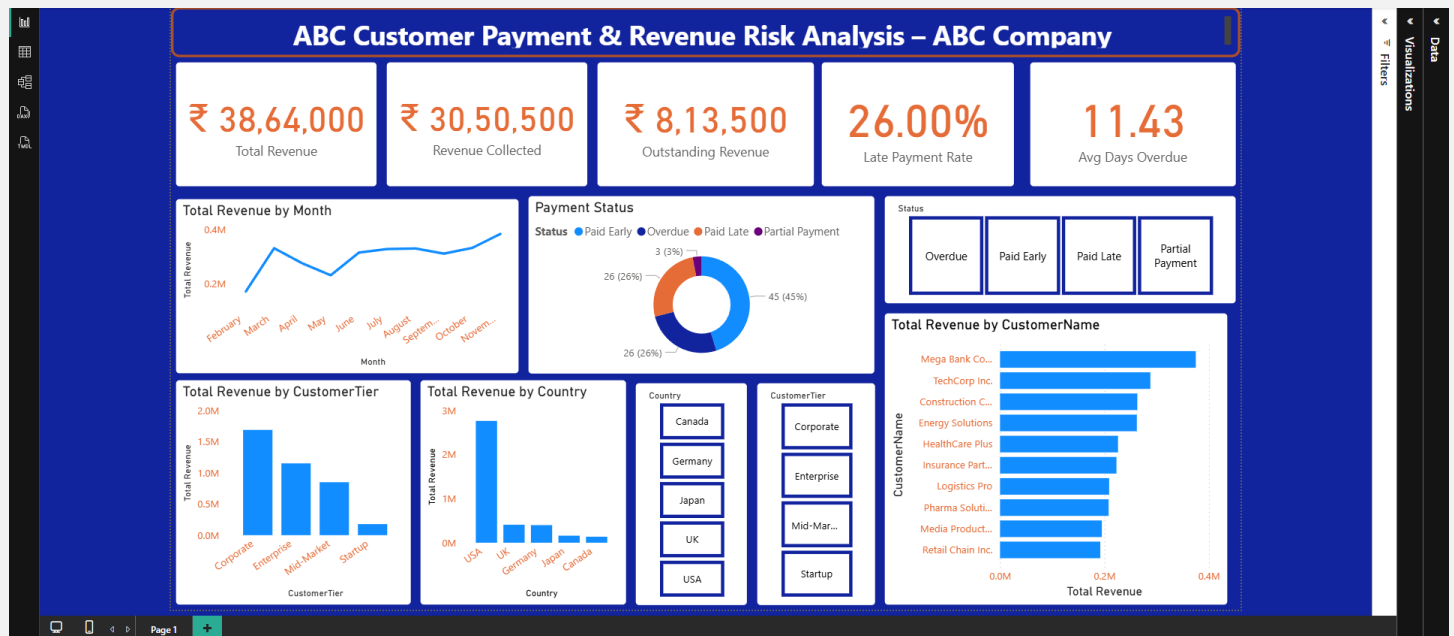
Disclaimer:

The requirements, processes, and data described in this document are based on business objectives and analysis at the time of preparation. They are subject to change as the project evolves or as new business needs are identified.

While every effort has been made to ensure the accuracy of the information presented, ABC Company and its affiliates assume no responsibility for any decisions or actions taken based on this document without proper consultation and approval.