Background

One of my clients was looking to purchase a program that could be implemented with their existing Accounting Software, but that would track/monitor errors on their billing statements. My organization was contracted to create this application and my task on this project was to identify and categorize our client's most common type of errors on their Billing Statements. Utilizing the data which our client provided (please reference the Excel file titled "Billing Errors"), I created a frequency table, then filled in the values for relative frequency of each class.

The below frequency table demonstrated that the top three errors on Billing Statements, which the organization needed to be most concerned about, were: *incorrect items billed*, *incorrect address*, and *past payment not recorded*. This table provided the billing firm insight so that an action plan could be devised and implemented to lower the number of errors occurring on billing statements. This frequency table only provided a snapshot, but did not tell the complete story since my firm did not know the timeframe of when these errors where recorded (i.e., over day(s), week(s), month(s), year(s) etc.). The client simply had a tally of having experienced an error and the type of error, but a timestamp was never recorded. The application that we would later create provided a timestamp if an error occurred and it also logged it by specific category of each error.

The new application that our firm created would prompt the client's accounting department to match their customer and each purchase, found within their ERP database, to the billing statement. Ultimately, the invoices went from a manual data entry process, to an automated process where our newly developed application would pull information from their existing ERP system and the invoice could not be released until it underwent specific checks and balances to ensure that the information had been accurately verified.

Type of Error on Billing Statement	Frequency	Relative Frequency
Incorrect Items Billed	274	36%
Incorrect Address	233	30%
Past Payment Not Recorded	134	18%
Missing Phone Number	57	7%
Wrong Customer Billed	51	7%
Missing Address	16	2%
Total	765	100%