# CDK GLOBAL COGS RECONCILIATION

# AGENDA

- ISO Vision AI Solution
- The Broken Chain
- Savings Already Identified
- Five Root Causes
- The Reconciliation Burden

# ISO VISION AI SOLUTION

# THE BROKEN CHAIN

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- Customer cancels → CDK's systems record the cancellation
- Nobody tells the vendor → Vendor continues billing for that customer
- Invoice arrives → AP team cannot verify accuracy
- Payment approved → CDK pays for customers no longer served

# SAVINGS ALREADY IDENTIFIED

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**$748,000**
CENTURY INTERACTIVE

**$440,000**
CENTURY INTERACTIVE

**$414,000**
GRATHIC

**$230,000**
CALLREVU ETA RESPONSE

# FIVE ROOT CAUSES

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- No Single Source of Truth
- Customer data fragmented across CMF, Elead, Salesforce, Vision
- No unified view of which customers use which vendor services
- No Cancellation Notification Process
- Vendors rarely told when customers leave

# FIVE ROOT CAUSES: NO VERIFICATION THAT CUSTOMERS...

- No verification that customers are removed from billing
- Poor Invoice Data Quality
- Many invoices lack CDK identifiers
- Cannot match invoice lines to active customers
- Unclear Ownership

# FIVE ROOT CAUSES: CHALLENGES

- Problem spans Finance, Product, IT, Procurement
- Nobody accountable end-to-end
- Legacy Contracts
- No requirement for invoice detail
- No audit rights or reconciliation provisions

# THE RECONCILIATION BURDEN

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- 65 vendor reconciliations needed
- 32 in process / 33 not started
- 390 hours per month of manual labor required
- 4-24 hours to set up each vendor reconciliation
- 4-8 hours monthly to audit each vendor

# WRONG POINT OF CONTROL

Current Model (Reactive):

The Fix:

Stop reconciling. Start authorizing.

# PROACTIVE BILLING AUTHORIZATION PLATFORM

- Unifies customer data across all CDK systems
- Maps products to vendors automatically
- Computes authorized billing each month
- Sends authorizations to vendors before they invoice
- Auto-approves invoices that match

# PROACTIVE BILLING AUTHORIZATION PLATFORM: FLAGS EXCEPTIONS FOR HUMAN...

- Flags exceptions for human review

# MONTHLY OPERATING CYCLE

- System extracts active customers from CMF, Elead, Salesforce
- Applies product-to-vendor mapping
- Computes count and dollar amount per vendor
- Finance reviews flagged variances
- System generates authorization documents

# MONTHLY OPERATING CYCLE: INCLUDES FULL CUSTOMER LIST...

- Includes full customer list with CDK identifiers
- Authorizations sent to vendors securely
- Delivery confirmation tracked
- Vendor invoices arrive
- System matches to authorization

# MONTHLY OPERATING CYCLE: EXACT MATCH → AUTO-APPROVE...

- Exact match → auto-approve
- Variance → exception queue

# AIR-GAPPED ARCHITECTURE

# LEVERAGING MODERN INFRASTRUCTURE

- 8 parallel reconciliation engines
- Processes entire vendor portfolio in minutes
- Real-time savings dashboard
- Automatic exception prioritization

# FOUR PHASES TO FULL AUTOMATION

**$1M**

ORS PILOT WITH

**1M**

PILOT WITH HIGH

# IMPLEMENTATION REALITIES

# THE BUSINESS CASE

| $1.35M | $575K | $650K | $125K |
| --- | --- | --- | --- |
| MONTHS PHASE INVESTMENT | INVESTMENT PHASE | PHASE | CATEGORY |

# WHAT GOOD LOOKS LIKE

**$0**
NVOICE DAYS MINUTES ANNUAL COGS SAVINGS

**$4M**
E DAYS MINUTES ANNUAL COGS SAVINGS

**1%**
ONTH

**2%**
TIME TO PROCESS INVOICE DAYS MINUTES

# START WITH HIGHEST IMPACT

**$440K**
RECOMMENDED PILOT VENDORS

**$748K**
ALREADY RECONCILED CENTURY

**$414K**
ANNUAL CORRECTION PLACE

**$180K**
NUAL PARTIAL RECONCILIATION

# IMMEDIATE ACTIONS

- Executive Sponsor
- CFO or COO level authority
- Cross-functional mandate
- Data Access
- CMF database extract

# IMMEDIATE ACTIONS: PROCESS

- Elead customer feed
- Product-vendor mapping from Product teams
- Pilot Vendor Selection
- Confirm 3-5 vendors for Phase 1
- Engage procurement for contract review

# IMMEDIATE ACTIONS: TEAM ALLOCATION...

- Team Allocation
- 2-3 dedicated resources for 6 months
- IT support for data integration

# THIS PROBLEM IS SOLVABLE

**$4.5**
CDK LEAVING THE

**$1.35M**
UNCONTROLLED AUTHORIZED INVESTMENT

**$4.5**
MONTHS THE TE

**6.5M**
CDK LEAVING THE

# LET'S MOVE FORWARD

- This Week: Confirm executive sponsorship
- Week 2: Finalize pilot vendor selection
- Week 3: Begin customer registry build
- Month 2: First authorization cycle with pilot vendor
- Month 5: Full pilot complete, scale decision

# SYSTEM COMPONENTS

- RuVector Knowledge Base - Semantic search and document storage
- Local LLM (Ollama) - Invoice parsing and fuzzy matching
- PostgreSQL + pgvector - Persistent vector storage
- Reconciliation Engine - Core matching logic
- Swarm Orchestration - Parallel processing

# SYSTEM COMPONENTS: EXCEPTION WORKFLOW - HUMAN-IN-THE-LOOP...

- Exception Workflow - Human-in-the-loop handling

# FULL VENDOR LANDSCAPE

| | | | |
|---|---|---|---|
| **$1.6M** | **$600K** | **$150K** | **1.6M** |
| CRITICAL CENTURY CALLREVU | PILOT CANDIDATES HIGH | PHASE MEDIUM ARCADIUM | CRITICAL CENTURY CALLREVU |

# MANAGED IMPLEMENTATION RISK

# CDK GLOBAL + ISO VISION AI

Transforming Vendor Billing from Cost Center to Profit Center

All data processing remains on CDK infrastructure Zero external API dependencies Fully auditable and compliant

# KEY METRICS

**$4.5M**
ONCILIATION ISO VISION

**$2.3M**
CDK KEEPS PAYING

**$4.5**
ANNUALLY ESTIMATED TOTAL

**$748,000**
CENTURY INTERACTIVE

# NEXT STEPS

Invoice arrives

What we need from you

# THANK YOU

QUESTIONS?