

FINANCE WHITEPAPER

The Revenue Leakage Prevention Framework

Find where value is waiting - and make the next action clear.



A practical working document

Use the examples and review tools to make the next decision clearer. Start with one engagement, one owner and evidence your teams can verify.

IN THIS EDITION

- 01 Forecast and approvals
- 02 Exceptions and exposure
- 03 Ageing and margin
- 04 Recovery and review
- 05 Worked example and review tools

FRAMEWORK / 1

Revenue with an operational basis

A connected decision needs evidence, ownership and a clear handoff.

01 Revenue with an operational basis

Build the forecast from work that can realistically be staffed and delivered. Keep opportunity assumptions, committed work and billing expectations distinguishable. When a date or allocation changes, review the downstream revenue effect instead of updating the finance forecast independently of delivery.

REVIEW POINTS

- Committed work
- Forecast assumptions
- Delivery dates

02 Time approval and billing readiness

Understand where delivered work sits in the approval chain. Submitted time, approved work with an exception and invoice-ready value represent different operational states. Give each state an owner and next action so finance can move work forward without repeatedly requesting the same context.

REVIEW POINTS

- Submitted time
- Approval status
- Invoice-ready work

THE HANDOFF TO AGREE

What does the next team need from this decision? Record the source, owner and review date before passing the work forward.

FRAMEWORK / 2

Commercial exceptions

A connected decision needs evidence, ownership and a clear handoff.

03 Commercial exceptions

Review billing exceptions against the engagement's agreed terms. Rate discrepancies, purchase-order constraints and missing approvals require different resolution paths. Keep the reason and accountable owner visible; a single unbilled total does not explain which decisions will release the value.

REVIEW POINTS

- Rates
- Purchase-order constraints
- Exception ownership

04 Confirmed leakage versus estimated exposure

Keep confirmed blocked revenue separate from modelled exposure. Confirmed amounts should be traceable to transactions; estimates depend on explicit assumptions. Adding both into one total can mislead decision-makers and obscure whether an intervention is resolving an existing blockage or preventing a possible one.

REVIEW POINTS

- Transaction evidence
- Model assumptions
- Separate totals

THE HANDOFF TO AGREE

What does the next team need from this decision? Record the source, owner and review date before passing the work forward.

FRAMEWORK / 3

Ageing and prioritization

A connected decision needs evidence, ownership and a clear handoff.

05 Ageing and prioritization

Review how long value has remained blocked and the cause of the delay. Prioritize aged, material exceptions with the teams able to resolve them. A useful finance view makes the next action visible and lets leaders distinguish an unresolved approval from an invoice already progressing normally.

REVIEW POINTS

- Days blocked
- Value at risk
- Resolution priority

06 Project margin drivers

Examine effort, staffing costs, rates and delivery variance alongside the project's expected revenue. A headline margin percentage is an outcome, not a diagnosis. Trace the variance to operational drivers before deciding whether to change the staffing mix, address scope or revisit the remaining estimate.

REVIEW POINTS

- Cost and effort
- Rate realization
- Remaining estimate

THE HANDOFF TO AGREE

What does the next team need from this decision? Record the source, owner and review date before passing the work forward.

FRAMEWORK / 4

Recovery tracking

A connected decision needs evidence, ownership and a clear handoff.

07 Recovery tracking

Track value that was blocked and has moved into invoicing. Define the event counted as recovery so it is not confused with cash collected. Review recovered value alongside new blockages and ageing; a strong month of recovery can otherwise mask recurring upstream problems.

REVIEW POINTS

- Resolved exceptions
- Invoice progress
- New blockages

08 Delivery-finance review

Bring delivery owners and finance into one review of project economics and billing readiness. Agree which exceptions can be resolved now, which need client input and which require leadership decisions. Carry the owner and target date into the next review rather than reopening the same discussion.

REVIEW POINTS

- Shared review
- Decision owner
- Resolution date

THE HANDOFF TO AGREE

What does the next team need from this decision? Record the source, owner and review date before passing the work forward.

WORKED EXAMPLE

Keep facts and estimates separate.

Illustrative scenario - not a customer result or a product performance claim.

An illustrative ₹47 lakh confirmed blockage comprises ₹12 lakh submitted but unapproved, ₹8 lakh approved with billing exceptions, and ₹27 lakh ready but not invoiced. A separate ₹31 lakh estimated exposure is not added to this total. Invoiced recovery is not the same as collected cash.

₹12 L

Awaiting approval

₹8 L

Billing exceptions

₹27 L

Ready to invoice

₹12 L + ₹8 L + ₹27 L = ₹47 L confirmed

₹31 L estimated exposure stays separate

Define

State the period, population, units and calculation.

Verify

Trace the number to source records; date the evidence.

Act

Assign an owner and state what would change the decision.

IMPLEMENTATION

A practical 30 / 60 / 90-day cadence.

Start with a bounded workflow. Extend only when the handoffs can be explained and repeated.

01

DAYS 1-30

Establish the baseline

Choose one workflow and one accountable sponsor. Map inputs, owners and exceptions. Agree the decision to improve and capture a baseline using current records.

Output: a workflow map, owner and baseline.

02

DAYS 31-60

Run a bounded pilot

Use the same definitions in recurring reviews. Test missing data and exception paths. Track whether teams can explain decisions and complete handoffs without additional reconciliation.

Output: a tested handoff and exception log.

03

DAYS 61-90

Decide what to extend

Review evidence with participating teams. Resolve recurring gaps before broadening scope. Document ownership, training needs and the conditions required for the next rollout.

Output: an agreed expansion or improvement plan.

WORKING SESSION

Use one engagement as the test case.

A 45-minute review for the people who own the handoffs.

00-10 min**Frame the decision**

Describe the engagement and the next commitment. State the decision, deadline and assumptions.

10-25 min**Review the evidence**

Walk through dated demand, capacity, delivery commitments and financial context. Identify missing or contradictory records.

25-35 min**Resolve the handoff**

Agree who supplies each missing input and who can approve the next action. Keep facts and estimates separate.

35-45 min**Commit and review**

Write the action, owner and due date. Define the evidence to check at the end of the session.

PREPARE BEFORE THE SESSION

Bring one real engagement, its source records and the people who can approve the next handoff.

REUSABLE WORKSHEET

Record the decision and its basis.

Complete this page together. Keep assumptions visible and commit to a dated review.

Decision / engagement

What decision must be made, and by when?

Evidence / source records

Which records support it? Include dates and definitions.

Assumptions / missing information

What is uncertain or still needs validation?

Action / accountable owner

Who will do what, and who approves the handoff?

Review / outcome

What evidence will show whether the action helped?

REVIEW & NEXT STEPS

Make the framework part of the operating rhythm.

The value is in the decision that follows the review.

01 Before the review

Check that the evidence covers the same period and population. Confirm owners, units and approval status.

02 During the review

Investigate exceptions and changing assumptions. Do not combine estimates with confirmed transactions or treat activity as an outcome.

03 After the review

Publish the decision, rationale, owner and next review. Retain enough context for the receiving team to understand the handoff.

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