The Retail Audit Gap

What Your Current Provider Isn't Showing You

Your recovery audit program returns some value every year. That's expected. But here's the question most retailers aren't asking:

Is it finding everything it should?

For the majority of retailers, the answer is no. And the gap between what's being recovered and what's being missed is growing wider every year — not because the data isn't there, but because most audit providers have stopped evolving.

PRGX has spent 50+ years working with the world's largest retailers. In that time, we've identified a pattern: when recovery programs stall, it's almost always because of three specific gaps that incumbent providers either can't see or aren't built to close.

The Timing Gap

Your audit is looking backward.
The errors are happening right now.

Traditional recovery audits operate on an annual look-back cycle. By the time errors are identified, they're months - sometimes years - old.

WHAT THIS COSTS YOU:

- **Delayed cash recovery.** The longer the cycle, the longer your money sits in someone else's account.
- **Increased vendor abrasion.** Suppliers are far more resistant to historical claims than current ones. Stale claims strain relationships and slow resolution.
- **Lost root-cause visibility.** When errors are discovered a year after they occurred, the people, processes, and systems that caused them have often changed — making it nearly impossible to identify why they happened or prevent them from recurring.

WHAT LEADERS ARE DOING INSTEAD:

Accelerated and near-real-time audit models compress the cycle from annual to quarterly or continuous. Errors are caught in weeks, not months. Claims are current, resolution is faster, and root-cause correction becomes actionable because the context is still fresh.

> "...Waitrose has successfully deployed the new preventive capability...enabling teams to detect, question, and prevent potential margin erosion before it occurs...This has improved in-year profitability, accelerated cash flow, and eliminated both the delays and ambiguity previously faced with certain retrospective recoveries."
>
> **Keith Rosser, Contact Manager | John Lewis Partnership**

The Intelligence Gap

Your audit delivers claims.
It should be delivering answers.

Most recovery audit providers deliver a list of claims and a recovery check. What they don't deliver is *why* those errors happened in the first place - connecting recurring findings across vendors, categories, processes, and systems to understand where leakage originates and where it will happen again.

Without root-cause intelligence, the same error types recur year after year – pricing mismatches, missed rebates, promotional non-compliance, duplicate payments, contract term violations. You recover the leakage, but you never stop it.

WHAT THIS COSTS YOU:

- **Recurring overpayments.** The same errors happen again because nobody fixed the upstream cause.
- **Audit fatigue.** Your team processes the same types of claims every cycle without seeing improvement.
- **Missed opportunities.** Providers that rely on legacy methodologies often miss entire recovery categories – trade allowances, vendor funding, construction, indirect/GNFR spend – either because they're not looking in the right places, or because they lack the data access, expertise, and audit depth to find everything that's there.

WHAT LEADERS ARE DOING INSTEAD:

AI-powered analytics and pattern-based anomaly detection identify recurring error types that legacy audits routinely miss – and root-cause dashboards connect those errors to the specific upstream breakdowns causing them. **The result:** your audit doesn't just find problems – it explains them and helps prevent them from happening again.

The Prevention Gap

Your audit recovers the same leakage every year.
It should be eliminating it.

Recovery without remediation is an endless cycle. If your audit provider isn't helping you fix the upstream process breakdowns that cause overpayments, you're not reducing leakage – you're just recycling it.

Most incumbent providers operate in a purely reactive model: review transactions, identify errors, submit claims, collect fees. They have no economic incentive to help you prevent future errors, because fewer errors mean fewer claims – and fewer fees.

WHAT THIS COSTS YOU:

- **Recurring operational burden.** You pay to recover the same categories of leakage year after year, with no reduction in error volume. Internal teams spend time reviewing, validating, and resolving preventable claims rather than addressing higher-value priorities.
- **Limited program evolution.** Flat or declining recoveries aren't a sign that your processes are improving because recovery trends alone don't tell the full story. A mature program should demonstrate broader coverage, new sources of value, and measurable reductions in recurring leakage – not just a recovery check.
- **Missed margin improvement.** Every dollar spent recovering a preventable error is a dollar your team could have invested in growth, negotiation, or strategic initiatives.

WHAT LEADERS ARE DOING INSTEAD:

Defect remediation programs translate audit findings into actionable process improvements – fixing the upstream breakdowns in vendor master data, contract configuration, promotional execution, and invoice workflows that cause errors in the first place. Over time, systematic remediation measurably reduces recurring error categories, freeing internal teams to focus on growth rather than correction.

The Compounding Cost of the Three Gaps

When timing, intelligence, and prevention gaps exist simultaneously – as they do in most legacy audit programs – the cost compounds:

GAP	WHAT IT COSTS YOU	HOW IT COMPOUNDS
Timing	Delayed cash; vendor abrasion; lost context	Errors age beyond root-cause correction; claims become adversarial
Intelligence	Recurring errors; missed categories; audit fatigue	Same leakage year after year; entire recovery areas unexplored
Prevention	Perpetual recovery dependency; stagnant value	No reduction in error volume; margin improvement never materializes

The result: Millions in margin leakage goes unrecovered. Millions more recurs because nobody fixed the cause. And your team spends more time looking backward than driving growth.

Closing these gaps requires more than finding additional claims. It requires a recovery partner that can combine broader coverage, faster insight, root-cause intelligence, and defect remediation. The retailers who are closing these gaps aren't working harder. They're working with a different kind of partner.

How PRGX Closes the Retail Audit Gap

PRGX invented profit recovery more than 50 years ago – and has never stopped reinventing it. Today, PRGX helps retailers go beyond traditional audit coverage by addressing all three gaps simultaneously:

GAP	HOW PRGX CLOSES IT
Timing Gap → **Cash Acceleration**	PRGX's accelerated audit methodology replaces the annual look-back with near-real-time reviews. Errors are identified in months, not years. Recovery is faster. Vendor abrasion is lower. Root-cause correction is actionable.
Intelligence Gap → **Root-Cause Insights**	PRGX processes 7+ petabytes of client data annually using proprietary AI algorithms. Pattern-based analytics surface recurring error types, connect overpayments to upstream breakdowns, and deliver root-cause dashboards – not just claim lists.
Prevention Gap → **Defect Remediation**	PRGX works collaboratively with client teams to translate findings into upstream process improvements. Systematic defect remediation reduces recurring errors year over year – turning recovery audit into a margin improvement engine.

By The Numbers

$2B	50+	7+ PB	33%	20+
recovered annually for clients across 30+ countries	years as the industry pioneer in profit recovery	of client data processed annually with proprietary AI	of the largest Fortune 500 companies trust PRGX	years with our longest-standing retail clients

Is Your Audit Finding Everything It Should?

Most retailers can't answer that question with confidence. PRGX can help.

Request a complimentary benchmark assessment. We'll compare your current recovery audit program's coverage and performance against what PRGX typically identifies in similar retail environments.

- **No disruption** to your current provider
- **No cost** and no obligation
- **Just data** – and a clearer picture of what you might be leaving on the table

Request Your Complimentary Assessment →

Visit **www.prgx.com/retail-audit-benchmark**
or contact your PRGX representative.