



The Digital Efficiency Consulting Group

# WHEN THE DISCOUNT DISAPPEARED

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*How a Quiet Configuration Toggle, an Informal Exception  
Process,  
and Three Years of Inaction Cost a Buying Group \$45,000 a  
Month*

A Revenue Recovery & Process Controls Case Study

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## Table of Contents

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1. Client Situation
2. Investigation
3. Solution
  - 3.1 Phase 1: Reactivate Low-Risk Accounts
  - 3.2 Phase 2: Activate Small Balance Accounts
  - 3.3 Phase 3: Gradual Expansion
4. Process Automation
5. Results
6. Operational Takeaway
7. Our Take: The DECG Perspective

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| <b>Client:</b>   | C&E Vision Services                                     |
| <b>Industry:</b> | Optical Buying Group / Healthcare Supply Purchasing     |
| <b>Scope:</b>    | Revenue recovery, workflow analysis, financial controls |

## 1. Client Situation

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C&E Vision Services operates a large purchasing network for optical professionals including optometrists, opticians, and ophthalmologists. Through the organization, members purchase products from more than 300 vendors. Because the buying group consolidates purchasing volume, members receive negotiated discounts when they buy through the platform.

The billing structure included a standard financial control called *discount loss*. Members received a purchasing discount when invoices were issued, but if payment was not made within the agreed payment terms, the discount would be reversed on the following month's statement. This ensured members either paid on time or forfeited the discount.

Over time, leadership noticed something concerning. Revenue associated with discount loss had steadily declined. At one point it had historically generated approximately \$65,000 per month, but it had gradually dropped to roughly \$20,000 per month.

At the same time, aging reports were not improving, which suggested members were not suddenly paying faster. Something in the operational process had changed, but the cause was unclear.

## 2. Investigation

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A review of internal vendor reporting revealed that discount loss revenue had been declining month after month for nearly three years.

To identify the root cause, several comparisons were performed:

- 36 months of vendor source reports were analyzed to confirm the long-term downward trend.
- Accounts receivable aging reports were pulled to identify members paying past due.
- Past-due members were compared to accounts actually receiving the discount-loss fee.

The results revealed a consistent pattern.

Members who were past due but not receiving the fee shared a common configuration in the system.

Within the financial account settings, each member profile included several toggles controlling financial rules, including finance charges, discount loss, and payment terms. Credit department service representatives had the ability to turn the discount-loss rule on or off. This was typically done when a member requested temporary relief due to financial hardship or short-term cash flow issues.

However, while the toggle was often turned off temporarily, it was rarely turned back on.

Further system testing confirmed the logic itself was functioning correctly. When the toggle was re-enabled on test accounts, the system immediately generated the correct discount-loss reporting.

**The problem was not the software. The problem was the process surrounding exceptions.**

Out of approximately 8,000 total members, around 1,200 accounts had the rule disabled, and roughly 800 of those accounts should have been receiving the fee based on their payment behavior. Many of these accounts were among the largest purchasing members, meaning the majority of lost revenue followed the classic 80/20 distribution.

## 3. Solution

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The challenge was not simply turning the system back on. Many members had not been charged discount-loss fees for extended periods of time, and immediately reactivating the rule across all accounts could have created significant customer dissatisfaction.

Instead, a phased operational rollout was developed.

### 3.1 Phase 1: Reactivate Low-Risk Accounts

Accounts that were not currently past due had the rule re-enabled first. Because these members were paying on time, they would not experience any change.

### 3.2 Phase 2: Activate Small Balance Accounts

Next, accounts with small balances or minimal fee exposure were reactivated. For many of these members the potential discount-loss fee was small, often under \$100.

### 3.3 Phase 3: Gradual Expansion

The remaining accounts were gradually reactivated in controlled batches, starting with smaller exposure and working toward larger accounts.

When members contacted the service team with questions, representatives explained how the discount-loss program worked and why the fee appeared. In most cases members simply adjusted their payment timing to avoid the charge.

In situations where a member expressed concern, a one-time courtesy credit could be issued while clearly communicating that future invoices would follow standard terms.

For several large members with persistent payment challenges, direct communication was initiated. These members were given structured timelines of three to nine months to return to normal payment behavior before the fee would fully apply.

## 4. Process Automation

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To prevent the issue from recurring, a system automation rule was introduced.

After each monthly close:

- All discount-loss toggles were automatically reset to “on.”
- Exceptions could only remain in place if the account had a designated override code.

The override system created formal visibility and accountability. The credit manager reviewed override accounts mid-month and documented the reason for each exception. This report was then submitted to ownership during the company’s monthly operational review meeting.

**This ensured temporary hardship exceptions remained temporary.**

## 5. Results

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Within the first year of implementing the changes:

- Discount-loss revenue recovered from roughly \$20,000 per month to an average of about \$50,000 per month.
- Financial controls were restored without creating widespread customer dissatisfaction.
- Exception handling moved from informal manual decisions to a structured, reviewable process.

Most importantly, the organization eliminated a hidden operational gap that had quietly eroded revenue for years.

| Metric                                 | Before                 | After                               |
|--|------------------------|-------------------------------------|
| Monthly discount-loss revenue          | ~\$20,000              | <b>~\$50,000</b>                    |
| Accounts with rule improperly disabled | ~800                   | <b>0 (automated reset)</b>          |
| Exception tracking                     | Informal, undocumented | <b>Structured, reviewed monthly</b> |
| Revenue vs. historical peak (\$65K/mo) | 31% of peak            | <b>77% of peak</b>                  |

Table 1: Key performance metrics — before and after discount-loss remediation.

## 6. Operational Takeaway

Many organizations assume declining revenue or margin is driven by market conditions or customer behavior. In reality, the cause is often hidden inside everyday operational processes.

Small exceptions, when repeated thousands of times across large customer bases, can quietly create significant financial leakage.

In this case, a simple configuration toggle combined with an informal exception process allowed revenue to decline for years before the underlying issue was identified and corrected.

## 7. Our Take: The DECG Perspective

At The Digital Efficiency Consulting Group, we have seen this pattern more times than we can count. A control exists. It works. Someone turns it off for a good reason. Nobody turns it back on. Three years later, someone finally asks why revenue looks different—and the answer is sitting in a configuration screen that nobody thought to check.

This is not a technology failure. C&E's system worked exactly as designed. The discount-loss logic was correct. The toggle functioned properly. What failed was the process around the exception—specifically, the absence of any mechanism to ensure temporary accommodations stayed temporary.

The fix was not complicated. It was surgical. Audit the accounts. Reactivate the rule in a phased, customer-sensitive way. Automate the reset so the problem cannot quietly return. Add oversight so exceptions are visible at the leadership level. Four steps. Measurable results. Revenue recovered.

That is the DECG approach. We do not sell technology for technology's sake. We find the specific operational gap that is costing you money—in revenue, in margin, in customer goodwill, in staff time spent managing problems that should not exist—and we fix it. Measurably. With a guarantee.

If your organization has revenue or margin that has been quietly declining without an obvious explanation, our Efficiency Diagnostic is designed to find exactly these kinds of gaps and quantify what they are costing you. Because the longer a process gap sits unaddressed, the more it costs—and the harder the conversation becomes when someone finally asks why.

**C&E Vision Services found the answer and acted on it. The question is: will you?**



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*Process First. Tools Second. Results Always.*