PITON Global

EXECUTIVE WHITE PAPER · WP-11

ORDER MANAGEMENT OUTSOURCING · PHILIPPINES

The perfect-order standard: the executive economics of order management outsourcing to the Philippines.

An analysis of why orders processed is a throughput vanity metric, how the perfect-order rate — never volume — decides the true cost of an order once chargebacks, returns, and delayed cash are counted, and the vendor-selection discipline that turns order management into working capital.

AUTHORS

John Maczynski — Chief Executive Officer
Ralf Ellspermann — Chief Strategy Officer

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Contents

ABOUT THIS SERIES — VOLUME 11

Every order-management report leads with a throughput number — orders processed, tickets closed, lines keyed — because throughput is easy to count and easy to bill. This volume is about the number that reaches the ledger: the share of those orders that went out right, stayed right, and turned into cash on time. The gap between processed and perfect is where the margin quietly leaks. The full series lives at piton-global.com.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

John has bought order-management and order-to-cash capacity from the client chair for three decades, and learned that a vendor's throughput report and a company's chargeback file are the same story told from opposite ends. His standing question skips the volume dashboard: of the orders you processed last month, how many went out perfect, and how many came back as a dispute? Applied at PITON-Global, that question is what clients get on every order-management sourcing decision — personally, with no account layer in between.

j.maczynski@piton-global.com
+1 402-598-8740

Ralf Ellspermann

Chief Strategy Officer

Ralf has spent twenty-five years running Philippine order-to-cash floors, and he judges an order desk by what happens after the order is keyed: the exception caught before it ships, the validation that stops a wrong price, the clean handoff into billing. The order contract in Section 3 codifies what he learned rebuilding desks that processed fast and shipped errors. He now reads order-management providers the way he once ran them — from the chargeback file backward.

r.ellspermann@piton-global.com
Manila, Philippines

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ABOUT PITON-GLOBAL

PITON-Global is a buyer-side advisory practice, Manila-based since 2001, that has never operated a delivery floor or taken a placement commission. Its stock-in-trade is knowing the Philippine provider market at the operating level — 1,000+ mapped operations, re-verified continuously, including each order desk's real perfect-order and dispute performance rather than its throughput headline — and converting that knowledge into a shortlist of six to ten genuinely qualified partners per engagement. Buyers from Tripadvisor, Garmin, TSYS, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have run their searches through the practice.

SECTION 01

Executive summary

-59% Fully-loaded cost per perfect order vs. US onshore	**98.5%** Perfect-order rate on vetted desks — accurate and complete through to cash	**-4 days** Order-to-cash cycle contribution from clean orders and fast exception close	**5.8×** First-year ROI, reconstructed case (Section 6)

An order-management desk is bought on the orders it processes and paid for on the orders it gets wrong. The vendor reports a hundred thousand orders keyed; finance sees the chargebacks, the returns for the wrong SKU, the credits for mispriced lines, and the cash that arrived late because a disputed invoice sat unresolved. The desk hit its throughput number and the ledger absorbed the difference, because the number it hit — orders processed — counts activity, not accuracy. The gap between processed and perfect is the order-error tax, and it is paid where it hurts most: in chargebacks, in returned goods, in refunded revenue, and in working capital trapped by a slow, error-strewn order-to-cash cycle.

The Philippines is where order-to-cash desks are built with the most process discipline, because a deep, accuracy-trained, ERP-fluent talent pool can run the validation and exception handling that keep an order right from entry to cash. Five findings:

1. **Orders processed is the industry's most flattering number.** Any desk can key an order wrong at speed. Vetted desks measure the perfect-order rate — accurate, complete, and undisputed through to cash — and run 98.5%+. Weak desks quote throughput that finance quietly reconciles against a chargeback file. Section 2 shows the leak.

2. **The validation gate is the product.** Order accuracy is decided the instant an order is checked against price, inventory, terms, and address — or waved through to hit a throughput target. Desks that gate every order catch the error while it is cheap; desks that gate nothing ship it and pay for it downstream at many times the cost.

3. **Exceptions are where orders go to die — or get saved.** The held order, the partial shipment, the credit hold: exceptions are a fraction of volume and the majority of cost. Desks that resolve exceptions within SLA protect the cash cycle; desks that let them age turn a solvable hold into a cancelled order and a lost customer.

4 **The chargeback, not the keying fee, is where budgets are lost.** A shipped order error costs the return, the refund, the chargeback fee, and often the customer — many multiples of the cents it cost to key. Desks that hold the perfect-order rate cut the error-escape rate from mid-single digits to under 1.2%, and that avoided downstream loss, not the offshore rate alone, is where the case study's return is built.

5 **Pay per perfect order, not per order keyed.** The contracting failure of order management is paying for throughput. Vetted deals price per perfect order with error-escape ceilings, exception-SLA gates, and dispute credits, making order accuracy the desk's problem, which is where it belongs.

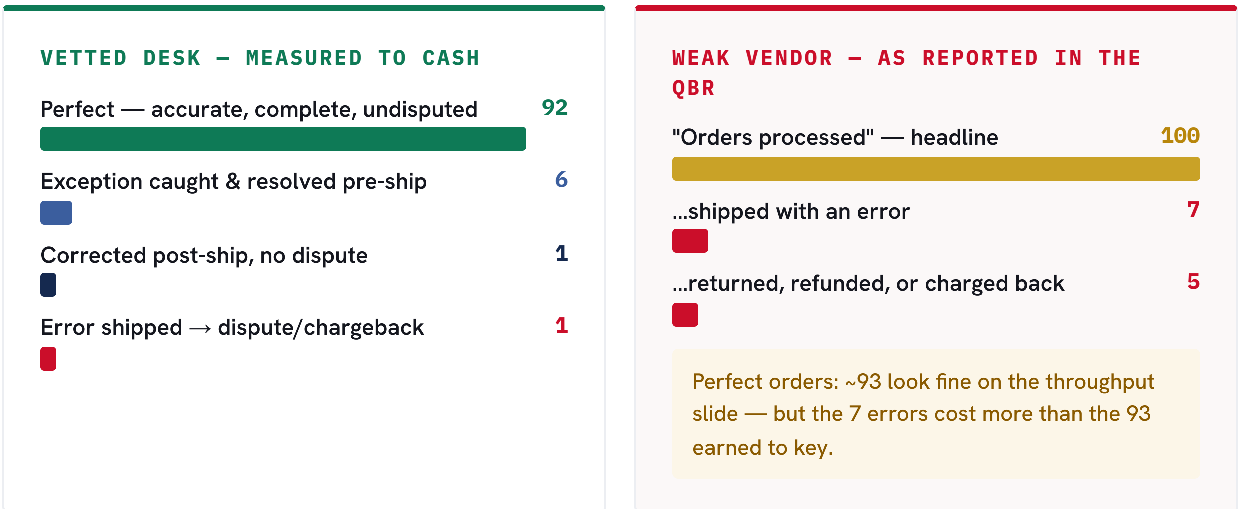
The intended reader runs operations, supply chain, or finance at a company processing orders by the thousand and reconciling the difference in chargebacks and credit memos. Sections 2–4 separate the desks that protect the ledger from the desks that feed it errors; Sections 5–7, the method and the proof.

SECTION 02

The throughput mirage: orders processed versus perfect orders, and where the order leaks

Figure 1 follows 100 orders through a vetted desk — and, in the right column, through the same volume as a weak vendor reports it. The difference between the two columns is the difference between an order that reaches the ledger clean and an order that returns as a chargeback.

FIG. 1 — 100 ORDERS: PERFECT-ORDER OUTCOME VS. REPORTED THROUGHPUT



Left: PITON-Global engagement instrumentation, 2025–26, reconciled to cash. Right: composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the escape rate, not the headline. On the left, ninety-two orders reach the ledger clean, six exceptions are caught before they cost anything, and a single error escapes; on the right, seven errors ship and five convert into returns, refunds, and chargebacks — each one carrying the return freight, the credit memo, the dispute fee, and a dent in customer lifetime value. A two-point difference in error escape swamps any difference in keying cost. The perfect-order reconciliation — matching processed orders to disputes, returns, and credits in the ERP — is the cheapest due-diligence instrument in this paper.

SECTION 03

The order contract: the validation gate, exception handling, and the cash close

Figure 2 lays out the three clauses of a working order contract — the machinery a floor read verifies before any throughput number is believed.

FIG. 2 — THE ORDER CONTRACT, AS OPERATED ON VETTED DESKS

VALIDATE AT ENTRY

Every order is checked against price, inventory, credit terms, and address before it is released — the error caught while it is a keystroke, not a chargeback. Validation rules are tuned monthly against the errors that still escape, so the gate tightens where the leaks actually are.

WORK THE EXCEPTIONS

Held orders, credit holds, and partials are worked to a resolution SLA, not left to age. Exceptions are a small share of volume and most of the cost, so a named owner and a resolution clock on each is what keeps a solvable hold from becoming a cancelled order.

CLOSE TO CASH

The order is followed through invoicing to a clean cash close — no disputed invoice left to stall the receivable. Every dispute is coded back to its order-entry cause, so the order-to-cash cycle shortens quarter over quarter instead of the desk booking throughput while DSO drifts.

↓ yields ↓

THE COMPOUNDING DESK

98.5% PERFECT-ORDER · <1.2% ERROR ESCAPE · −4 DAYS ORDER-TO-CASH

Orders reach the ledger clean; exceptions resolve before they cost; and disputes fall because their root cause is fixed at entry. The desk gets cheaper per perfect order and frees working capital at the same time, which is the entire promise of running order-to-cash as accuracy rather than throughput.

Operating parameters from PITON-Global order-to-cash engagements, 2025–26.

In diligence, the contract is tested from finance's side: pull a month of the desk's orders for a current client and reconcile them against returns, credit memos, and chargebacks; watch the validation gate reject a bad order live; check that aged exceptions have owners and clocks. Perhaps one desk in ten survives it cleanly. Steps 3 and 5 of the framework exist to find that one before the contract does — because everything in Table 3 of Section 6 depends on the perfect-order rate, not the throughput count.

SECTION 04

Cost and performance: cost-per-perfect-

order economics and benchmarks

TABLE 1 — COST PER 1,000 PERFECT ORDERS: THREE OPERATING MODELS (US$, 2026)		
OPERATING MODEL	COST / 1,000 PERFECT	VS. US BASELINE
US onshore in-house order desk	**$18,600**	baseline
Low-cost offshore order mill (per-order billed)	**$12,000**	–35%
Vetted Manila desk — validated, exception-worked, per-perfect-order	**$7,650**	–59%

Basis: PITON-Global engagement pricing 2025–26; perfect order = accurate, complete, and undisputed through to cash; the order mill looks cheap per order but costs more per perfect order once errors, returns, and chargebacks are netted out; US comparator fully-loaded in-house cost.

TABLE 2 — ORDER DESK BENCHMARKS, VETTED VS. BASELINE (2025–26)			
METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Perfect-order rate (reconciled to cash)	**98.5%+**	92–95%	The only order number worth paying for
Order-error escape rate (shipped)	**<1.2%**	5–9%	Every point becomes a return or a chargeback
Exception resolution within SLA	**96%+**	60–75%	"Work the exceptions" — run or skipped
Chargeback / dispute rate from order errors	**<0.5%**	2–4%	The order-error tax, made visible
Order-to-cash cycle contribution (DSO)	**–3 to –5 days**	flat / +	Clean orders free working capital

Source: PITON-Global order-to-cash engagement data 2025–26; baseline = typical pre-engagement desks billed on orders processed.

The strategic read: the order mill's –35% per order is a false economy — once errors, returns, and chargebacks are netted out, its cost per perfect order lands above the vetted desk's, and it drags DSO besides. The vetted Manila desk's –59% is real because it is measured where the value is: the order that reaches cash clean. Buy on keying price and you buy the right column of Figure 1; buy on cost-per-perfect-order and you buy working capital — the same discipline every volume in this series keeps arriving at from a different door.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to order desks

Order-management diligence adds one hard requirement to every step: a throughput number is real only when it survives a perfect-order reconciliation to cash. The funnel below is representative of a 20–50-seat order-management search.

FIG. 3 — THE 7-STEP FRAMEWORK AS AN ORDER-MANAGEMENT FUNNEL

	STEP	WHAT IT ELIMINATES IN AN ORDER-MANAGEMENT SEARCH	FIELD REMAINING
1	**Requirements definition**	Throughput-first scoping: fixes the perfect-order definition, the error-escape ceiling, the exception SLA, and the ERP fields that make accuracy reconcilable to cash from day one	1,000+
2	**Market mapping**	Order mills: desks that bill per order and optimize for keying speed, and generalist floors with no order-to-cash or ERP depth	~43
3	**Capability screening**	Desks without the machinery: perfect-order history reconciled to cash, a validation gate at entry, an exception SLA in production, and dispute root-causing back to order entry	~11
4	**Compliance & security audit**	Weak data governance: payment and PII handling, ERP access controls, segregation of duties on credits and refunds, SOC 2 scope covering the order-to-cash stack	~8
5	**Operational diligence**	The reconciled read: match a month of orders to returns, credits, and chargebacks; watch the validation gate reject a bad order live; interview reps on how they clear a credit hold and root-cause a dispute	4–6
6	**Competitive RFP & negotiation**	Per-order pricing: finalists bid per perfect order with error-escape ceilings, exception-SLA gates, and dispute credits — all carrying penalties for orders that leak downstream	2–3
7	**Transition & launch governance**	Big-bang cutover: the desk ramps against the perfect-order rate, not keyed volume, with the validation gate and exception SLA certified before scale, PITON-Global embedded buyer-side to steady state	1

Field-remaining counts represent a 20–50-seat order-management search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no desks, keys no orders, and takes no placement economics, so the shortlist reflects reconciled perfect-order performance, not inventory; **right-sizing** — desks for whom your program is a flagship account. Six to ten genuinely qualified providers, delivered within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

Re-basing the desk on perfect-order rate: a 35-seat order rebuild, reconstructed

Engagement OM-030 is a US consumer-goods company — roughly $550 million in revenue, selling through wholesale and direct channels — that had been running order entry through a per-order vendor. The throughput report looked healthy; finance told a different story: a 7% error-escape rate, a rising chargeback line, returns for mis-shipped SKUs, and DSO creeping up as disputed invoices aged. The CFO wanted the throughput saving to survive contact with the ledger. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–8, RECONCILED READS)

Requirements fixed the perfect-order definition with finance and operations and set a 98% target with a <1.5% error-escape ceiling and an exception SLA. Mapping produced 40 claimants; the machinery screen — perfect-order history reconciled to cash, a validation gate, exception SLA in production — left 11; the data-governance audit left 8. Order-to-dispute reconciliation on each finalist's reference client, plus live gate observation, shortlisted 5. A Manila desk won at a $12.20 blended rate priced per perfect order, with perfect-order reconciliation written into the reporting spec.

TRANSITION (MONTHS 2–8, RAMPED ON ACCURACY)

The desk ramped against perfect-order rate rather than keyed volume; the validation gate and exception SLA were certified in month 2 before scale. Dispute root-causing into the client ERP went live from day one, and validation rules were tuned monthly against escaped errors. By month 8 the perfect-order rate held at 98.7%, error escape had fallen from 7.0% to 1.1%, chargebacks from order errors were down 78%, and DSO had improved by four days. PITON-Global chaired the perfect-order review board to steady state.

TABLE 3 — OM-030 FIRST-YEAR VALUE BUILD-UP (US$)		
VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 35-seat order desk	$1.28M	65.6k productive hrs × ($31.70 – $12.20)
Chargeback & dispute collapse (errors 7.0% → 1.1%)	$0.52M	Avoided chargeback fees, credits, and dispute-handling cost
Returns & refunds avoided on mis-shipped orders	$0.31M	Avoided return freight, restocking, and refunded margin
Working capital freed (DSO –4 days)	$0.19M	Carrying-cost value of accelerated receivables, conservative basis
Gross value created	**$2.30M**	
Less: engagement & transition costs	($0.40M)	Ramp, validation-rule build, ERP integration, dual-running; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	5.8×	$2.30M ÷ $0.40M

Figures rounded; perfect-order, chargeback, and DSO effects audit-verified against the ERP. Method in Methodology & notes.

Fifty-six percent arbitrage, forty-four percent from accuracy, avoided disputes, and freed cash — squarely in the series' two-thirds/one-third pattern once the working-capital line is set aside, earned because the desk was re-based on the order that reaches cash clean rather than the order it keys. Every line traces to a diligence step: the validation gate to Step 1, the per-perfect-order pricing to Step 6, the exception SLA to Step 3's contract. The CFO's line at the year-one review: "The throughput report never changed. The chargeback report is what told me we'd switched vendors."

SECTION 07

The executive playbook: governance for the first 180 days

An order-management transition succeeds when the desk is measured and paid on the order that reaches cash clean — client in command throughout.

DAYS 0–30

Define perfect, contract per perfect order

Define the perfect order with finance and operations jointly and set an error-escape ceiling and an exception SLA before launch. Contract per perfect order — never per order keyed — with error-escape ceilings, exception-SLA gates, and dispute credits. Stand up the perfect-order reconciliation, matching orders to returns, credits, and chargebacks, as the program's arbiter of truth.

DAYS 30–90

Certify the gate, ramp on accuracy

Certify the validation gate and exception SLA before scaling volume; switch on dispute root-causing into the ERP from day one. Tune validation rules weekly against escaped errors. Publish the weekly dashboard: perfect-order rate, error-escape rate, exception SLA attainment, chargeback rate, order-to-cash days.

DAYS 90–180

Scale volume, certify steady state

Grow order volume only while the perfect-order rate holds above the floor. Review the perfect-order board monthly with the ledger reconciliation on the table. Certify steady state on two clean months including one seasonal peak; hand over on documented criteria; keep the quarterly order-to-dispute reconciliation standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying for orders processed instead of perfect orders · keying without a validation gate · letting exceptions age past SLA · disputes that are never root-caused to entry · scaling volume before the perfect-order rate is proven. All five are settled at selection and contract.

The order-management argument, in one sentence: an order keyed is activity and a perfect order is cash, and a vetted Philippine desk delivers −59% cost per perfect order with 98.5%+ of orders reaching the ledger clean and four days off order-to-cash — for buyers who reconcile orders to the chargeback file instead of trusting the throughput slide, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can key an order. We make sure you buy the desk that gets it to cash.

METHODOLOGY & NOTES

How the numbers were built

Perfect-order and error figures (Fig. 1, Table 2) derive from ERP-reconciled instrumentation in PITON-Global order-to-cash engagements, 2025–26. A perfect order is accurate, complete, and undisputed through to cash, verified against the client ERP's return, credit, and chargeback records; shipped errors are never counted as perfect. The weak-vendor column is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

Cost-per-perfect-order figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology and ERP tooling, management and QA overhead, attrition-driven recruiting — net of shrinkage and divided by perfect orders, not orders keyed; US comparators reflect fully-loaded in-house cost on the same basis. The order-mill comparator is priced per order and converted to cost-per-perfect-order at its observed error-escape rate.

The case study (OM-030) is anonymized under NDA; volumes and dates are generalized, figures rounded. Perfect-order, chargeback, and DSO effects are audit-verified against the ERP; the working-capital line is a conservative carrying-cost estimate, not a booked saving. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; order-to-cash accuracy performance re-verified May 2026). Estimates and projections are PITON-Global analysis and should be cited as such. The full series is available at piton-global.com.

Would your desk's throughput survive a reconciliation to cash?

Thirty minutes with John will tell you. Free to buyers, strictly vendor-neutral — a perfect-order-verified shortlist within two to three business days.

j.maczynski@piton-global.com
+1 402-598-8740