Billing and Revenue Innovation Management
Monetize New Services

Customers today no longer just buy products, they subscribe to experiences. That means instead of a single transaction, revenue comes in incrementally over a period of time. Service providers must learn how to turn this to their advantage.

Switching costs are low in the service economy, so retaining customers can be a challenge. If clients spot a better value, they may make an on-the-spot decision to go elsewhere.

That’s why service providers must take every step to ensure customer retention and to maximize billing opportunities.

Providing compelling pricing offers that can be rapidly adapted to exploit fast-moving market opportunities is a smart strategy.

It’s also important to look at reselling offers that may arise through partner channels. For example, partners may want to leverage billing relationships to sell each other’s services.

Finally, success in services means scaling up rapidly after initial rollout. That may mean taking on tens of thousands or tens of millions of customers in a short period of time. These high-volume transactions must be processed quickly and reliably to produce bills that customers can understand and pay on time. Efficient processing also allows companies to book and recognize revenues and to deliver real-time insights on performance.

Service providers need consume-to-cash functions that allow them to rapidly innovate with new revenue models, while maintaining strict financial discipline across the business process.
Innovate Multisided Business Models

Best-run companies change their pricing offers faster than the competition and enhance offerings with bundled partner services. They do this with the secure knowledge that the back-office will still be able to collect, share, and book revenues reliably.

How can companies differentiate themselves when multiple providers are all offering the same service? By adapting their pricing models faster than the competition.

That means companies must have the ability to make pricing model changes in hours and days, not weeks and months.

This is not a journey that companies are taking alone. As they bring partner solutions and reseller partners along in multisided business models, revenue capture and revenue share processes must be interlinked to ensure transparent win-win relationships.

Of course, it’s critical to ensure that business scales at a low total cost of ownership (TCO). To do this, companies’ back offices must handle the order-to-cash process with reliable, automated processing through every step, from order capture to pricing, billing, revenue share, collections, financial customer care, revenue recognition, and analytics.

SAP software for the consume-to-cash process is designed to allow this kind of business flexibility while ensuring reliable operations.
Outpace Competitors in Dynamic Markets

Services-based business models are intrinsically dynamic. Best-run companies can outpace the competition by remaining nimble in their pricing models and consistently providing new offers and value from third parties.

SAP solutions support the complete order-to-cash process, allowing companies to quickly adapt their pricing models and offers, while ensuring that customers can understand and control their spending.

- Drive growth in market share through reduced time to market
- Improve customer retention with pricing models that reward loyalty
- Improve customer sentiment by providing clear invoices and quick dispute resolution
- Reduce days sales outstanding by optimizing collections strategies
- Reduce write-offs by extending services based on credit scoring

25% Decrease in accounts receivable write-offs when receivables are integrated with credit, billing, and collections systems

Source: SAP Performance Benchmarking
SAP Innovations

SAP solutions that support monetizing high-volume services businesses use technology innovations to help ensure massive scalability and reliable operations. At the same time, they provide up-to-the-minute insights into customer and revenue trends that can be rapidly converted into a competitive advantage.

Applications from SAP for billing and revenue innovation management operate as a complete solution that integrates with SAP software for customer management. Modular architecture allows deployment in piece-by-piece stages to leverage existing legacy customer care and billing solutions, while unlocking value with each implementable step.

Big Data is intrinsic to monetizing services because massive volumes of transactions and customer accounts must be measured, priced, and billed, and often in real time. SAP software leverages in-memory processing to provide fully automated processing with dynamic scalability.

Analytics are embedded into the solution to help ensure that customer reactions to new pricing, billing, and cash collection strategies can be immediately analyzed. If modification is necessary, it can be accomplished quickly to take advantage of fast-moving opportunities in today’s highly-competitive services industries.
Innovate Revenue Models for Services

**Solution Overview**

Convergent Mediation
Simplify usage collection across operational platforms.

Convergent Charging
Bring competitive offers to market with flexible pricing.

Convergent Invoicing
Produce understandable invoices that enhance cash flow and customer satisfaction.

Customer Financial Management
Use a 360-degree view of customer financial information to answer inquiries and make decisions about accounts. Tailor the collections process to customer profiles and account for, and control, high volumes of financial transactions.

Customer Usage Analytics
Learn how pricing models, billing, and collections strategies can be tuned for improved revenue performance.
SAP software provides a complete solution that addresses the consume-to-cash business process for new high-volume services businesses.
Convergent Mediation

This scalable software simplifies data access across networks for new business models. It supports key use cases for global companies in telecommunications, high tech, banking, postal services, and logistics.

The mediation layer is a critical component of a competitive billing solution, which integrates network elements and data sources. SAP software for convergent mediation comes preintegrated with an SAP application that supports convergent charging. That means customers can optimize data streams to shorten time to market for new services and respond quickly to changes in network infrastructure or regulatory demands.

As networks evolve and consumers demand an increasingly complex array of innovative services, the ability to rapidly support new offerings is a critical competitive advantage for service providers.

53%

Enterprises that report a big gap between the availability of Big Data and their ability to analyze it for insights

Source: SAP Performance Benchmarking
Simplify Data Access Across Networks

SAP software for convergent mediation enables a standardized approach to data mediation. With flexible workflow functionality, service providers can collect data from a wide range of network technologies.

The software then filters, transforms, and consolidates data feeds into required formats before routing it to applications such as billing, fraud management, service assurance, and business analytics solutions.

The solution comes preintegrated with SAP software for convergent charging. Supporting both real-time and batch processing, the solution provides a single platform for all mediation activity. This reduces the number of integration points required to manage data across networks.

The hardware-agnostic mediation platform eliminates the requirement for multiple, disparate solutions, and significantly reduces costs. The user interface with intuitive drag-and-drop features allows for easy in-house configuration and response to new market challenges with very short turnaround times.

14% Increase in accuracy when data warehouse is continuously monitored with extension and integration of new data

Source: SAP Performance Benchmarking
Streamline Data Management, Lower Costs, and Increase Revenue

SAP software processes usage data from multiple sources across networks in one solution for faster response to business challenges, reduced IT costs, increased flexibility, and innovation support.

SAP software for convergent mediation reduces the total cost of ownership by simplifying your IT infrastructure. This is accomplished through deployment of online and offline data integration functionalities, as well as through fast and flexible configuration options for supporting new requirements to improve competitiveness.

SAP software helps businesses process high volumes of raw-usage data more efficiently and in a cost-effective way. It supports a wide range of industry-standard protocols and data formats, and offers a scale-out architecture that allows for massive scaling on a cost-efficient hardware footprint.

In addition, the solution simplifies your business process with access to up-to-date, accurate, and detailed information. Redesigning mediation architecture is a simple matter of configuration because this solution supports intuitive integration in multivendor and multinetwork environments. Finally, businesses can respond quickly to new market opportunities by launching new services in days instead of months.

28%
Decrease in IT expenditures as a percentage of revenue with a consolidated single solution and platform landscape

Source: SAP Performance Benchmarking
Innovations for Convergent Mediation

SAP innovations enable smart analytics and data intelligence while scaling to massive volumes in the data center or the cloud.

Application
SAP software for convergent mediation works with SAP software for convergent charging to provide enterprises with a single platform for all mediation scenarios. Any data integration or data processing scenario is solved through configuration – not coding. This data integration tool was designed for massive scale, supporting many millions of transactions per second.

Cloud
SAP convergent mediation software is now also deployable as a cloud service, enabling high availability and dynamic, elastic scaling to take full advantage of both private and public cloud environments.

66%
Expect cloud computing to improve flexibility and agility for increased business advantage
Source: SAP Performance Benchmarking
Convergent Charging

SAP software helps you innovate pricing models faster than competitors. Calculate customer fees and partner revenue sharing in real time, while giving customers insight and control over spending.

With SAP software, companies can bring innovative pricing offers to market faster than the competition with an intuitive user interface that requires zero coding.

Enterprises can monitor customer accounts in real time and improve customer sentiment by giving clients control over spending.

Organizations can empower service providers to craft pricing models that reward loyalty, offer partners flexible terms, and help ensure accurate settlement.

Finally, sales organizations can consolidate pricing for multiple services on a single, high-performance platform that reduces the number of applications per billion revenue.

14%
Lower applications per billion in revenue when organizations undergo a portfolio rationalization process to reduce TCO

Source: SAP Performance Benchmarking
Price, Rate, and Charge in Real Time

SAP software for convergent charging allows development of new pricing offers and revenue-sharing plans through a pricing- and cost-modeling interface that uses visual programming. All pricing logic can be combined within a single-rate plan by time, date, location, content size, pricing tier, subscriptions, activations, pay for placement, bundles, cross-product promotions, and more.

Enterprises can manage customer account balances in real time for prepaid or hybrid, prepaid-postpaid models.

They can also calculate revenue sharing for any number of third parties in the value chain, while managing royalties, commissions, and sponsorships.

Organizations can calculate prices and charges for recurring subscriptions, one-time fees, and metered usage, scaling from initial trial deployments up to hundreds of thousands of transactions per second.

Plus, SAP software can be deployed as part of an end-to-end charging and billing transformation, or as a stand-alone module to augment the functionalities of a legacy system.

20% Decrease in IT expenditures as a percentage of revenue where organizations drive scalable and effective programs

Source: SAP Performance Benchmarking

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Build New Revenue Streams with Flexible Pricing

Best-run companies speed time to revenue by introducing new pricing models for any kind of service, while protecting profit margins and improving customer loyalty with timely, personalized offers.

Companies in fast-moving services markets need to build new revenue streams and drive growth by launching competitively priced models faster than the competition through simple configuration.

By offering real-time promotions, loyalty-based pricing, and personalized offerings, companies drive a better customer experience. Customer sentiment improves when they have real-time insight into their spending and can control it per service for individuals, families, and businesses.

Services business models are naturally multi-sided. Including partners in the overall value chain strengthens service-providers’ offerings – especially when they can create win-win revenue-sharing deals among partners.

Being nimble in the marketplace does not mean that companies should take undue revenue risk. SAP software for convergent charging helps reduce the risks of fraud and credit exposure by delivering services only when customers can pay, based on continuous, real-time monitoring of subscriber balances.
Innovations for Convergent Charging

SAP innovations integrate across the order-to-cash process while supporting high-volume transaction processing.

**Applications**
SAP software for convergent charging works with enhanced order capture, so new pricing offers are immediately available.

**SAP HANA**
Built on an in-memory computing platform, SAP software for convergent charging helps ensure massive scalability with low TCO. Recent tests show scalability up to 750,000 transactions per second for 200 million customers.

**Analytics**
Convergent charging transactions can be moved in real time to the SAP HANA platform for instant insight offered through SAP software for customer usage analytics.

**Mobile**
SAP software is readily integrated into mobile apps for sales quotation and customer self-care thanks to an enhanced set of open Web services.

**Cloud**
SAP software is deployable as a cloud offering through partners to decrease time to value.

68%
Increased ability to use Big Data with well-defined, high-performance analytics strategy
Source: SAP Performance Benchmarking
Convergent Invoicing

SAP software consolidates service pricing from multiple sources to produce easily understandable invoices and discounts that drive loyalty, enhance cash flow, and increase customer satisfaction.

SAP software pulls rated events or even complete bills from several upstream, multi-vendor rating or billing streams, and then consolidates the information into a single converged invoice.

The invoice can be enriched with flexible discounts, multiple aggregations, different levels of detail, and statements about prior payment activity or late payments.

Then the final invoice can be designed to conform to readability and marketing objectives. That makes it easy for the customer to understand bills to ensure prompt payment.

Decrease in error rate when billing systems are integrated to receivables so reentering information is completely eliminated

Source: SAP Performance Benchmarking

28%
SAP software for convergent invoicing offers a flexible solution for automating the billing and invoicing process.

The process starts by accepting input from one or more rating or billing software systems, SAP and non-SAP. Inputs can be individual line items, recurring charges, or complete bills. These are intelligently combined into a single invoice for the customer and a single outstanding receivable.

Invoice-level discounting can be easily setup for different types of customers and personalized for individual accounts.

Third-party charges or payables to third parties are also fully handled, so that payment statements can be produced with the same level of flexibility as for customer invoices.

Invoices can be designed and laid out to meet the needs of different kinds of customers.

Finally, billing and invoicing run as a mass process that executes automatically at scheduled intervals, balancing the billing load across the month and throughout the day as required to meet business and IT needs.

32%

Decrease in errors when accounts receivable and billing are integrated so open items are generated at the same time as the bill

Source: SAP Performance Benchmarking
Simplify Customer Invoicing and Speed Up Cash Collections

SAP software helps customers get billed faster and better so they pay for services faster. And the software helps build trust with partners because they have more visibility into payments.

SAP software for convergent invoicing allows service providers to produce a single customer bill across multiple lines of business. This leads to immediate, direct savings in printing and mailing costs. More important, a well-designed bill can significantly reduce billing-related customer inquiries, contributing savings to the bottom line.

The software streamlines collections and receivables management by maintaining a single, consolidated stream of receivables per customer, rather than multiple parallel streams.

The software also helps improve customer and partner satisfaction because they get bills and statements that they can quickly check and whose accuracy they trust.

Because SAP software for convergent invoicing is fully integrated with the SAP Customer Financial Management package, full transaction-level detail is preserved. That way, customer care personnel have access to all the detail behind charges, discounts, and taxation. The result is that customer issues can be resolved faster.

15%
Decrease in DSO when customers are billed electronically and can view account details and payment status online

Source: SAP Performance Benchmarking
Innovations for Convergent Invoicing

SAP innovations enable convergent invoicing that supports scalable, reliable mass-volume billing and flexible, powerful analytics.

Analytics
With support from customer analytics software powered by the SAP HANA platform, SAP software for convergent invoicing replicates billable items in real time, enabling instant insight into billed and unbilled transactions to reveal how customer behavior translates into revenues.

Applications
SAP software has been proven to scale to handle hundreds of millions of customer accounts and billions of event records per day, while still enhancing configurable flexibility for discounting operations.

Cloud
SAP software is deployable as a cloud solution through partners for faster time to value.
Customer Financial Management

SAP software provides a 360-degree view of customer financial information to answer inquiries and make decisions about accounts. Revenue management is automated for high volumes of transactions.

Service providers in high-volume businesses have to deal with mass data coming from multiple billing systems and different payment channels.

Best-run companies seek to fully automate these processes. They also make customer financial information rapidly searchable so that billing-related communication can be efficient and accurate.

When customers have difficulty paying on time, then SAP software tailors collections strategies with built-in analytics to help ensure rapid payment.

Efficient customer care for billing inquiries and dispute handling allows for optimal cash flow and improved customer satisfaction.

Decrease in DSO when accounts receivable tracks short payments and alerts staff of recurring issues or those outside a given tolerance

Source: SAP Performance Benchmarking
Control Revenues and Collections

SAP software for customer financial management automates routine tasks while ensuring transparent revenue management, excellent customer service, and compliance to accounting standards.

The solution considers every possible payment channel, from credit cards, to checks, to internal or external cash desks, as well as bank transfers that are initiated by the customer or service provider.

Customer payment behavior is continuously monitored for an up-to-date picture of credit risk. Customers are segmented into groups, each with a different collections strategy applied. These strategies can be compared and refined to optimize efficient cash collection.

With integrated financial customer care and dispute management, agents can access and amend data for customer contracts, payment instruments, and accounts as needed.

When items are in dispute, guided processing and approvals can be invoked before deferring individual line items or applying credit notes.

Source: SAP Performance Benchmarking

20%
Fewer write-offs as percentage of accounts receivable when customer profiles are used to determine the right collections strategy
Create Faster Revenue Cycles and Improve Customer Service

Highly automated revenue management and collections enable reduction of processing costs and days sales outstanding, while empowering service agents to provide superior customer service.

74%

Decrease in billing and collection costs as percentage of revenue with optimized collections and dispute handling

Source: SAP Performance Benchmarking

SAP software for customer financial management improves customer satisfaction and loyalty by allowing service agents to provide prompt and expert service with a personal touch.

The software helps reduce days sales outstanding by automating the payment reconciliation process and removing error-prone manual tasks.

It reduces the risk of uncollectible accounts receivables write-offs by evaluating the credit risk according to each individual customer profile. It also extends credit and delivers services based on proper credit scoring.

Compliance risk is lowered because the software is designed to fulfill legal requirements for revenue recognition and tax reporting – even in complex multicurrency, multicountry businesses.

Customer retention and loyalty is improved by properly evaluating a customer’s ability to pay in advance and by applying preventive measures only where needed.

Finally, ROI is fast, since the solution integrates with existing infrastructure.
Innovations for Customer Financial Management

With SAP software, prepaid and postpaid scenarios can be handled with flexible configurations and integrated analytics.

Applications
SAP software for customer financial management now allows collections steps to be fine-tuned with an enhanced business rules framework. Disputes and deferrals can be managed down to the line-item level.

SAP HANA
Activity generated in the software can be replicated in real time to the SAP HANA database. This gives organizations rapid insight into customer behavior.

Analytics
Champion-challenger analysis can be used to evaluate a new collections strategy against a sample of the target customer profile, using integrated analytics to support the decision making.

Cloud
SAP software is deployable as a cloud solution through partners for faster time to value.

31%
More time spent on data analysis with query optimization and acceleration functions
Source: SAP Performance Benchmarking
Customer Usage Analytics

The SAP Customer Usage Analytics rapid-deployment solution enables business agility through instant analysis of large volumes of customer usage data from charging and billing systems.

53%

Enterprises that report a big gap between the availability of Big Data and the ability to analyze it for insights

Source: SAP Performance Benchmarking

Charging and billing systems are not only the revenue engines at the heart of service providers’ businesses, they also see every usage transaction that a customer makes and how this translates into revenue.

With SAP software, service providers can unlock the power of this data stream to better understand customer usage patterns.

These lightning-quick, in-memory analytics can help marketing, sales, customer service, and financial operations teams to create competitive differentiation, improve business agility, enhance the customer experience, and improve financial performance.
Gain Insight into Customer Activity

SAP software for customer usage analytics offers instant access to usage, revenue, and payment data for individual customers and groups, so service providers can see rapidly changing patterns of usage. That includes insight into how customers respond to new offers or information about the effect of competition on customer behavior.

The power of SAP HANA allows analysts to quickly drill down from a group of customers all the way to an individual customer. They can even access individual types of records to gain a deep understanding of the dynamics of how usage behavior affects revenue.

With comprehensive coverage of the billing and collections process, the analysis goes beyond revenue generation and on into collections and cash flow. That way financial analysts can see both billed and unbilled revenue, allowing them to gain insight and streamline collections processes.

68% Of enterprises have limited or no predictive modeling functionality or optimization techniques for analysis

Source: SAP Performance Benchmarking
Respond to Trends Faster to Gain a Competitive Advantage

Seize the competitive edge by leveraging immediate insight on business data to optimize marketing campaigns and proactively resolve issues.

With SAP software for customer usage analytics, enterprises can dramatically shorten the time to insight for all services used and consumed by customers.

This allows service providers to become more agile and to innovate their pricing, offers, and promotions on shorter cycles with lower time to market.

Marketing teams are also empowered with instant visibility on customer trends. They can respond faster to competitive threats as they emerge.

With unconstrained data exploration and analysis from aggregate views down to individual customer usage data, business teams have an intuitive environment for data discovery. They are free to create their own analysis rapidly. Not having to go through cumbersome IT development cycles lowers costs.

Implementation cost and time to value are reduced with a rapid-deployment model that uses SAP Best Practices packages and tested deployment and enablement methodologies.
Innovations for Customer Usage Analytics

SAP innovations enable real-time, smart analytics, leveraging high-volume transactional charging and billing data.

Applications
The SAP Customer Usage Analytics rapid-deployment solution is integrated with billing and revenue management software from SAP to provide ready customer billing and revenue management analysis.

Analytics
SAP software for customer usage analytics leverages business intelligence solutions for immediate insight into business activity for all types of business users.

SAP HANA
SAP software for customer usage analytics is powered by SAP HANA and provides instant support for real-time analysis of Big Data.

Mobile
SAP software for customer usage analytics is available on mobile devices by leveraging SAP software for role-based mobile analytics.

Cloud
SAP software for customer usage analytics is powered by SAP HANA, available in the cloud to leverage SAP HANA Cloud Integration technology.
Sales Effectiveness and Insight

Solution Overview

Convergent Mediation

Convergent Charging

Convergent Invoicing

Customer Financial Mgmt.

Customer Usage Analytics

Sales Effectiveness and Insight

Why SAP?

SAP software provides a complete solution that addresses the consume-to-cash business process for new high-volume services businesses.
Why SAP?

Billing and revenue innovation management software from SAP enables companies to build and scale new services businesses with efficient revenue collection, while at the same time delighting customers with personalized and transparent pricing offers.

Fast Insight into Action
SAP solutions provide real-time insight into customer behavior and provide the nimbleness to rapidly adapt pricing and revenue management strategies to help ensure customer loyalty.

Comprehensive Solution and Modular Deployment
Enterprises can ensure reliable processing across the entire consume-to-cash business process, and rely on comprehensive integration with SAP solutions. Deployment is possible in end-to-end solutions or in modular, implementable steps for quick time to value.

Innovations for Massive Scalability
Support rapid growth with a solution that scales from small deployments up to hundreds of millions of customers and billions of transactions per day, all processed in real time for visibility into performance.

27% fewer customer complaints when organizations expand billing and invoicing functions to meet customer needs

Source: SAP Performance Benchmarking
Find Out More About How Your Organization Can Become Best-Run

Benchmark Your Performance
Position your organization for dominance in this new economy with the business performance benchmarking program from SAP – available free to SAP customers and select prospects. The SAP benchmarking program has helped more than 3,000 organizations assess their strengths, uncover areas for improvement, and identify best practices and IT strategies that generate clear, tangible value – not someday, but today.

Go Live in Weeks
Here’s the fastest way to run your business better: our rapid-deployment solutions. In one package, you get everything you need to be up and running quickly – including preconfigured software and implementation services – in just weeks. With a defined scope and predictable costs, there are no surprises.

Join Your Community of Practices
Every day, SAP Community Network (SCN) changes the way that thousands of SAP users work. It lets members help one another solve problems, learn, and invent new ways to get things done – faster. Find out how to connect with people, content, and resources.
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