

CONSUME TO CASH FOR HIGH-VOLUME BUSINESSES

STREAMLINING THE BILLING PROCESS

To prepare for the technology innovations of tomorrow, you must put in place the right business processes today. With SAP® software, you can achieve best-of-breed functionality for your entire consume-to-cash business process – from online rating and charging to convergent billing, invoicing, and collections.



In response to product commoditization, increased competition, shrinking margins, regulatory pressures, and more demanding customers, companies in many industries are redesigning their business models and launching innovative new services. These trends are apparent in industries such as telecommunications, media, high tech, transportation, logistics, utilities, and financial services. The global explosion of the Internet and mobile networks and the widespread adoption of smart devices and deployment of machine-to-machine communications has unleashed a new era in creative services.

To keep pace with these trends and address the business opportunities, companies like yours face common challenges when launching new services. You must address very large numbers of direct customers with huge transactional usage volumes in an increasingly competitive high-cost and low-margin environment. To maintain differentiation and increase average revenue per customer, you are constantly seeking ways to identify your most profitable customers and offer them the services they demand at a price that will keep them coming back.

In most industries, back-end business software typically includes a customer relationship management (CRM) solution for centralizing customer information and enterprise resource planning (ERP) software for managing operational service processing and financial processes. Often these software solutions are built for selling products through multiple indirect channels but not designed to

answer the challenges of monetizing new services. What you need is a solution that takes care of the business processes for service monetization. SAP refers to these processes as consume-to-cash processes.

The SAP® Convergent Charging application, the SAP Convergent Invoicing package, and the SAP Customer Financial Management package comprise the modular SAP software solution for the consume-to-cash business process (see the figure). This best-of-breed software can help you streamline complex rating and billing processes; efficiently manage accounting, payments, and collections; and optimize financial customer care for high volumes of customers and transactions. You can gain the reliability you need to manage billing and payments from customers as well as manage sophisticated revenue sharing with upstream and downstream partners. The fact that the SAP solutions are modular means elements of the solutions can be rapidly deployed within your existing IT software landscape to add value where it is most required.

Service and Payment Convergence

The SAP Convergent Charging application is designed to deliver complete pricing flexibility with high performance and no compromises. An intuitive graphical user interface enables “visual programming,” which virtually eliminates functional and technical limitations to developing pricing offers and revenue-sharing plans for different types of services. You use the icon-based

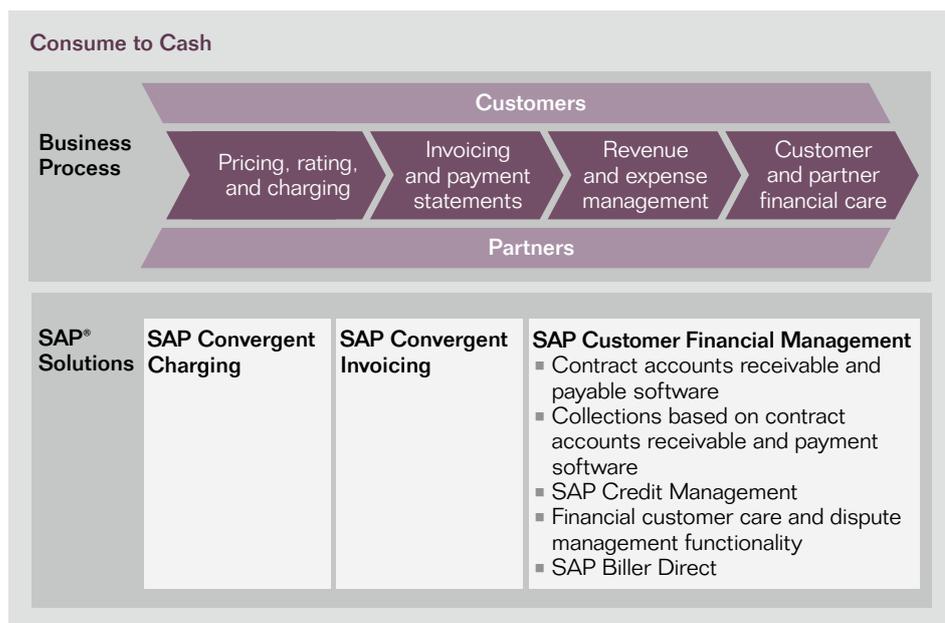


Figure: Supporting the Consume-to-Cash Process from Rating Through Collections

components to define service bundles and charges – such as usage-based, recurring, or one-time fees. You can then assemble them into a configurable decision tree that calculates the price for a service, bundle, or promotion. Your marketing team can design offers, test for profitability, and launch new promotions and services in hours or days rather than weeks or months. With SAP Convergent Charging, you can combine different types of pricing within a single rate plan, regardless of service or payment type.

SAP Convergent Charging delivers modular online balance management, which supports convergent account management for any payment type: prepaid accounts, postpaid accounts, or hybrid models. It includes credit-limit allowances and service-specific wallets.

You can reduce the costs and inefficiencies associated with managing separate systems for prepaid and postpaid accounts and allow your customers to spend with confidence.

The partner settlement features of SAP Convergent Charging allow you to introduce price plans involving any number of third parties in a value chain. Royalties, commissions, and sponsorship structures can be managed in a single solution, with a single pricing configuration tool set that supports modeling of the often complex interlinks between customer and partner pricing. Customer usage transactions can trigger the required related transactions so that all partners are properly compensated, with no limit to the number of partners that can be involved in a single transaction. By crafting win-win

revenue-sharing deals with and between partners, you can unleash partner creativity to invent new services to meet current and future customer demands.

With the unique approach to multiparty rating that SAP Convergent Charging supports, you have exactly the same flexibility to define partner contract terms as you have to define customer pricing models. Recurring, one-time, and usage-based pricing can all be used for partner contract terms.

Streamlined Invoicing Process

The SAP Convergent Invoicing package lets you pull information from several billing streams and individual rated events to consolidate all charges into a single invoice for a consolidated view of the customer.

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With SAP Convergent Invoicing, you can accommodate partnerships with third parties and ramp up new services efficiently by clearly delineating which party is responsible for any given charge. You can treat third-party charges differently from claims attributed to your own organization. For example, you can

configure the software so that revenues shared with a specific third-party provider are only distributed to that provider if the end customer has actually paid the corresponding charges.

SAP Convergent Invoicing has functions that let you define flexible rules to automatically trigger discounts. This helps you initiate invoice-level discount programs and manage their details. For example, discounts could be calculated and applied to invoices when total charges exceed a threshold value or when the subtotal across certain services or products exceeds a defined limit.

During the actual invoicing run, the software automatically triggers functions in receivable and payable contract accounts to coordinate business processes. For example, the software can calculate interest, trigger dunning, update accounts receivable, and include all relevant information on the final invoice. The software also supports integrated posting of accounting documents and integrated account maintenance activities, such as settling existing credits against new receivables. All information appearing on the invoice is perfectly aligned with accounts receivable and fully transparent and auditable.

Customer-Focused Financials

Meeting the demands of large numbers of customers who all expect the very best service requires powerful financial software. With the SAP Customer Financial Management package, you get help managing receivables and payments. The software provides support for managing and monitoring credit risk

during the entire customer lifecycle. You can offer financial customer care and dispute management and use electronic bill presentment and payment. SAP Customer Financial Management brings together customer-facing activities and solid financial functionality to help you comply with your industry-specific legal requirements.

SAP Customer Financial Management accelerates your collection process by automatically segmenting your customers according to their credit risk. You can execute sophisticated collection strategies, with the software supporting a variety of activities, including creating reminder letters, scheduling outbound calls, initiating block or termination of services, and submitting open items to external collection agencies. You can balance and distribute collection work lists to handle internal collections work. You can manage collection work items in a sophisticated interaction center to provide capable financial customer care with financial overviews and follow-up actions, such as capturing promises to pay and dealing with disputes. Agents can manage contacts, both inbound and outbound, via any channel – phone, fax, e-mail, postal mail, and Internet chat – quickly and appropriately. In the back office, you can use approved debit-side functions to handle payments, calculate interest, and perform the whole spectrum of closing activities.

The Benefits of Efficient Processes

Ultimately, when you deliver superior service to your customers, both you and your customers benefit. Your cus-

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tomers receive tailored promotions and service bundles, a single consolidated invoice, and a personalized customer service experience when dealing with customer agents for payments and disputes. You gain compliance and transparency in accounting while reducing your operating costs, bad debt risk, and revenue losses. By streamlining your process end to end, you're in a better position to increase customer satisfaction, attract new partners, introduce new services, and change your business model as needed to stay ahead of the competition. When you support your consume-to-cash business process with SAP software, you gain the flexibility to react rapidly and adapt appropriately to tomorrow's new market demands even as the complexity of your business increases.

Find Out More

To find out more about SAP software to support your consume-to-cash business processes, call your SAP representative or visit us online at www.sap.com.

Summary

With SAP® software, you can achieve best-of-breed functionality for your entire consume-to-cash business process – from online rating and charging to convergent billing, invoicing, and collections – while gaining the power to handle high volumes of transactions and data. The modular software solution can help your company optimize its billing and invoicing process, charge in real time, and manage receivables and payables in compliance with applicable regulations and with full transparency. It can also help you obtain a single, complete view of customer activities.

Business Challenges

- Manage a very large customer base with huge transactional usage volumes from diverse sources
- Handle wide differentiation of credit risk that impacts days sales outstanding
- Comply with complex national, regional, and local legal regulations
- Operate efficiently despite a competitive, high-cost, low-margin environment

Key Features

- **Pricing, rating, and real-time online charging** – Package any service, automate partner settlement calculations, and offer customers real-time account-balance management controls
- **Single invoicing** – Consolidate multiple, high-volume billing streams into one invoice with a single accounting document
- **Customer financial management** – Deal effectively with customers on all types of financial issues and equip your agents to handle inquiries and disputes in a professional manner

Business Benefits

- **Accelerated time to market** for new services and cross-promotional bundles by having pricing entirely under your control
- **Reduced operational costs** by consolidating rating systems, automating routine tasks in the credit and collections processes, optimizing staff workload, and minimizing the overall number of invoices you need to generate
- **Increased customer satisfaction** by offering tailored promotions and service bundles, offering a personalized customer service experience, and clearly displaying all charges on a single, easy-to-understand invoice
- **Lowered risk** by considering the complete picture of the credit and collections history of new and existing customers

For More Information

Call your SAP representative, or visit us online at www.sap.com.

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