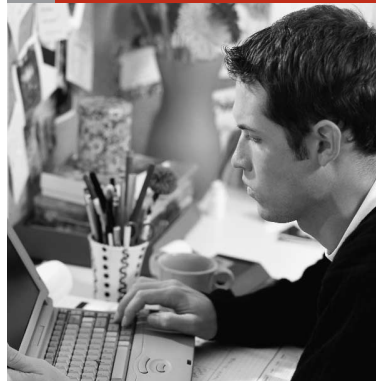


SAP Customer Success Story

“SAP Biller Direct helps streamline billing processes and minimizes printing, paper, and mailing costs.”

Thorsten Puzicha, Project Lead, Product Management, Arcor



AT A GLANCE

Company Name

Arcor AG & Co. KG
Germany
www.arcor.de

Industry

Telecommunications

Key Challenge

Extend use of electronic billing

Implementation Partner

SAP® Consulting, part of SAP
Customer Services Network

Solution and Services

- SAP Biller Direct, an application in mySAP™ ERP Financials
- SAP Web Application Server (SAP Web AS), a component in SAP NetWeaver™

Existing Environments

- SAP R/3®, now available in mySAP ERP
- SAP Revenue Management and Contract Accounting (SAP RM-CA)
- SAP Business Intelligence (SAP BI), a component in SAP NetWeaver
- SAP Financial Supply Chain Management (SAP FSCM), a set of applications in mySAP ERP Financials

Implementation Highlights

- Implemented solution within just six months
- Involved 90 days of external effort and 100 days of internal effort

Key Benefits

- Sustained customer satisfaction
- Less paper, streamlined billing processes
- Lower process costs

Operating System

- Linux, version 7.2.2 (for SAP Biller Direct)
- Sun (for all other SAP software)

Hardware

- Intel Xeon 2.8 GHz (for SAP Biller Direct)
- Sun 6800 (for all other SAP software solutions)

ARCOR

MAJOR TELECOMMUNICATIONS COMPANY DELIVERS VALUE TO ITS CUSTOMERS WITH ELECTRONIC BILLING POWERED BY SAP® BILLER DIRECT

With a fixed network covering most of Germany, Arcor offers its private and business customers a broad range of voice, Internet, and data services. Demand is growing constantly; Arcor posted revenues of more than €1.4 billion in fiscal year 2003/2004, positioning it as the second-largest telecommunications player in Germany.

To continue its strong rate of growth, Arcor not only repeatedly launches new products but also works hard to ensure customer satisfaction by offering innovative services. For example, Arcor customers can have their monthly bills sent to them online; electronic bill presentment and payment (EBPP) enables paperless billing – a process that is now well established at Arcor, thanks to SAP® software.

TARGETING 7 MILLION CUSTOMERS FOR WEB-BASED BILLING

This new era dawned at the end of 2000, when management implemented a strategy to help Arcor become more customer oriented, while reducing billing costs. To do this, the company integrated electronic billing in its Arcor-Online Power product, establishing it as a true leader in EBPP. The company has already reached its first milestone, with more than 150,000 customers using the company's online service, Arcor WebBill. In the near future, Arcor intends to switch over most of its 7 million customers – of which 3 million are contract customers – to electronic billing.



NEW PRODUCT BASED ON COLLABORATIVE EFFORTS

When Arcor first went looking for a standard solution capable of handling large amounts of billing data, there was, at the time, no suitable software available. Arcor then decided to take the matter into its own hands and created a solution based on SAP R/3® financial accounting software (functionality that is now available in mySAP™ ERP) and what was then called SAP Internet Transaction Server (technology that is today found in the SAP NetWeaver™ platform). Arcor's efforts in this area, in combination with its telecommunications expertise, significantly influenced the development of SAP Biller Direct, a customer-friendly application found in mySAP ERP Financials. Today, SAP continues to invest resources to understand the future direction of the telecom industry. In fact, it has made a long-term commitment to the ongoing success of electronic billing within the telecom industry.

After SAP Biller Direct was fully realized, Arcor decided to implement the application when it migrated from revenue management software found in SAP R/3 to the SAP Revenue Management and Contract Accounting (SAP RM-CA) application.

SAP Consulting provided external support during the implementation. With a direct link to SAP developers, SAP consultants guaranteed that Arcor always had the latest product information. In addition, the consultants' knowledge of SAP software ensured the project met all of Arcor's customer-specific requirements and adhered to the company's tight schedule.

IMPROVING CUSTOMER INTERACTIONS WITH SAP BILLER DIRECT

SAP Biller Direct functions as a sort of online gateway between Arcor and its customers. The solution extracts the billing data in the SAP enterprise resource planning software and makes it available online. SAP Web Application Server (SAP Web AS) –

a component in the SAP NetWeaver platform – also plays an important role, by helping Arcor manage the growing volume of online bills.

EASIER FOR CUSTOMERS – LOWER COSTS FOR ARCOR

How does SAP Biller Direct benefit companies and their customers? Arcor's Thorsten Puzicha, project lead, product management, says, "SAP Biller Direct helps streamline billing processes and minimizes printing, paper, and mailing costs."

Online billing has also proved to be an important marketing tool. Transparent, easy, and up-to-date – that is the message that Arcor's marketing specialists can communicate to the company's customers. Today, customers can use Arcor WebBill to call up their monthly bills or an overview for the year, check their itemized bills, sort and add up items, and print all of this out as a PDF file in a familiar bill format. "PaymentCheck" enables customers to call up their personal bills while "EasyCheck" helps them monitor calling and Internet costs. Arcor WebBill customers can call up and monitor recent calling costs within 48 hours, which means they no longer have to depend on conventional billing cycles.

This information is also available to the agents in Arcor's call center. SAP Biller Direct enables the agents to directly access billing data, so they can answer customers' queries straight away.

Arcor recently extended the benefits of SAP Biller Direct to its business customers: Arcor WebBill has been available to them since October 2004.