

## SAP Customer Success Story Telecommunications



**UTA's** existing solution for managing accounts receivables lacked effective interfaces to the company's core SAP® R/3® environment. In addition, **UTA's** legacy system offered only limited functionality for managing open items and dunning and reporting processes. Thanks to SAP Revenue Management – Contract Accounting (SAP RM-CA), the Austrian telco now has a fully integrated, industry-specific solution that streamlines business processes, and delivers a range of powerful new functions.



## UTA TELEKOM AG

### SAP HELPS UTA MANAGE KEY ACCOUNTING PROCESSES

Headquartered in Vienna, Austria, UTA Telekom AG is the country's leading new provider of telecommunications and e-business services for enterprises and private customers. Leveraging state-of-the-art technologies and its own cutting-edge fiber-optic network, the company delivers a wide range of high-quality services for landline voice telephony, cell phones, the Internet, and corporate networks. UTA employs a workforce of 620. In 2002, it posted revenues of €248.2 million.

### INTEGRATED SYSTEMS AND CUTTING-EDGE FUNCTIONALITY

With 460,000 telephony and 330,000 Internet customers, UTA is a major player in the Austrian telecommunications market. But keeping tabs on accounts-receivables (A/R) data for this volume of business presents a major challenge – for any company. And, not too long ago, as its customer base continued to expand, UTA became fully aware of the shortcomings of its existing system. “There had always been a problem with systems integration,” recalls Elmar Hassler, head of the SAP competence center at UTA, and jointly in charge of the implementation project. “But when our auditors criticized our processes, we knew it was time to take action.” In response, UTA went looking for a solution that would not only help it manage large amounts of A/R data; it also needed a solution that would seamlessly integrate with its core SAP® R/3® System and support other key accounting processes. “Our legacy system lacked effective, integrated functions for managing open items, which made it very difficult to keep track of receivables,” says Hassler.

In an attempt to overcome some of these problems, UTA had interfaced its billing system to R/3, allowing billing data to be entered in the general ledger. However, this was purely a stopgap measure, and did not fully resolve the issue of systems integration. The lack of communication between the legacy system and R/3 particularly affected UTA's sales professionals, who could not easily access consistent data on customers and the status of their accounts.

### **PARTNERING FOR SUCCESS**

Since 1998, SAP R/3 has been at the very heart of UTA's business processes, handling a wide range of tasks, including general-ledger accounting, payroll, and logistics. So, when it came time

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to select new software, the company made the obvious choice: SAP. “Partnering with SAP not only ensured optimized integration with our core system,” says Hassler. “It also gave us the expert support we needed to streamline our dunning, reporting, and payment processes.”

### **RAPID, EFFECTIVE IMPLEMENTATION**

Preparations for implementing SAP Revenue Management – Contract Accounting (SAP RM-CA) – an application in the SAP for Telecommunications portfolio of software and services – began in August 2001 when UTA and SAP Consulting in Austria jointly conducted a preliminary study into the strengths and

weaknesses of the telco's IT infrastructure and business processes. “At this stage, we realized that SAP not only offered excellent support for our existing processes; its industry-specific solution also provided a range of completely new capabilities,” states Hassler. These included user-friendly installment planning, automatic handling of untraceable incoming payments, and calculation of interest on open items – none of which had been possible with UTA's legacy system.

To ensure the implementation went as smoothly as possible, UTA set up three subprojects, focusing on accounts-receivables management, integration of general ledger and controlling, and infrastructure and interfaces.

The SAP implementation at UTA centered on migrating the telco's accounts receivables from its legacy system to the new SAP solution. This meant transferring core processes and master data for customer accounts. In addition, the project aimed at creating a unified view of customer data across various systems, user-friendly open-items management, more efficient dunning, and more effective reporting. It also included implementation of a call-center solution to give agents rapid access to UTA's optical archives via SAP BAPI® interfaces. Other goals included enhanced integration of general and subledgers, and provision of reliable data for downstream reporting, cash management, and controlling (profitability analysis).

An analysis phase began in January 2002, and in February the core team received training. From March to April, the implementation team set up a prototype to demonstrate how the new functionality could be integrated into UTA's day-to-day operations. “Our people were very enthusiastic about what the SAP solution had to offer, and were keen to put the new functionality to use in their departments,” says Hassler.

Following testing and user training, SAP RM-CA went live at UTA on August 12, 2002 – a little over eight months after kick-off, and right on schedule. Close collaboration between UTA's in-house project team and SAP Consulting played a decisive role in ensuring quick and effective implementation.

### **MADE-TO-MEASURE FUNCTIONALITY FOR TODAY'S TELCOS**

SAP Revenue Management – Contract Accounting is a sub-ledger accounting system geared to the specific requirements of players in the telecommunications industry. The solution is specially designed to automatically handle large numbers of customers and high volumes of documents, where manual processing would be unfeasible.

SAP RM-CA capabilities for receivables and collections management support all payment methods used by telcos – for example, bank debits, bank transfers, checks, credit cards, and cash.

Integrated dunning functionality monitors customers' payment histories, and initiates action where appropriate. SAP RM-CA allows telcos to define various dunning levels and how to determine them. In addition, the solution can calculate dunning charges in accordance with the dunning level of the open items and the customer's credit history. And if dunning fails to bring the desired results, the SAP industry solution supports transfer of data to external collection agencies. Where customers are unable to pay, an installment agreement or a deferred payment agreement can be set up for one or more receivable items.

Furthermore, a receivables- and collection-management posting causes an immediate posting in the SAP treasury system, ensuring that the liquidity forecast and data in the cash-management system is always up-to-date. SAP RM-CA also includes a range of online query, reporting, and analysis tools. An account display function provides users with an overview of debit and credit

items for a particular customer account. The data displayed can be selected according to various criteria, allowing users to home in on precisely the information they require.

In addition to the functions for individual accounts, SAP RM-CA includes powerful capabilities for aggregated reporting. These include statistics for drawing up financial statements, such as open items on balance sheets. The solution also enables the volume of open items at the end of the working day to be analyzed according to various criteria – such as overdue receivables.

SAP Revenue Management – Contract Accounting also interfaces seamlessly with the SAP controlling system, allowing in-depth profitability analysis, for example. An additional intermediate document (IDoc) interface enables users to view the

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receivables and collections postings associated with certain bills. This link to the optical archive is an invaluable source of information when call-center employees have to deal with bill inquiries from customers.

To ensure the highest standards of customer service, SAP RM-CA exchanges data with SAP and non-SAP customer-care and CRM systems, providing essential information for customer-centric tasks.



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**A HOST OF TANGIBLE BENEFITS**

The SAP solution has brought UTA a host of tangible benefits. “The new solution provides us with quick and easy access to a wide range of up-to-the-minute information,” explains Hassler. With SAP software, UTA can now deal with customer inquiries more quickly and efficiently. Sales staff can view the latest details on customer accounts with point-and-click simplicity, exploring the data according to a variety of criteria. “All in all, the system has greatly improved the quality and quantity of information available to our employees,” says Hassler. In addition, the new functionality provided by SAP RM-CA has enabled UTA to streamline its business processes. And the integration of accounts receivable into the telco’s core system has simplified the IT infrastructure, making for easier maintenance and lower costs.

**A RESOUNDING SUCCESS**

At present, a total of 40 to 45 users work with the new solution. While it is still too early to quantify the effects of the implementation, Hassler is more than satisfied with the results: “We are all very happy with the new solution. Thanks to SAP, we have the integration we so badly needed – plus a range of powerful, industry-specific functionality that streamlines our day-to-day processes.” In the wake of the successful implementation, UTA is now in the process of integrating the SAP sales and distribution (SD) functions into its IT environment. A test system is already in place, and the telco plans to incorporate aspects of billing into SD in the near future – all of which will go toward further enhancing the quality of the company’s customer service.

**AT A GLANCE**

<b>Software</b>	<ul style="list-style-type: none"> <li>▪ SAP® RM-CA</li> <li>▪ SAP R/3® (for financials, controlling, project system, materials management, sales and distribution, human resources)</li> <li>▪ SAP Business Information Warehouse</li> </ul>
<b>Operating system</b>	Windows 2000 Advanced Server
<b>Number of users</b>	40 to 45
<b>Duration of implementation</b>	Approximately 8 months