



CREDIT AND COLLECTIONS MANAGEMENT WITH SAP FOR TELECOMMUNICATIONS

Tough economic conditions get tougher when your customers don't pay you on time. You need a complete picture of your customers so you can eliminate risk. The SAP for Telecommunications solution portfolio helps you take control of the situation. You can take early action against defaulters, reducing risk and decreasing days sales outstanding and bad debt.

Telecommunications companies are investing a great deal of time and money into becoming more customer centric. They are going all out to attract new customers while bending over backward to accommodate the wishes of existing ones. But in the ongoing quest for top-line growth, you can't afford to neglect an equally important factor – profitability. Many companies today give less credence to top-line growth than they used to. What counts now is the bottom line. You need to fully utilize all avenues for turning revenue into profit.

At face value, each customer or potential customer is a positive for your business, but only if you can count on each one of these customers generating revenue. You need them to pay their bills. The SAP® Customer Financials Management for Telecommunications package helps you handle the credit management and collections processes so you can turn revenue into profit.

Classify Customers by Species

To reach this goal, you need to go beyond the one-size-fits-all approach. SAP Customer Financials Management for Telecommunications shows you the whole picture of credit and collections management, so you can mitigate the risk of uncollectible revenue. With the SAP Credit Management application, you can make a comprehensive assessment of potential, new, and existing customers through credit scoring. With this information, you can decide up front on the terms and conditions that you want to offer a customer. You also have the necessary information that dynamically drives collections for your customers.

Credit Scoring and Segmentation

Sophisticated credit scoring provides the necessary information for risk-based segmentation of your customers. This type of segmentation is the prerequisite for a differentiated approach that continues throughout the customer life cycle, starting in contract and order management and going beyond collections.

But credit scoring is only as good as the information it is based on. To ensure valid data, the SAP Credit Management application integrates with virtually any data source, including the following:

- **Data from external credit bureaus**
SAP Credit Management offers an open interface, so you can incorporate data from external credit bureaus and rating agencies. The application provides out-of-the-box integration with a number of leading agencies.
- **Sociodemographic information**
You can assess such factors as address, income level, and profession for a view of your customers.
- **Financial and payment history**
Internal information plays a greater role in the assessment of existing customers. Combining a customer's payment history with external sources gives you the complete picture of a customer.
- **Negative and premium customer lists**
SAP Credit Management collates data that you maintain or share with other companies to build the scoring algorithms. With these algorithms you can determine which customers receive preferential treatment, are handled with caution, or are denied service.

A credit rules engine allows you to set up company-specific rules for calculating the internal score and risk class of a customer, taking into account any of the above-mentioned data. You can determine different limits for different services used by customers, such as fixed line or mobile. A central view of all data lets you treat each customer separately and as a complete entity across department borders.

Credit Eventing

If you have a large customer base – typical for telecommunications companies – it's impossible to manually intervene in every situation. You have to automate to increase efficiency. SAP Credit Management is powerful enough to handle large volumes of data, and it alerts you to take action only in exceptional situations.

Flexible and Powerful Collections Management

Credit eventing provides the mechanism to dynamically adjust the collection strategy to a customer's current situation. You can take into account a multitude of out-of-the-box parameters along with your additional criteria to flexibly determine the actions to be taken in collections. This allows you to apply the best-suited approach for each individual customer.

You can set up as many strategies as you require, combining sequential or parallel treatment actions to achieve optimized business practices. SAP Customer Financials Management for Telecommunications controls internal collection activities and the work performed by external collection agencies and provides the infrastructure to progress in legal proceedings.

Collection activities range from fully automated tasks to semiautomated and manual activities. This includes issuing reminders, e-mails, short message services, or telephone (dialer) calls, triggering workflows and disconnections. At any time in the collections process, you can block an account for collections or add it to a specific work list.

SAP Customer Financials Management for Telecommunications gives your collection agents a single point of access to their daily work and equips them with all relevant information and the functions they need to carry out their tasks. They have a complete overview of the work assigned to them and the current work progress, which increases efficiency.

The credit and collections management applications mainly run in the background, but you have rapid manual access to all key data via a collection manager portal, so managers can assess a situation quickly and make immediate, informed decisions.

Integrated Analytics for Strategic Reporting

SAP Customer Financials Management for Telecommunications supplies analytics that cover an extensive area of information. You can monitor credit exposure and risk, run reports on the success of collections, compare collection strategies for champion-challenger evaluations, measure external collection agencies' performance, and analyze write-offs. You can then use this information to compare your company's performance against industry benchmarks to refine your scoring algorithms, adjust your collection strategies, or change policies.

Open and Integrated

Because SAP for Telecommunications solutions are powered by the SAP NetWeaver® platform, which unifies technology components into a single platform, you can easily integrate third-party systems. That means you can incorporate credit data from a wider variety of sources and work seamlessly with legal organizations and external collections agencies. By connecting front- and back-office processes, the necessary information is on hand to facilitate online credit checks during contract and order creation. You can also take advantage of interaction center functions to integrate telephony and customer interaction history. And assigning customers to categories of credit risk classes can be a most valuable source of information for marketing campaigns, allowing you to address only paying customers for up-selling initiatives.

Boost Your Bottom Line

SAP Customer Financials Management for Telecommunications provides the credit and collections management functions you need to perform ongoing assessment of your customers to determine flexible collections strategies and to take actions that assure a consistent revenue stream and maximize profit. The SAP Credit

Management application gives you a complete picture of your credit risk at any moment, and it enables you to flexibly respond to both the overall strategic situation, as well as the individual customer events.

SAP Customer Financials Management for Telecommunications helps you do the following:

- Make a comprehensive, ongoing assessment of the credit-worthiness of new and existing customers based on information from a variety of internal and external sources
- Treat your customers flexibly based on their creditworthiness, sociodemographic, and lifestyle data
- Cut costs and increase efficiency in credit and collections processes by automating routine tasks
- Lower risk by alerting you to problems before they escalate
- Improve customer relationships and retention by applying preventive measures
- Reduce write-offs by imposing stricter terms and conditions on customers with bad scores or avoiding doing business with them
- Increase your days sales outstanding and accelerate cash flow by using the most effective approach to get payment
- Achieve a fast ROI because the software seamlessly integrates with your existing infrastructure

Learn More

For more information about how SAP for Telecommunications can help reduce bad debt and increase revenues, visit us on the Web at www.sap.com.

Powered by SAP NetWeaver

SAP for Telecommunications solutions are powered by the SAP NetWeaver platform. SAP NetWeaver unifies technology components into a single platform, providing the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver also helps organizations align IT with their business. As the foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver allows organizations to compose and enhance business solutions rapidly to drive business change.

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