

[Objectives](#)

[Solution](#)

[Benefits](#)

[Quick Facts](#)

SAP Solution Brief | PUBLIC

SAP Billing and Revenue Innovation Management for the Private Cloud

# Accelerate Subscription Monetization to **Propel Your Business Forward**

THE BEST RUN



# Transform Your Business with Innovative Revenue Models

Win customers and grow market share with innovative monetization of products, services, and subscriptions. **SAP® Billing and Revenue Innovation Management** solutions for use in the private cloud provide comprehensive software that helps you quickly monetize products, services, and subscriptions (see the [figure](#)). In addition, SAP Billing and Revenue Innovation Management solutions offer native connections to SAP S/4HANA® Cloud, so you don't have to worry about managing integrations.







With these solutions, you can differentiate your subscription business by combining subscriptions, usage, one-time, bundles, and other models with multiple pricing and payment options. Your business can gain speed to market by automating relevant downstream billing processes when you create new offerings or update existing ones. In addition, comprehensive order-to-cash automation

that optimizes the customer experience, minimizes revenue leakage, and maintains financial compliance helps achieve accuracy and compliance. Invest in software that offers a broad range of monetization options, high-performance scalability, localization for multiple countries, and preintegrated modules that can be quickly implemented.

**Transform Your Business with Innovative Revenue Models**

**Figure: Accelerating Subscription Monetization with SAP Billing and Revenue Innovation Management Solutions**

**Transform Your Business with Innovative Revenue Models**

<p>Subscription order management component</p>  <p><b>Manage subscriptions with maximum flexibility</b></p>	<p>SAP Entitlement Management</p>  <p><b>Gain visibility into customer entitlement</b></p>	<p>SAP Convergent Mediation by DigitalRoute</p>  <p><b>Collect, verify, and enrich billing data</b></p>
<p>SAP Convergent Charging</p>  <p><b>Manage pricing and revenue-sharing</b></p>	<p>SAP Convergent Invoicing</p>  <p><b>Create accurate, easy-to-read invoices</b></p>	<p>SAP S/4HANA Cloud for contract accounting and invoicing, private edition</p>  <p><b>Automate high-volume receivables</b></p>

# Manage Subscriptions with Maximum Flexibility

The **subscription order management component** available in SAP Billing and Revenue Innovation Management offers comprehensive management of the subscription lifecycle with maximum flexibility in monetizing subscriptions, usage, and revenue-sharing models.

Use the subscription order management component to:

- Create subscription-based products with flexible rate plans that can include recurring, one-time, and pay-per-use fees
- Manage the subscription lifecycle including contract renewals, upgrades, extensions, and cancellations
- Support real-time changes by customers in which adding, modifying, removing, or switching products are immediately updated in billing

- Select from unlimited pricing models, such as fixed amount, block price, tiered or volume price, and percentage-based price
- Offer different payment options, such as in-advance, in-arrears, installment, and buy now, pay later
- Calculate charges, credits, and discounts in near-real time
- Gain a comprehensive view of customer activities, interactions, and contract histories with a detailed audit trail
- Create bundled offerings that combine physical products, online services, project hours, on-site services, and subscriptions with orchestrated fulfillment

**95%** Reduction in time to market<sup>1</sup>

## Manage Subscriptions with Maximum Flexibility

Gain Visibility into Customer Entitlement

Collect, Enrich, and Verify Billing Data

Manage Pricing and Revenue Sharing

Create Accurate, Easy-to-Read Invoices

Automate High-Volume Receivables

1. SAP performance benchmarking

# Gain **Visibility** into Customer Entitlement

The **SAP Entitlement Management** solution makes it easier for your business to manage what customers have bought and are entitled to access or use.

Use SAP Entitlement Management to:

- Centrally manage various types of entitlement to be tracked throughout the customer lifecycle, including subscriptions, licenses, services, training, and warranties
- Prevent revenue leakage with an up-to-date central ledger of customer entitlements and a comprehensive audit trail of changes
- Increase business agility by centrally managing business rules to support up-sell, renewal, and upgrade scenarios

- Reduce operational costs and exceptions by automating downstream processes that orchestrate provisioning and fulfillment based on user entitlements
- Increase customer lifetime value by proactively responding to entitlement usage insights
- Empower business users by enabling self-service scenarios and custom views for sales, support, and customers with API integrations
- Enforce complex entitlements by managing interdependencies among entitlements

**99%** Reduction in revenue leakage<sup>2</sup>

Manage Subscriptions with Maximum Flexibility

## **Gain Visibility into Customer Entitlement**

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# Collect, Enrich, and Verify Billing Data

Help ensure customers are billed accurately and timely on subscription plans that require data from external systems with the **SAP Convergent Mediation solution by DigitalRoute**.

Billing of usage- and outcome-based plans typically requires data to be collected from multiple systems. SAP Convergent Mediation can collect data without the need to make any changes in the originating system, including third-party and legacy systems.

To make the data usable for billing, SAP Convergent Mediation can automatically enrich, aggregate, correlate, and split data. The solution can also verify data quality by applying error-detection rules, removing duplicates, and correcting data for accurate billing.

With automated data collection, enrichment, and verification, you can quickly launch new subscription plans while preventing revenue leakage. As your business grows, SAP Convergent Mediation provides the scalability to handle the highest volumes of data in real time.

Manage Subscriptions with Maximum Flexibility

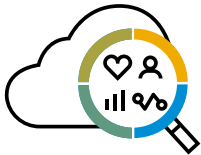
Gain Visibility into Customer Entitlement

## **Collect, Enrich, and Verify Billing Data**

Manage Pricing and Revenue Sharing

Create Accurate, Easy-to-Read Invoices

Automate High-Volume Receivables



Get customer usage data to the **right place, in the right format, and at the right time** for accurate billing.

# Manage Pricing and Revenue Sharing

Define and apply the right prices to products and services using the high-performance capabilities of the **SAP Convergent Charging** solution.

With the solution, you can:

- Enable business users to design and maintain complex pricing logic that can include usage-based, recurring, and nonrecurring fees in addition to prices based on time, volume, or zones
- Simulate pricing and profit scenarios to optimize price structures and strategies
- Support billing that can be done in advance, in arrears, or a combination of both
- Calculate usage fees and subscription charges in real time or in batch mode with the scalability to handle high volumes of customers and transactions

- Develop partner revenue-sharing models with automatic calculation and tracking of revenue-share amounts
- Track and manage account balances in real time across single or multiple accounts or contracts
- Offer spending controls to customers on a per-service basis
- Identify revenue leakage by tracking and analyzing data that is transferred from charging to billing

**40%** Faster business model innovation with greater flexibility for introducing new offers<sup>3</sup>

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Create Accurate, Easy-to-Read Invoices

Automate High-Volume Receivables

# Create Accurate, **Easy-to-Read** Invoices

The **SAP Convergent Invoicing** package helps automate billing and invoicing by consolidating information from multiple sources to create accurate invoices for customers.

Use SAP Convergent Invoicing to:

- Combine and aggregate data from multiple sources, including third-party systems, into a single billing stream
- Support one-time, recurring, and usage-based charges that can be billed in advance, in arrears, or a combination of both

- Create unified, easy-to-read invoices for customers and revenue-share statements for partners with relevant details included
- Offer invoice-level discounting based on an amount, percentage, or rules
- Handle high volumes of transactions, customers, and invoices with error correction and reversal processes to handle outages
- Manage billing cycles with the ability to create on-demand and preliminary invoices

**25%** Reduction in customer support calls with simplified, transparent invoicing<sup>4</sup>

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**Create Accurate, Easy-to-Read Invoices**

Automate High-Volume Receivables



# Automate High-Volume Receivables

The private edition of SAP S/4HANA Cloud for contract accounting and invoicing can be used when you have very large numbers of customers, transactions, or invoices that require high throughput and automation.

With the application, you can:

- Process large numbers of invoices with automatic general ledger posting, payment processing, and printing of customer correspondences
- Automatically manage activities around open receivables, including dunning, collections, interest calculation, and payment plans
- Use subledger accounting to manage large numbers of business partners with automatic revenue-share calculation and settlement using accounts payable in SAP S/4HANA Cloud

- Manage customer disputes with integration into the SAP Collections and Dispute Management application
- Automate revenue recognition and compliance by natively integrating with revenue accounting capabilities in SAP S/4HANA Cloud

Additional SAP offerings commonly used to automate receivables for subscriptions include:

- **SAP digital payments add-on** for payment card industry-compliant connections to payment gateways and e-wallet technologies
- **SAP Cash Application** software for increasing invoice-to-payment clearing rates using machine learning

**27%** Lower days sales outstanding<sup>5</sup>

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# Realize the Benefits of Accelerated Monetization

SAP Billing and Revenue Innovation Management provides a modular suite of solutions that can help you quickly and easily monetize products and services. With these solutions, you can:

- Offer any combination of subscription, usage, or outcome-based plans using unlimited pricing and flexible payment options
- Create innovative bundles of products, services, and subscriptions to increase customer stickiness and differentiate from competitors
- Rapidly respond to market changes by automating downstream processes, such as usage data collection, fulfillment, and contract management

- Create partner revenue-share models with automated revenue-share calculation, tracking, and settlement
- Unify the order-to-cash process across offerings to prevent revenue leakage and to deliver accurate and timely orders and bills to customers
- Give customers the flexibility to make any changes to their subscription plans with real-time updates to billing
- Maintain ongoing financial compliance with automated revenue recognition and reporting
- Invest in a scalable and modular platform in which preintegrated modules can be quickly implemented
- Manage growth and complexity with high-performance capabilities and scalability to manage millions of transactions

## Realize the Benefits of Accelerated Monetization



**Increase revenues and drive growth** by quickly monetizing new business models.

## Summary

SAP® Billing and Revenue Innovation Management solutions provide a comprehensive platform for monetizing products, services, and subscriptions that meet customer demands for flexibility, value, and personalization while staying ahead of market disruptions.

## Objectives

- Gain business agility by offering subscription, usage, and other recurring revenue models with unlimited pricing and flexible payment options and the ability to bundle products, services, and subscriptions
- Optimize customer experiences, minimize revenue leakage, and maintain compliance with order-to-cash automation
- Scale for growth and complexity with high-performance scalability, localization for multiple countries, and preintegrated modules

## Solution

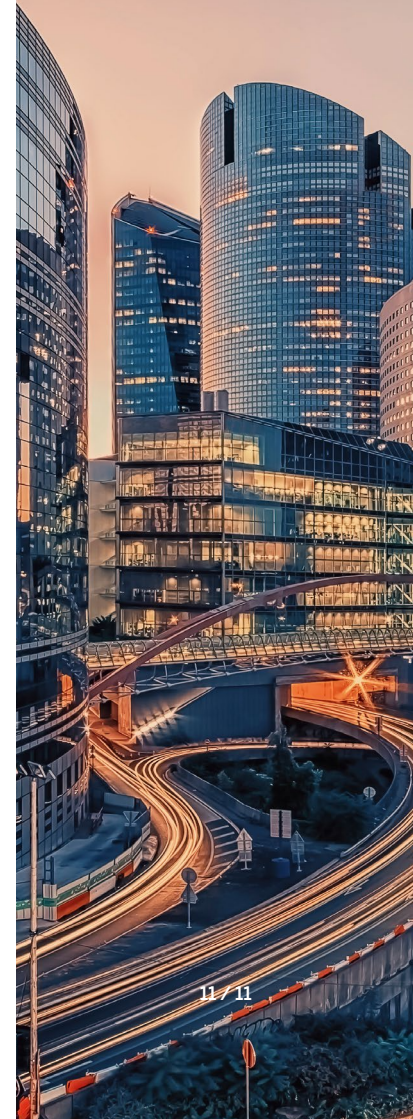
- Subscription order management component
- SAP Entitlement Management solution
- SAP Convergent Mediation solution by DigitalRoute
- SAP Convergent Charging solution
- SAP Convergent Invoicing package
- SAP S/4HANA® Cloud for contract accounting and invoicing, private edition

## Benefits

- Meet customer needs with a variety of subscription and recurring revenue models that can be updated anytime
- Gain operational efficiencies with comprehensive automation
- Create partner revenue-share models with automated settlement
- Maintain ongoing financial compliance with automated revenue accounting
- Manage growth with the scalability to manage millions of transactions

## Learn more

For more information, visit [www.sap.com/brim](http://www.sap.com/brim) or contact your SAP representative.



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