

CONVERGENT INVOICING

STREAMLINE THE INVOICING PROCESS – AND RETAIN CUSTOMERS

With the SAP® Convergent Invoicing package, you can consolidate multiple high-volume billing streams onto one invoice with a single accounting document for billing information. By generating one invoice including all charges across all provided services, you increase customer satisfaction and loyalty.



While diverse in their service offerings, industries such as telecommunications, media, high tech, and postal services share a common challenge. They must all address very large customer bases, with huge transactional usage volumes from various sources, in an increasingly competitive high-cost and low-margin environment. Many of these industries are facing fundamental shifts in customer usage patterns, profitability, and brand loyalty. To maintain competitive differentiation and increase average revenue per user, companies like yours are constantly seeking ways to identify their most profitable customers and offer the services they demand. This has led to such trends as service bundling, pay per use, and a dramatic increase in partnerships with third-party businesses to deliver a full range of integrated services.

Keeping pace with these trends, however, is often hindered by disparate heterogeneous system landscapes common in these industries. The fact is that many of the services in demand today involve complex relationships with multiple partners that these systems don't support – slowing your time to market and increasing the cost of new services. Ultimately, this leads to a costly proliferation of rating engines and customer invoices. This proliferation leads to heterogeneous financial streams, with inefficient dunning and collection strategy.

SAP® solutions can help. The SAP Convergent Invoicing package allows you to generate a single invoice for each customer for all products and services. Additionally, pertinent data is coordinated with accounts receivable for

up-to-date account management. You can even differentiate between your own claims and open third-party items to avoid confusion on who owns what.

Consolidating invoicing across multiple billing engines and tightly integrating invoicing with accounts receivable gives you a unified view of each customer, along with increased transparency to meet your financial regulatory obligations. Plus, you can improve your ability to bring new services to market at a cost that satisfies your customers.

Consolidate Your Billing Streams

SAP Convergent Invoicing enables you to pull information from several billing streams, and individually rated service events, from various rating or charging systems to consolidate the information into a single invoice. You can achieve a single view of the customer, with historical items stored in the contract accounts receivable and payable functionality of the SAP software. Examples of historical data include overdue open items, disputed charges, or payments made. You can include all of this information in the final invoice in an easy-to-understand format (see the figure).

The package also gives you the flexibility to group billing-stream data on an individual basis to meet customer or corporate requirements. Additionally, you can include recurring and non-recurring charges and billable items from other SAP solutions, such as SAP Convergent Charging and SAP Customer Relationship Management applications.

Ultimately, both you and your customers benefit. Your customers receive a single consolidated invoice. You get greater visibility into each customer account, which facilitates your efforts to deliver higher, more personalized levels of service. In addition, the software accommodates new billing and rating streams as you develop new services. This speeds your time to market by greatly simplifying an otherwise complex process.

Integrate with Receivables Management

During the actual invoicing run, the software automatically triggers the contract accounts receivable and payable functionality to coordinate information as required. For example, the software can

calculate interest, trigger dunning, and include the relevant information on the final invoice. The software also supports integrated posting of subledger 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. All information in accounts receivable is fully transparent and auditable – and this is the level of clarity you need in business today.

Manage Service Events on an Individual Level

When SAP Convergent Invoicing is integrated with SAP Convergent Charging, you can create and deploy flexible rating and charging schemes

relevant to your industry. Usage transactions from SAP Convergent Charging flow into the billable-item management functionalities of SAP Convergent Invoicing for billing and invoicing.

SAP Convergent Invoicing includes advanced functionality supporting multiple types of billable items from rated or raw events (billing detail records, content usage) to billable events triggered by service requests or contract changes. You can fully manage individually priced service events on a specific usage transaction level. This includes deep flexibility for the grouping of related transactions or special treatment of specific usage types. You can thereby leverage the benefits of convergence on the most detailed level. This gives you even more

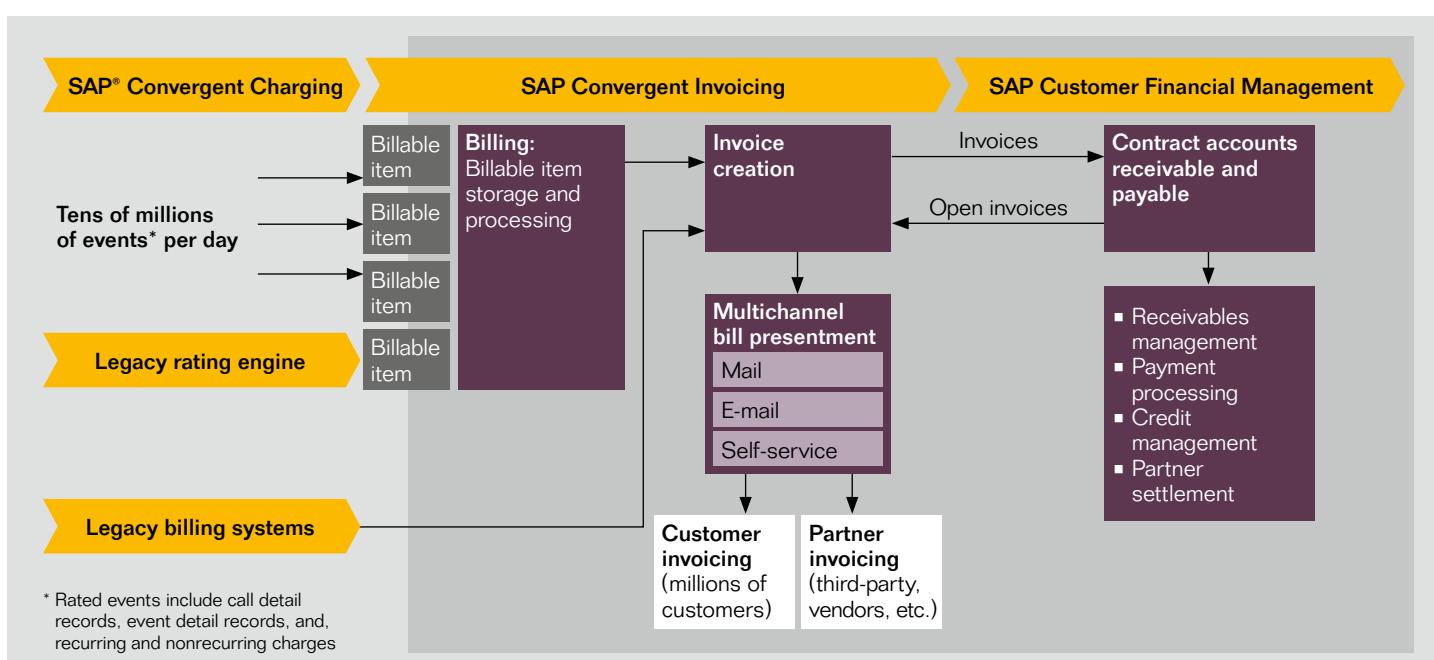


Figure: Supporting the Consume-to-Cash Process from Rating Through Collections

flexibility to provide your customers and partners, as well as your internal finance team, with the services and the information they require.

Manage Third-Party Charges

To accommodate partnerships with third-party organizations and ramp up new services efficiently, you need flexible billing functions that can integrate charges for third-party services. With SAP Convergent Invoicing, you can clearly delineate 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 belonging to a specific third-party provider are only distributed to that provider if the end customer has actually paid the corresponding charges.

Support Invoice-Level Discount Programs

Discounting is one of the primary methods your company can use to entice subscribers to adopt new services and retain loyal customers. Actually executing a discount program, however, can be daunting, especially when you operate in a complex, disaggregated invoicing environment that limits your visibility into customer activity and charges. SAP Convergent Invoicing makes it easier to initiate and manage the details associated with running discount programs with functions that allow you to define flexible rules that automatically trigger discounts. 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. All discount information is fully accounted for in the software, using the contract accounts receivable and payable functionality, and appears on the final customer invoice.

Streamline All Invoicing Tasks

SAP Convergent Invoicing also helps you streamline all tasks typically associated with the invoicing process – increasing your efficiency and saving you money. Consider the following:

- You can significantly reduce the time required to run invoices using mass processing functions.
- You can generate invoices in paper or electronic form and deliver them via mail or e-mail. You can also send copies of invoices to additional recipients as needed.
- You can increase overall efficiency and customer visibility by taking advantage of integration with high-volume account receivable and payables as well as collection and dispute management.
- You can create informal invoices that serve as the basis for distinguishing between charges attributed to your company and your partners.
- You can reverse individual invoices or entire invoice runs as circumstances demand.
- You can support multiple languages and currencies within one instance of SAP Convergent Invoicing.

The Benefits of Convergence

Fragmented invoicing leads to a fragmented view of the customer – as well as an incomplete view of your business.

SAP Convergent Invoicing helps address these issues. You can:

- **Accelerate your time to market** – Add new services and the corresponding rating engines without adversely affecting the creation of invoices.
- **Reduce operational costs** – Reduce administrative overhead by minimizing the overall number of invoices you need to generate and cut costs by centralizing your invoicing function.
- **Increase customer satisfaction** – Achieve a single view of the customer. When customers call with billing questions, your agents have all the information they need at their fingertips. The software supports high-volume invoicing at the aggregation level while maintaining the ability to drill down into an individual usage event to facilitate customer care transactions.

As a modular element of your end-to-end process from usage rating through collections and financial customer care, SAP Convergent Invoicing ultimately delivers a competitive advantage. You can better align collection strategies. You can introduce new services in a way that minimizes time and resources. And because of its modular architecture and integration with existing SAP solutions, the software can be implemented quickly without disrupting the core billing systems that represent the revenue engine of your business.

Find Out More

Want to learn more about how SAP Convergent Invoicing can help you address the challenges of high-volume invoicing? Contact your SAP representative today, or visit us at www.sap.com.

QUICK FACTS

www.sap.com/contactsap

Summary

The SAP® Convergent Invoicing package allows companies to achieve a single view of the customer by centralizing and consolidating multiple, high-volume billing streams. The software then generates easy-to-understand invoices for customers that include an overview of all charges across all provided services. SAP Convergent Invoicing is a modular component of SAP solutions supporting the consume-to-cash process, addressing rating and charging through to collections.

Business Challenges

- Very large customer bases, with huge transactional usage volumes from various sources
- A competitive high-cost and low-margin environment
- Fundamental shifts in customer usage patterns, profitability, and brand loyalty
- The need to maintain competitive differentiation and increase average revenue per user

Key Features

- **Mass processing functions** – Reduce the time required to run high volumes of invoices
- **Invoices in paper or electronic form** – Deliver invoices via mail or e-mail with copies to additional recipients as needed
- **Integration with high-volume accounts receivable and payable as well as collections and dispute management** – Increase overall efficiency and customer visibility
- **A single instance for multiple clients, languages, and currencies** – Support global operations with versatile, flexible software

Business Benefits

- **Handle extremely high transaction volume** by aggregating invoicing and accounting while maintaining the ability to drill down into an individual usage event to facilitate customer care
- **Accelerate time to market** by adding new services and corresponding rating engines without adversely affecting the creation of invoices
- **Reduce operational costs** by minimizing the overall number of invoices and centralizing your invoicing function
- **Increase customer satisfaction** by clearly displaying all charges on a single, easy-to-understand invoice, and by giving your customer care agents all the billing information they need to better manage discounting details

For More Information

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

50 099 601 (10/04)

©2010 SAP AG. All rights reserved.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, Clear Enterprise, SAP BusinessObjects Explorer, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP France in the United States and in other countries.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.