



Modernizing Traditional Services

*Revenue monetization of
services for digital channels*

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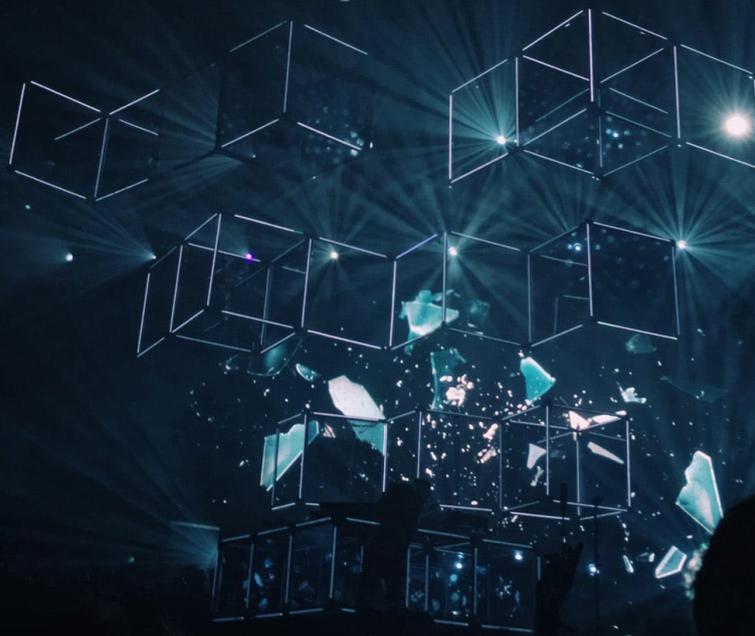
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Executive Summary



People should always be at the heart of digital transformation.¹ The core of digital transformation is implementing changes that will add value for customers in an online or mobile first world.

Digital transformation has been a trend for several years, but the most recent global COVID-19 pandemic has accelerated this trend exponentially. These changes became a top priority for businesses to survive.

Businesses should take advantage of technologies to leverage their processes and provide value to their customers. In fact, customers expect businesses to embrace digital innovation and make products, services, invoices, payments, and usage information accessible via digital channels.

The transformation to digital technologies can be complex and should be thoroughly planned. For new digital only companies, integrating technologies is

simpler. For more established companies, it can be harder to transition from traditional to digital processes. In particular, transitioning how revenue is monetized for traditional products and services into digital channels can be confusing and challenging.

Making products and services available digitally reduces customer friction and increases customer engagement. Changing customer demands can be addressed more effectively. Relationships with customers, especially existing ones, can become stronger, thereby reducing customer churn. There are signs that indicate a need to modernize services in order to improve customer engagement, including: loss of business, outdated technology, and lack of information sharing.

This white paper will discuss how modernizing customer processes in billing can help improve profitability.

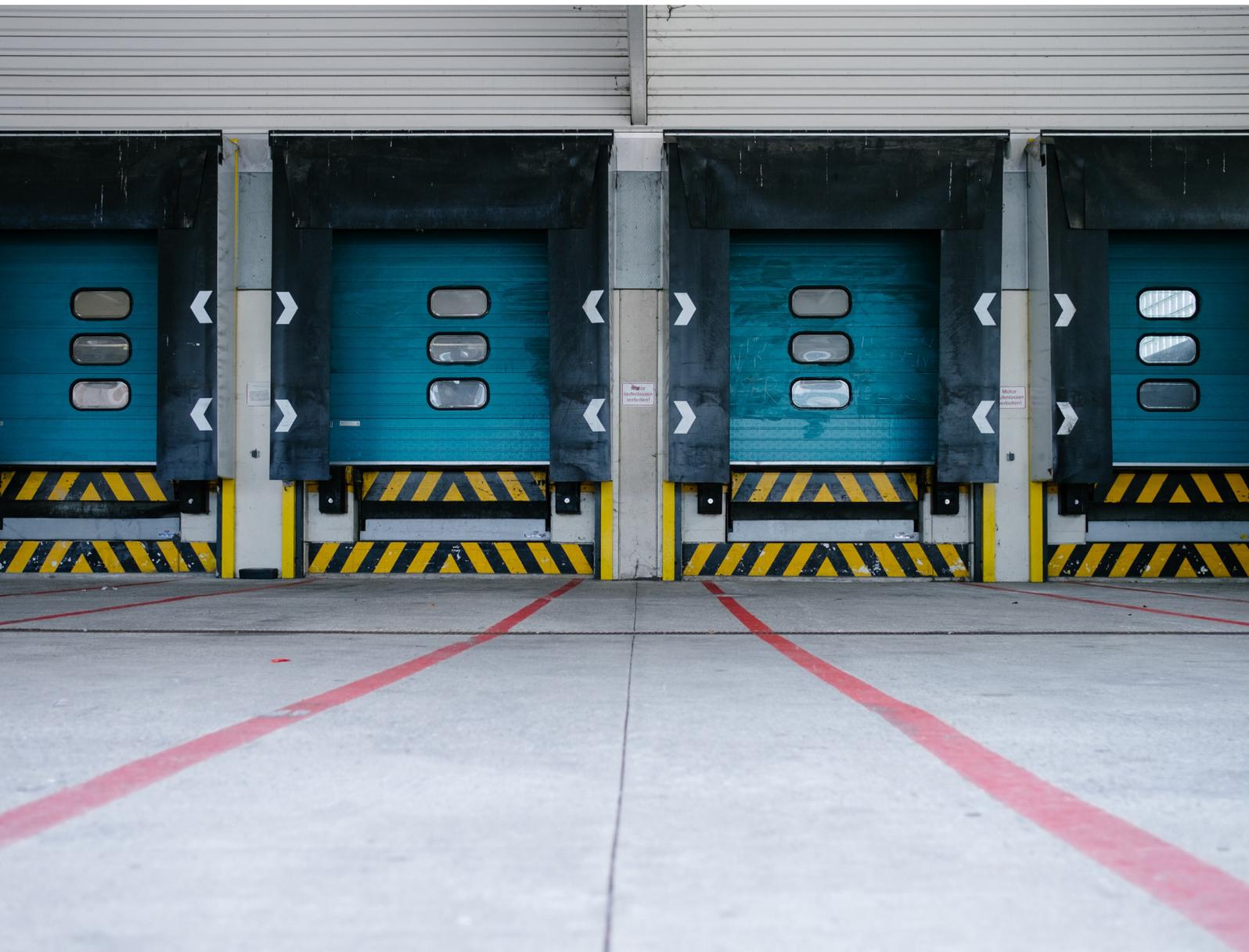
¹ McCann, K. (2019, October 19). Why customer centricity is key to digital transformation. B2B Marketing. Retrieved from <https://www.b2bmarketing.net/en-gb/resources/blog/why-customer-centricity-key-digital-transformation-0>

Company Background

The firm is a global organization with a long-established presence of over 100 years of history in the secure logistics industry. As a B2B provider they offer services in cash management, security solutions, and payment services. They have a diverse portfolio and offer their customers a highly variable mix of services resulting in a complex billing process.

Many industries that they serve have strict process controls and formal regulation on the handling of goods, such as cash, gold, fine art, and restricted medical or environmental substances.

For the purposes of this white paper, the company will be referred to as Legion.





Problem

Operating for more than a century as a business is an achievement. It means successfully creating a sustainable product or service and adapting to fit modern demands. Legion has experienced an evolution in their products and services.

As part of the secure logistics industry, they have a highly variable mix of services. Their services are complex as each country they operate in has different requirements, regulations, trends, and currencies. Complex services result in complex billing processes. Moreover, customer contracts were intended to be standardized, but quite often were customized by sales reps for individual customers.

Legion's billing process was outdated and employed tools such as spreadsheets and manual calculations pulled from individual contract terms. This posed some challenges:

1

Charging mistakes

Extracting manual calculations into spreadsheets from unique contracts led to charging mistakes. Some clients were overcharged while others were undercharged. This negatively affected customer satisfaction and employee morale as it increased interaction times with customers to discuss services and fees, and time reviewing invoices for accuracy. This led to unknown profitability per customer and affected the bottom line negatively.

2

Increasing operational costs

The sales organization demanded flexibility to customize contracts for each customer's unique needs. This led to a manual billing process for most customers. Charging mistakes from manual calculations increased labour costs to resolve problems and correct invoices. Legion added labour to fix these tedious errors which resulted in higher operating costs.

3

Reduced customer satisfaction

Customer experience is affected negatively as customers are not receiving accurate quotes for services and Legion is unable to provide flexibility in product customization, price plans, invoicing and more. Customizing contracts was an over-compensation to win immediate business, but ultimately led to customer dis-satisfaction during operations as Legion found it difficult to update price plans or add new services.

4

Lost business

Using outdated tools and manual processes adversely affected the company's revenue growth and customer experience. It was difficult to make changes (such as new products, new services and different price plans) to their billing system such that sales teams could not produce quotes with the flexibility and speed required to win business. Legion was losing clients to competitors.

Solution

Legion undertook an investigation to replace their billing system. Modernizing Legion's billing system would simplify processes and optimize their operations. A modern and advanced billing system helps to improve customer service and enable revenue growth.

Upon a referral from Gartner, a leading research analyst firm and after reviewing over 30 other billing systems, Legion selected Omniware's Dynamics Billing for its ability to manage advanced billing scenarios and invoice distribution.

Employing a modern billing system can simplify the business process and help develop new revenue models, improve customer service, and improve stakeholder satisfaction. Furthermore, it can help reap the following benefits:

Accurate billing



The new billing system was able to codify unique customer contract terms. A modern system automates the billing process and helps issue more accurate bills. Accurate information satisfies customers and the company experiences an overall increase in revenue.

Efficient billing operations



Automating the billing system removes the need for manual calculations, resulting in less errors and more accurate quotes and invoices. Legion was able to leverage the advanced pricing structure in Dynamics Billing to codify contract terms. Leading to less resources invested in fixing billing errors. Customers receive bills that are more accurate and spend less time interacting with Legion to correct mistakes. Accurate billing improves customers' perception of the quality of Legion's services.

Automation optimizes billing operations. New products, services, and changes to price plans can be implemented faster. It can reflect complex billing, such as those in customers' corporate contracts while also accommodating customers' local needs. For example, Legion's products and services vary across countries. With a new system, they can standardize their billing system globally. Additionally, they can accommodate different customer requirements and varied sales growth.

Optimize / consolidate information for advanced billing

The company manages a large portfolio of products and services. Moreover, pricing was customized for each customer which makes the billing process complex. A modern and advanced system supports the mixing of services and includes personalized offers, pricing, and discounts.



For example, a national retail company, Company A, has a corporate wide contract with Legion for secure logistics. Moreover, local branches of Company A need specific products to transport their goods that are not provided by other Company A locations. Other specifications that add to the complexity of the contract include: different products and services, varied scheduling (for secure logistics), and real-time, on-demand service. With a flexible solution, complex variables can be accounted for and contracts can be fulfilled accurately.

With a new flexible system that supports the mixing of services, sales teams produce quotes easier and customers receive customized information faster. As response times reduce, customer engagement improves and satisfaction increases. Other business functions can use the relevant billing data effectively. For example, marketing teams can develop product and pricing scenarios freely.

Improve customer engagement



With an enhanced billing system, managing customers becomes easier. New and existing customers can benefit from new products, services, plans, contracts and more. Enhanced invoices can provide new insights. The new billing system allowed Legion to enable self-serve capability for customers. The new system enables customers access via digital channels to the selection of products and services, invoices, consumption, online payments and payment history. The features allow customers to answer inquiries accurately and quickly. With information consolidated in one system, customer service interactions are better addressed. The customer service department can spend less time addressing billing errors and more time supporting customers.



Conclusion

Modernizing the billing system can optimize customer operations as it leads to a reduction in manual work and a decrease in errors. Embracing digitization and implementing a modern system can help streamline operations and make work more efficient. A modern billing system enables new revenue models as Legion can better analyze customer behaviour and accommodate new product and service combinations. Customers benefit from less errors, receive more timely quotes and pricing updates, and price plans are more aligned with their needs. The features of a new system can also empower various business functions. Employees have an easier time as information is consolidated and automation decreases errors. Automating information simplifies the service for all stakeholders.



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