SAP Solution Brief | PUBLIC
SAP solutions for quote-to-cash management for S/4HANA Cloud, public edition

Accelerate Subscription Monetization to Take Your Business to the Next Level

THE BEST RUN **SAP**

Grow Your Business with Innovative Revenue Models

Win customers and grow market share with innovative monetization of products, services, and subscriptions. **SAP® solutions for quote-to-cash management** provide comprehensive software that helps you quickly monetize products, services, and subscriptions (see the **figure**). In addition, you get native connections to SAP S/4HANA® Cloud, public edition, so you don't have to worry about managing integrations.

Grow Your Business with Innovative Revenue Models

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.

Figure: Accelerating Subscription Monetization with SAP solutions for quote-to-cash management

Grow Your Business with Innovative Revenue Models

SAP Subscription Billing

Manage your subscription business

SAP Entitlement Management

Gain visibility into customer entitlement

SAP Convergent Mediation by DigitalRoute

Collect, enrich, and verify billing data

SAP S/4HANA Cloud for contract accounting and invoicing, public edition

Automate accounts receivable and partner settlements

Manage Your Subscription Business

Quickly launch subscription and usage-based offerings with the **SAP Subscription Billing solution**.

Use SAP Subscription Billing to:
- Create subscription-based products with flexible rate plans that can include recurring, one-time, and pay-per-use fees
- Define minimum subscription contract terms with the ability to offer "freemium" or trial subscriptions
- 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 a wide variety of 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
- Create personalized bundles by combining physical products, online services, project hours, and subscriptions into a single offer
- Gain a comprehensive view of customer activities, interactions, and contract histories with a detailed audit trail

95% Reduction in time to market[1]

Manage Your Subscription Business

Gain Visibility into Customer Entitlement

Collect, Enrich, and Verify Billing Data

Automate Receivables and Partner Settlements

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[2]

Manage Your Subscription Business

Gain Visibility into Customer Entitlement

Collect, Enrich, and Verify Billing Data

Automate Receivables and Partner Settlements

2. SAP performance benchmarking

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 Your Subscription Business

Gain Visibility into Customer Entitlement

Collect, Enrich, and Verify Billing Data

Automate Receivables and Partner Settlements

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

Automate Receivables and
Partner Settlements

You can use either the standard accounts receivable functionality in SAP S/4HANA Cloud or the public edition of SAP S/4HANA Cloud for contract accounting and invoicing to support subledger accounts receivable for processing high volumes of customer invoices and partner settlements.

With the public edition of SAP S/4HANA Cloud for contract accounting and invoicing, you can:
• Unify billing data from multiple sources to create a single customer invoice and a single posting document in the appropriate subledger account
• Automatically calculate partner revenue share amounts and provide settlement through accounts payable in SAP S/4HANA Cloud
• Process large numbers of invoices with automatic general ledger posting, payment processing, and printing of customer correspondences

• Automate nonpayment activities, including dunning, collections, write-offs, and dispute management
• 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[3]

Manage Your Subscription Business

Gain Visibility into Customer Entitlement

Collect, Enrich, and Verify Billing Data

Automate Receivables and Partner Settlements

3. SAP performance benchmarking

Realize the Benefits of
Accelerated Monetization

SAP solutions for quote-to-cash management provide configurable suite of software-as-a-service (SaaS) applications to quickly monetize products and services. With these solutions, you can:

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

- Unify the order-to-cash process across offerings to prevent revenue leakage and to deliver accurate and timely orders and billing 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 modular platform that natively integrates with SAP S/4HANA Cloud using preintegrated modules that can be quickly implemented
- Get the benefits of a SaaS application with fast implementation and by staying up to date on the latest capabilities built into the platform

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

Summary

SAP® solutions for quote-to-cash management offer a comprehensive suite of software-as-a-service products to monetize 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 subscriptions, usage, and other recurring revenue models with flexible pricing and payment options and the ability to bundle products, services, and subscriptions
- Quickly respond to market changes, optimize customer experiences, minimize revenue leakage, and maintain compliance with extensive automation
- Scale for growth and complexity with high-performance scalability, localization for multiple countries, and preintegrated modules

Solution

- SAP Subscription Billing solution
- SAP Entitlement Management solution
- SAP Convergent Mediation solution by DigitalRoute
- SAP S/4HANA® Cloud for contract accounting and invoicing, public edition

Benefits

- Meet customer needs by offering a variety of subscription and recurring revenue models and bundles that can be updated anytime
- Rapidly respond to market changes with automated downstream processes such as usage data collection, fulfillment orchestration, and partner settlement
- Maintain ongoing financial compliance with automated revenue accounting
- Invest in a modular platform that can grow with your business

Learn more

For more information, visit **www.sap.com** or contact your SAP representative.

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