



**Generate new opportunities  
for monetization with SAP  
Hybris**

# INTRODUCTION

Customer engagement is key to success. Currently, organizations are exploring and investing in innovative strategies of action to engage customers and excel, while driving operational excellence. With these innovative business models, a new set of methodologies comes into picture for adaptation – how an organization can generate revenue, make installments and participate in revenue sharing. SAP Hybris Billing empowers you to be flexible and adapt to any technique you select that helps in delivering a superior customer experience toward the front end, while lucidly and effectively ensuring end to end ‘arrange to-money’ process successfully.

With SAP Hybris Billing, you get the complete agility and scalability to adapt to the change, thereby helping you advance your business to generate an impeccable customer experience, explore new revenue avenues and streamline your primary request to money process. It helps both B2B and B2C organizations in bringing clarity over the whole procedure – from the client management to acknowledgment of the revenue. This is accomplished through an adaptable, flexible and completely automated billing, invoicing and income management functionalities.

An overview of features of SAP Hybris Billing:

- Offers Order and Contract Lifecycle Management
- Provides Quote to cash capabilities
- Manages revenue or billing for subscription
- Easily integrates revenue with sales, service and marketing components
- Enables order orchestration

Simply stated, SAP Hybris Billing is a leading-edge public cloud platform, which can scale to manage any organization’s financial transactions through a user-friendly interface and addresses key aspects of billing, including dual or multi-sides revenue streams. One of the core financial areas where SAP Hybris finds applicability is Customer Lifetime Value (CLV), which is one of the critical metrics that can be tracked as part of a customer experience program. This blog throws light on the CLV concept, the challenges encountered by the companies in improving their CLV and how SAP Hybris mitigates these challenges for generating customer-centric value.

## Decoding CLV in SAP Hybris billing

CLV can be defined as the net present value of the future financial contributions from customers during their entire relationship with the company. It is to be noted that every customer will have a series of revenue events in the future that will impact financials. CLV-based segmentation model allows in predicting the most profitable group of customers.

## ROLE OF CLV IN IMPROVING CUSTOMER ACQUISITION:

- Target customers with a high CLV and low wallet share
- Segment CLV customers for selling additional services & products
- Helps companies to decide how much it is worth to retain an existing customer
- Increases revenue from customers by having long terms contracts and by cross/up-selling additional services & products

## HOW CLV CAN BE IMPROVED?

For an improved CLV, a comprehensive monetization platform is required that flexibly manages the recurring revenue business to take advantage of the bigger opportunity.

## TYPICAL CHALLENGES ENCOUNTERED IN IMPROVING THE CLV

- Long leads times in new product/service offerings launch
- Tracking usage for large volumes of data and providing this information to the customer
- Converting this usage data for actionable events like new offers and cross-selling
- Complex and manual file-based error-prone billing processes and systems
- Customer disputes due to inaccurate or large and complex invoices
- Reduced cash flow due to delays in invoicing
- Poor customer experience resulting in unhappy customers
- Inability to bundle products and services, and selling them based on usage by traditional ERP systems
- Difficulty to manage contract termination, activation, suspension, pro-ration and more
- Inability of the customer to use the product or service even though the contract was activated
- Revenue recognition issues for bundled products, pay per use and subscriptions
- Difficulty in partner revenue sharing and collaboration

### Overcome CLV challenges using Hybris Billing

SAP Convergent Invoicing (CI) and SAP Flexible Solution Billing (FSB) solution helps to automate and create customer-friendly invoices. Using this solution, large volumes of billable items can be handled using SAP CI, eliminating manual work.

Key takeaways accrued using SAP Hybris billing and its associated components are as follows:

- Improved cash flow & reduced DSO due to accurate and timely invoicing
- SAP Convergent Mediation (CM) that lets you track all usage as well as service activations
- Bundled product/service pricing and new offers with cross & up-sell using SAP CRM/CC
- Online ordering of products and services by leveraging SAP Hybris Commerce
- Accurate revenue accounting using SAP FICA sub-ledgers & SAP RAR for Sales bundling & subscription - Use SSB (Solution Sales Billing) without FICA.

Apart from the above takeaways, SAP Operational Process Intelligence provides a high-level overview of the SAP Hybris Billing process and in-depth insight into the details using KPIs. Also, you can resolve disputes and collections using SAP FSCM.

In a nutshell, SAP Hybris enables digital transformation to create new opportunities for monetization. Towards achieving this objective, Mobolutions, a leading SAP partner can help organizations in transforming their customer experience using SAP Hybris by following a rapid-deployment approach methodology that cuts costs and timelines by more than 50%, compared to conventional implementation methodology. To know more about our SAP Hybris expertise and how we can help you get started in this transformation journey, call us at <Enter phone number> or email us to [sales@mobolutions.com](mailto:sales@mobolutions.com)

# BENEFITS OF CUSTOMER LIFE TIME VALUE WITH HYBRIS BILLING

- Engage B2C and B2B customers with a consistent experience across all touchpoints resulting in happy customers.
- Acquire new customers with targeted subscription offers and boost average revenue per customer.
- Lower customer churn rate with the ability to view and make changes to existing subscriptions quickly.
- Improve customer retention by making the right offers at the right time and delightful CX
- Improve productivity and decrease costs by giving service agents a single view of customers' journeys to make efficient and effective service.
- Streamline receivables and payables processes and credit management processes  
Manage payments from many sources; including down payments, payment plans, etc.
- Reduce costs and complexity by using a single service control system for all the service delivery platforms
- Combine products, projects, subscriptions and usage services into a single quote and contract, and onto a single invoice, eliminating manual effort.
- Allows for revenue sharing and service fulfillment by Partners.

## SAP Hybris Billing Components

1. SAP Convergent Charging (CC): Configurable, highly-performant pricing engine which instantiates the customer-focused pricing and subscription models
2. SAP Subscription Order Management (SOM aka CRM): Configurable user front-end for customer & contract entry against configured pricing and subscription models. Uses catalog information from CC to enter data against S/4HANA's customer model
3. SAP Convergent Mediation (CM): Configurable, highly-performant mediation engine which streamlines the collection of customer consumption data for CC's pricing & charging processes
4. SAP Convergent Invoicing (CI): Consolidates billing info from different lines of business in a single, clear summary

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