

EXECUTIVE BRIEF

DRIVING DIGITAL TRANSFORMATION IN FINANCE TO INCREASE REVENUE

What is Digital Transformation?

Every month, businesses are leveraging technology in novel ways to raise the bar in the ways they engage with customers. It's the era of digital transformation – and it's rewriting the rules for companies seeking competitive advantage and growth.

For many companies – nearly three out of four, according to RecVue's research – digital transformation can mean new pricing models – for instance subscription- or consumption-based frameworks. Or it can mean creating new and innovative services and delivery options to meet continually rising customer expectations and demands for flexibility.

For CFOs, the sweet spot for digital transformation often arrives with a variety of recurring-revenue models that are increasingly popular with customers. But they also quickly realize that their legacy financial systems and spreadsheet processes are vastly overmatched by the complexity and volume of those new revenue models. As many as 80+ percent of companies have challenges such as revenue leakage, fragmented data, and manual processes and workarounds.

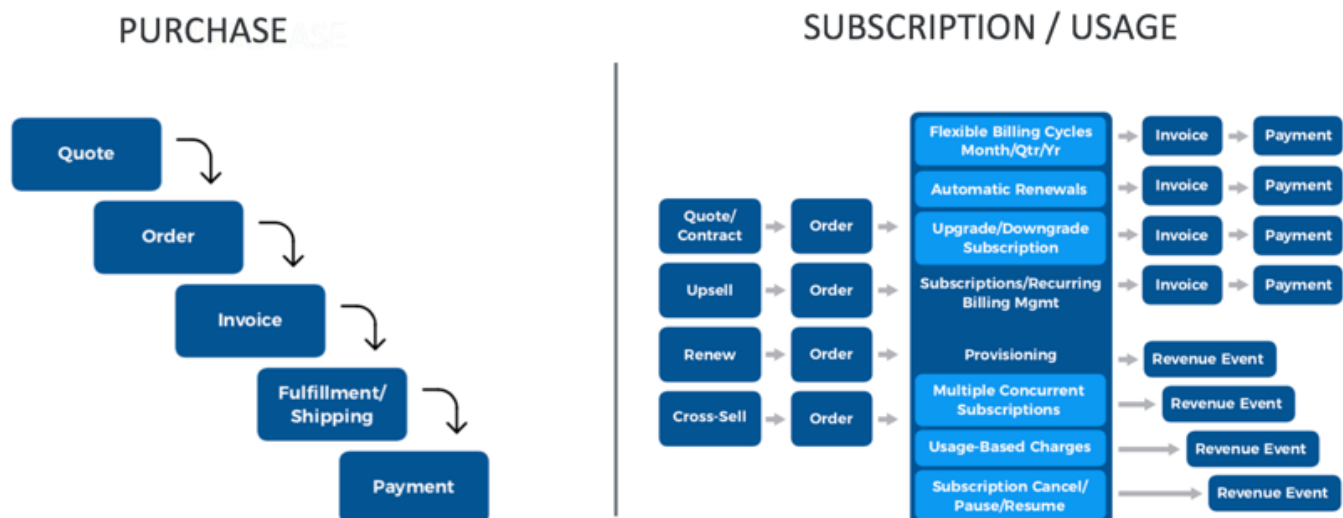
“

Digitalization is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business.

– Gartner, February 2019

Digital Transformation = Finance Complexity

When the new revenue models associated with digital transformation take shape, they bring an exponentially greater level of complexity. One only compare the billing cycles of traditional one-time purchases with subscription/usage-based revenue models to see why CFOs are under the gun.



Instead of the standard, steady flow of one-time transactions, recurring revenue models introduce a range of variables, exceptions, and adjustments that are time and data-intensive throughout the contract lifecycle: pause, restart, renew, adjust, upsell, cross-sell, upgrade/downgrade, and more. Some of the key challenges include:



HIGH GROWTH

Whether it's through mergers, acquisitions, or organic growth, companies are adding product lines, entering new markets, and creating new services at a rapid pace – all requiring a modern revenue-management infrastructure.



LEGACY AND CUSTOM SYSTEMS

These applications simply can't keep up with the pace and complexity of new contracts and billing relationships.



LACK OF AUTOMATION

If every contract must be managed manually – with all of its complexities and exceptions – finance quickly becomes the bottleneck.



DATA INTEGRATION

New revenue models often require consumption and usage data from other systems and sources.



SPREADSHEET HEADACHES

Relying on spreadsheets to process billing transactions inevitably leads to delays and errors.



VISIBILITY

Fragmented data prevents in-dept, timely analyses and forecasts.

The Shortcomings of Homegrown Systems

In many organizations, revenue and billing processes are driven by “homegrown” custom-developed systems. While the initial implementation of a homegrown system can be appealing, they present significant drawbacks:



HIGHER COSTS

Most custom-developed systems present a range of direct and indirect costs. The design and development costs are substantial as you configure/adjust business processes, build in security, and ensure compliance. Then there are technology licenses, integration issues, support and maintenance costs, and updates from vendors.



LENGTHY TIME-TO-MARKET

When you're creating innovative products and services and identifying high-potential markets, inflexible custom billing systems can hold your business back, resulting in lost opportunity and reduced market share.



GREATER COMPLIANCE COSTS (AND RISKS)

The ASC-606 revenue recognition framework creates additional hurdles for finance teams saddled with homegrown systems. Nearly 90 percent of all organizations face challenges in obtaining the required data for financial disclosures.



LIMITED SCALABILITY, LIMITED ANALYSES

Different decision-makers and different teams need different data from usage-collection systems, ERPs, order-management systems contract repositories – even spreadsheets. That makes it difficult to generate timely insights across the organization.

The Enterprise Billing & Recurring Revenue Platform for Growth

RecVue offers modern technology and a Big Data platform to support business growth. Bidirectionally integrating with ERP and front-end order-processing systems, **RecVue helps you achieve important benefits:**



Cut Costs

- Streamlined, automated processes
- Greater accuracy
- Faster invoicing



Mitigate Risks

- Detailed audit trail
- Fewer customer issues



Spur Business Agility

- Support new pricing models and bundles
- Easily adapt to new business models



Optimize Revenue

- Eliminate leakage
- Identify best practices
- Scale with your business



FINANCE GOALS

- ✓ Scale resources to meet business growth
- ✓ Manage millions of billable transactions
- ✓ Improve efficiencies across order-to-cash, revenue, and general accounting
- ✓ Gain real-time access to data at multiple levels: price/rate type, product, customer, contract
- ✓ Automate contracts to ensure billing reflects latest terms and conditions, such as CPI calculations
- ✓ Integrate usage data sources into billing engine
- ✓ Increase accuracy and timeliness of billing and invoicing
- ✓ Aggregate billing information in a single system to improve analysis and forecasting

About RecVue

RecVue is the fastest growing agile monetization platform that helps enterprises manage their innovative business models. We are the only platform that gives companies complete control over all aspects of their recurring revenue contracts at scale while maintaining the flexibility for monetization innovation and financial rigor for compliance. The result is increased revenue growth, faster time to market, and total visibility into all revenue streams. The future of monetization is with RecVue.

For more information, visit <http://www.recvue.com>.