RecVue Revenue Management

Automate Revenue Recognition

Automated application controls offering flexibility and scalability

RECVUE

The Most Advanced Billing, Revenue & Partner Compensation Platform

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Focus on your business's growth without worrying about compliance
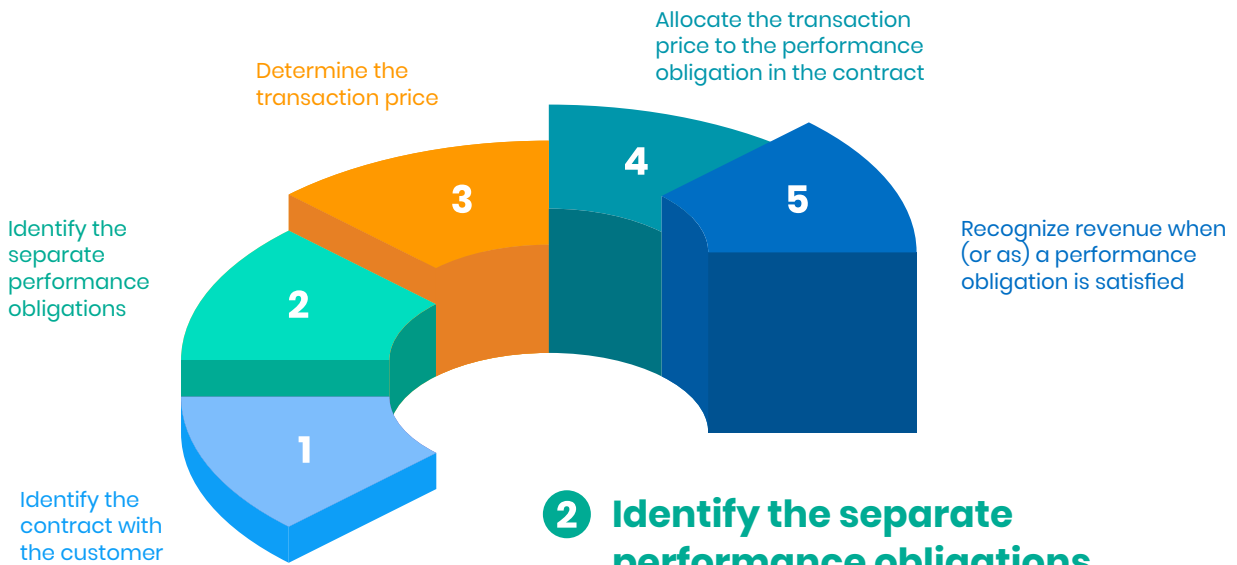
Why RecVue?

An <u>enterprise-grade cloud solution</u> designed to meet compliance, audit trail needs and security standards, incorporating data from multiple sources while efficiently managing and accurately reporting revenue

Offers the agility and flexibility to process high volumes, adapt to current and future business models and offerings, with capabilities to manage revenue recognition policies to optimize growth

Enables automated application controls through key features, purpose-built in alignment with ASC 606 / IFRS 15 standards

Ability to seamlessly integrate and automate revenue with billing and partner compensation processes that could impact how and when revenue is recognized

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Determine the
transaction price

Allocate the transaction
price to the performance
obligation in the contract

Identify the
separate
performance
obligations

Recognize revenue when
(or as) a performance
obligation is satisfied

Identify the
contract with
the customer

**We all understand that revenue
requirements add a significant burden
to day-to-day business. However, it all
comes back to the five steps.**

① Identify the contract with the customer

ERPs focus on individual orders and corresponding billing transactions, while revenue teams require visibility at a deal level on all obligations or commitments to the customers. Here's where RecVue comes in.

RecVue provides the following functions and features to automate contracts:

Grouping Rules: A configurable feature for customers to dynamically define how to define and group into a single revenue contract

- Groupings based on attributes related to the specific business models
- Time-based grouping (within a certain period)
- Adaptive to any business model

Contract Modification: An elaborate framework to manage modifications on a contract or portfolio basis while maintaining an audit trail

- Automated retrospective or prospective accounting treatment for contract modifications

② Identify the separate performance obligations

While visibility to the overall deal is important, clarity around various obligations or commitments towards the customer is also essential.

RecVue provides the following functions and features to drive this:

POB Definitions: Feature to capture the definition of various obligations related to the customer business models

- Automatic identification and creation of POBs in a revenue contract based on defined rules

De-bundling POBs (parent > child): Feature to de-bundle a parent POB to multiple child POBs

- Flexibility to apply changes to new and in-flight revenue contracts

③ Determine the transaction price

Transaction price needs to be adjusted for variable considerations (rebates, incentives, etc.).

RecVue provides the following functions and features to drive this:

Transaction price: RecVue populates transaction price, including amendments, automatically into the revenue contract lines while maintaining version control and audit trail.

- RecVue processes straight subscription-based or elastic consumption models with variable options such as minimum, maximum or tiered pricing complexities.

Variable consideration: RecVue can automate multiple variable considerations in a contract and adjust the transaction price accordingly, while providing visibility at a revenue contract line level

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4 Allocate the transaction price to the performance obligation in the contract

RecVue automates the transaction price allocation based on Standalone Selling Price (SSP).

RecVue provides the following functions and features to drive this:

SSP Definition: Feature to maintain and upload SSP with eligible stratification parameters.

- RecVue utilizes SSP within a range or residual SSP methodology.

SSP Based Allocation: Feature to automate the application of SSP definitions, auto-calculate the net allocated revenue and carve in/out amounts on each line of the contract.

5 Recognize revenue when (or as) a performance obligation is satisfied

RecVue provides an elaborate, event-managed framework to recognize revenue once obligations are satisfied.

RecVue provides the following functions and features to drive this:

Revenue Release Timing: RecVue provides the control to define the timing of revenue release based upon:

- Booking
- Billing
- Event-based
- Consumption

Revenue Recognition Method: RecVue automates the revenue recognition using point-in-time or over-time methodologies, configurable to:

- Daily recognition
- Equal period (monthly) recognition
- Percentage of completion recognition
- Custom schedules

Implementation Requires Speed, Ingenuity... And Choice

Any financial application implementation requires a conversion process of in-flight contracts and associated balances into the new application, followed by a validation process to confirm the balances from the conversion reconcile to the correct customer general ledger balances. This can be time-consuming and complicated.

Through the experience of implementing and working with many customers with different business needs, RecVue found offering multiple conversion strategies helpful to customers and offers the following choices:

- **Replication – Upload and reflect past activities and accounting exactly as in the legacy process**

- **Simulation – Apply past rules and simulate activities as has happened previously**

As another piece to the financial data conversion puzzle, RecVue provides the following:

- A **utility** to automate the conversion process by collecting only the most relevant and minimum historical data

These innovative conversion features ensure an easier process for faster - and higher percentage of - success in reconciliation. Individually, these features deliver modern solutions to address long-held implementation challenges.

Taken together, this combination is a true application differentiator that significantly reduces time to implement.

To learn more about RecVue's revenue automation, visit www.recvue.com or call 1-844-984-0300