

Prepared by



The
Monexa[™]
Billing Review:

6 Emerging Billing Trends

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INTRODUCTION

Identifying emerging market trends is among the best ways to develop business growth strategies because they reveal untapped opportunities. Identifying these trends help businesses map future business models and marketing initiatives, proactively identify future customer prospects, protect the business against possible threats, and adopt better ways to address customer demands. These market trends can include changes in customer needs and behaviors, business demographics, product features and pricing, technology, government regulations, economic conditions, social factors, and customer communications amongst others.

In recent years, changes in customer demands have led to new revenue models, and have pushed businesses to go-to-market in new and innovative ways. A result of these new revenue models has been an increase in operational complexity and the need to improve and re-structure many business processes. Billing systems and processes are often the most effected by these increases in complexity, and streamlining these areas are crucial to profitable organizational growth.

In this document we will examine the top trends in billing that impact business growth. Learn about the opportunities and challenges these trends present and help plan your business's response to these market changes with the right billing strategy.

1. PAPERLESS BILLING & INVOICING

Organizations of all sizes are considering the adoption of more efficient billing strategies to reduce capital expenditure and create more nimble business processes. Companies are beginning to appreciate the strategic value of going paperless for several reasons, including:

Cost-Savings: Paperless billing processes have helped businesses save millions on the cost of paper, printing and delivery. According to a recent study,¹ electronic and automated invoice processes can result in savings of 60-80% compared to traditional paper-based processing.

Convenience: Online billing and payment processes enable customers to access their information anytime, anywhere, and across many devices. This flexibility provides customers with the ability to view, review and reconcile their invoices at their convenience – and gives businesses a competitive edge.

Billing organization & management: Paperless billing also helps customers better organize their finances, payment schedules, and avoid unnecessary late fees through more streamlined financial management. It also eliminates the need for customers to manage and organize large stacks of paper, all of which helps enhance customer experience.

Environmentally friendly: Paperless billing has significant environmental benefits, including reducing paper waste and saving energy through reducing printing, transport, and delivery.

Paperless billing provides customers with the opportunity for effective, convenient, and streamlined payment processes that enhance customer satisfaction and increase retention while helping companies realize revenue faster.

TREND PREDICTION: An increasing number of businesses are adopting electronic billing and invoicing opportunities in order to drive customer retention, improve customer experience, and reduce costs related to paper billing.

¹ Striata Sponsored Billentis eBilling Report 2013

2. COST–SAVINGS FROM THE CLOUD

Cloud technology has been gaining widespread adoption across the globe in businesses of all sizes. As data security and privacy concerns are gradually being addressed through regulatory measures and compliance standards, businesses are embracing the cloud in order to drive cost savings and increase business agility. Specifically, the cloud offers organizations the ability to streamline their billing processes, thereby enhancing the overall customer experience while allowing on-site resources to focus on core product and service offerings.

In addition to cost savings, the cloud offers companies the ability to take their product to market quicker and more efficiently. For example, according to recent research,² over 65% of new product initiatives have been delayed or forced to narrow the scope of their programs due to inflexible outdated billing systems tied to legacy Enterprise Resource Planning.

Cloud-based billing solutions manage the complexity associated with the delivery of digital as well as non-digital services, and provide robust support for integration with a company's existing systems. As more companies focus on reducing costs, businesses are looking to leverage the economies of scale delivered through the adoption of cloud-based billing.

TREND PREDICTION: The need to increase business agility, along with cost-control measures, is playing a key role in the adoption of cloud-based solutions. The acceptance of cloud solutions is expected to see high growth in the coming years. The evolution of cloud and the growing demand for the automation of billing processes will bring further demand for cloud billing solutions.

² Andrew Dailey, "Agile Billing - The New Essential for Business Innovation", *Forbes*, March 18, 2013

3. CUSTOMER SELF-SERVICE

Web-based portals empower customers to get the most of the services they use by delivering operational convenience, choice, and access to support at any time. These portals provide an effective channel for businesses to collaborate with customers and support in designing services based on customer feedback, complaints, and enhancement requests.

The quality of service delivered to customers can be improved by incorporating web-based customer feedback via self-service portals in order to enhance billing methods. Furthermore, customers can access information about resource consumption, usage trends and projections whenever needed within the self-service portals.

These portals also enable faster service implementation while cutting down on cost associated with servicing customers. Finally, web-based portals help in keeping customers informed about service status and improve efficiency of service delivery.

TREND PREDICTION: Companies that offer customers the ability to track their usage trends via a self-service portal will have an important competitive advantage when compared to those that don't. Self-service portals also enhance accountability and transparency in the billing process, which helps drive down costs related to disputes and build customer loyalty.

4. AUTOMATED, REAL-TIME USAGE

Billing is rapidly moving from being a back-office function to a boardroom priority. In traditional on-premise billing systems, billing was part of a customer service or ERP system that was dominated by one-time billing plans. In contrast, real-time billing processes are being adapted to suit complex usage-based pricing models and provide granular information on consumption.

Real-time billing capabilities help companies uncover new revenue generation possibilities and enriching customer experience. With usage-based pricing models, real-time billing systems allow customers to compare usage to cost thereby enabling them to better manage their service usage. These consumption-based pricing models enable effective alignment between pricing and customer needs. More specifically, a cloud-based billing solution allows transparent rating and charging, management of large volume of usage data in real-time, and helps in automating the billing process. Overall, it allows the organizations to focus on streamlining billing processes and improving customer satisfaction levels.

TREND PREDICTION: Real time, multi-tenant billing systems are particularly important for organizations keen on automating their billing processes. As real-time usage capture helps avoid revenue leakage while increasing transparency and cost efficiency, companies that provide such detailed billing will capture significant market value in coming years.

5. ENTERPRISES RAPIDLY ADOPT RECURRING REVENUE MODELS

In the midst of intense competition, enterprises are seeking new revenue models to attract and retain customers, and gain a competitive advantage. For these reasons many enterprises are adopting recurring models for their business lines. Similar to their effect in the B2C space, these business models help foster stronger, deeper relationships with customers because they hold the enterprise accountable to their customers during each recurring billing cycle. These revenue models also help with business management because they provide predictable orders and large amount of data to help better understanding of customer spending patterns.

Overall, these recurring business models help the enterprise maintain predictable revenue streams, reduce customer acquisition costs, and increase profitability with higher customer retention rates. These business models are responsive, flexible, and scale to suit changing market demands. For these reasons these revenue models are particularly attractive to XaaS (“Anything-as-a-Service”) technology companies.

TREND PREDICTION: Recurring business models have already revolutionized B2C businesses and are now creating new opportunities for enterprise. The enterprise that are looking to adopt these models are also evaluating cloud-based billing solutions to help them bring their recurring business lines to market.

6. EXTENDING TECHNOLOGY INVESTMENTS

To compete successfully, businesses need a robust technology infrastructure. Likewise, an integrated approach to billing and payment processes is essential because of the interdependencies between service delivery channels, product planning, and customer support.

Integrating billing and payment solutions with mainstream financial systems, and Customer Relationship Management (CRM) systems, help streamline business processes. These integrations also enable customers to choose convenient payment options and access account information in real-time.

Companies that fail to integrate their existing technology investments with their billing platform risk providing customers with a poor experience while magnifying operational inefficiencies.

Billing solutions that can be easily integrated with systems such as accounting, payment support, revenue management, and customer management are becoming key features businesses are seeking in third-party billing vendors.

TREND PREDICTION: The ability of a billing system to integrate with existing technology investments will continue to be a key feature that companies are seeking.

ABOUT MONEXA:

Founded in 1998, Monexa Services Inc. helps organizations drive top and bottom line results through more innovative, timely, transparent and customer friendly billing solutions.

Monexa provides an agile, cloud-based billing management platform that lets our customers react quickly to market changes while reducing billing costs and complexity.

Transform your billing into a positive and innovative customer experience.

Get in touch with us at sales@monexa.com or call us at 1-877-604-7277.

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