BLULOGIX

MOVE BEYOND BILLING: TRANSFORM YOUR BUSINESS WITH MONETIZATION

FIXING A PROBLEM BEGINS WITH FULLY DEFINING THE PROBLEM YOU ARE TRYING TO SOLVE

If you are in the market for billing software, you know it's an environment full of different terminology used to describe related ideas. Billing. Invoicing. Subscription Management. Recurring Revenue Management. And, our personal favorite - Monetization. All this terminology confusion can make it difficult to sort through what vendors are trying to sell you and, more importantly, what a particular solution will deliver.

BILLING VERSUS MONETIZATION

The terms billing and monetization are both broadly used to describe the process of selling products and services and collecting associated revenue. And while terms are used interchangeably, billing and monetization have different meanings. It's important to understand the distinction between these terms to accurately diagnose potential billing issues and choose the right kind of solution for your business.

– **Billing is a business process while monetization is considered a business discipline**. If you are worried about being more efficient and want to get rid of manual processes, there are a myriad of options in the market to help you manage billing-related processes.

– **Billing focuses on the processes of collecting transactional debts**. If you are only worried about getting cash in the door faster, within the context of a simple transactional model, billing software might be all you need.

– **Billing is a core discipline of monetization - after all if you can't collect revenue for your product and services your business won't succeed.** But billing constitutes only one component of an overall monetization strategy and framework. There are many companies and solutions which are very good at billing. There are just a few who are good at enabling true strategic monetization that drives business growth.

– **Monetization seeks to go beyond billing to understand what drives customer value and turn organizational expertise into revenue - via product and service offerings**. If you regularly introduce new offerings, want the ability to respond to changing customer needs, or need scalability for a growing business, it might be best to consider a monetization platform that addresses your immediate billing requirements while at the same time creating a growth-focused business discipline.

Due to these fundamentally different contexts, solutions that promise only to address your billing automation and process needs won't create an optimum environment for monetization. This disconnect can lead to frustration and an underwhelming ROI if you select the wrong kind solution for your business or fail to consider the broader implications of the shifting digital economy.

YOU DON'T NEED BILLING. YOU NEED A MONETIZATION REVOLUTION.

"Fueled by the digital revolution, the very nature of competition is changing radically. Product innovation and growth opportunities are only bounded by the imagination. Once protected pools of profit are now at-risk."

- MGI Research

It's a rare B2B enterprise that hasn't been impacted in some manner by the digital economy.

– Businesses that historically sold physical goods and professional services have seen their inventory transformed into to a catalog of virtual offerings and their customer relationships dramatically realigned.

– New competitors, with new business models, have entered traditional markets and upended the usual way of doing business - think Uber, Lyft, Air BnB, IoT, etc.

– Customer expectations are shifting, and B2B buyers now demand the same pricing and packaging flexibility that they have come to expect as routine in their non-business purchasing.

– B2B selection and procurement process has shifted to business buyers, circumventing traditional IT-control and changing conventional selling processes.

– Growth expectations have changed, and the metrics of business success have shifted to consider things such as Monthly Recurring Revenue (MRR), Customer Acquisition Cost (CAC), Churn rates, Negative churn ratios, and LTV.

Move beyond billing.

Success in the digital economy requires organizations to move beyond traditional, outdated billing practices and software to develop a monetization mindset. Billing solutions that are transactionally focused don't adequately address complex business needs. In the digital economy, B2B revenue scenarios are diverse and dynamic. Sales strategies are shifting to include both direct sales and indirect channels. Customer expectations are evolving. Billing software can become an organizational bottleneck when it lacks the functionality to address these needs.

Embrace monetization.

Monetization consisting of both business practices and an appropriately architected technology platform – has the potential to create meaningful competitive differentiation, enable a business to respond effectively to dynamic market shifts, and drive new growth.

Focus on data.

Data is the common denominator in the digital economy and monetization. It's our conclusion from working with over 100 organizations, that most companies who believe that they have a billing problem, in fact, have an underlying data problem that's' preventing effective monetization of their products and services within the context of the digital economy. That's why the BLUIQ platform is architected from a data-centric mentality focused on connecting disparate information sources - within and outside the traditional billing realm, to automate complex billing scenarios, create new sources of insight from related data, uncover useful intelligence about what customers value, and drive growth from new offerings.

TOP 10 BUSINESS IMPACTS OF EMBRACING MONETIZATION

Shifting your business to embrace monetization is imperative for success in the digital economy. Companies that choose to ignore the market dynamics of the digital economy are at risk for losing revenue and churning customers. While the long-term outcomes of developing a monetization discipline are positive, there are short-term operational impacts to consider. The following list summarizes the ten most typical common organizational implications we have observed working with clients as they implement our BLUIQ platform and shift to a monetization focus.

1. **Cash Flow** — In response to competitive pressures and customer demand, revenue and pricing models may shift from larger single transactions to smaller recurring transactions. This evolution can introduce a dramatic impact on cash flow. Companies that have not previously used a recurring revenue model need to prepare for cash flow troughs and consider ways to mitigate the resulting challenges. New cash metrics and modeling need can help to simulate future cash flows and forecast operational impacts. For a deeper dive into this issue, read David Skoks's take.

2. **On-Demand Inventory Management** — Traditional methods of inventory management FIFO/LIFO simply don't apply to usage or consumption based monetization in the digital economy. Usage-based monetization requires inventory to be managed on-demand for both physical and virtual assets such as software licenses, serial numbers, etc. Companies pursuing a monetization strategy need to ensure they are prepared to support on-demand fulfillment and provisioning processes depending on the dynamic needs of their customers and the market.

3. **Order Automation** — The commerce realities of the digital economy and the virtualization of service offerings may require that upstream suppliers and vendors to play a vital role in order automation and fulfillment. Full order automation will necessitate integration with suppliers systems via API's or other data integration tools to monetize new offerings and enhance the customer relationship. In some cases, upstream vendors may wish for customers to use native provisioning and fulfillment portals while enabling the downstream agent to bill and invoice the customer directly. Regardless of the scenario, both the order activation and billing processes require careful planning and data-mapping to ensure success.

4. **Marketing & Product Development**—In the digital economy, monetization enables B2B "go-to-market" activities to become a source of competitive advantage and creates new opportunities to impact customer churn and loyalty. New pricing approaches, creative packaging of features, and alternative product configurations enable business customers to buy what they need when they need it - much as they have come to expect in their consumer purchasing experiences. Data-centric monetization approaches further enable intelligent go-to-market activities by using customer insight and usage data to create new offerings that the most likely to drive new revenue.

5. **Billing & Invoicing** — Legacy accounting and ERP solutions and first-generation SaaS Billing solutions are not equipped to handle the evolving needs of the digital economy. Revenue scenarios are continually increasing in complexity as new B2B business models emerge. Usage-based charges, bundled services, hybrid packaging of physical and virtual offerings, customer-level payment requirements, multi-vendor offerings, account hierarchies and more all combine to require a scalable technology platform that can adapt dynamically to immense complexity. Software that was architected to manage legacy invoicing, simple subscription billing, or first-generation recurring payments can't address the monetization complexity of current product offerings.

6. **People & Systems** — Embracing monetization requires internal process adjustment and significant change management. The organizations most likely to succeed typically designate a "Monetization Champion" to consider implications for accounting systems, sales quote to order processes, sales reporting tools, customer management, product development, IT and more. The change agent helps to clarify strategic and operational objectives, identify systems and technology impacts, and educate functional leaders. The monetization champion also acts as a touch point, managing external entities that enable process automation or data integration.

7. **Data Integration** — Traditional billing approaches focus on automation using data from within the organization. Because operational data is one-dimensional, there is limited opportunity to expand offerings. When the customer needs change or full automation requires connecting to additional data sources, existing billing systems can't keep pace. Within an optimized monetization environment, multiple data streams can are consumed, monitored, and managed and incorporated into a centralized monetization data repository.

8. **Revenue Management & Reporting** — New accounting standards were introduced in ASC 606 & IFRS 15 that impact revenue recognition and need to become part of an overall monetization plan. These new standards require companies to identify contracts with customers, separate performance obligations with the agreement, determine transaction price for each performance obligation, allocate the transaction price, and recognize the revenue when the performance obligation is satisfied. Within the context of monetization, this has an impact on underlying systems and the necessity of fully automated integration processes with accounting and GL systems.

9. **Sales Channels** — The virtualization of products and services and cloud-based sales capabilities has expanded the potential for businesses to increase sales via indirect channels including partners and agents. However, managing sales processes and customer expectations in an indirect channel is challenging. This challenge is especially apparent when the channel partner sells the solution, but the vendor communicates with customers about billing and ongoing accountant management. The monetization considerations for channel sales includes ensuring sales processes are enabled to generate quotes and orders, managing commissions, coordinating on-boarding and provisioning, and pass-thru rebilling.

10. **Customer Focus** — As the digital economy continually evolves, so do the underlying expectations of B2B customers. It's no longer acceptable to assume a one-size-fits-all approach to product pricing and packaging. Customers expect the ability to pick and choose features, functions, and capabilities that align with their value drivers. What's more, customers expect to be able to self-manage their account information - at the enterprise (parent account) or individual account (child account) level, as needed. At a minimum, organizations should offer the ability to set up payment plans, submit one-time payments, view invoice details, review usage details, manage account information, add or cancel products and services, and access any product related resources via an up-to-date and dynamic customer portal.

If you are ready to start a monetization revolution for your organization, it's time to get to know BLUIQ. The BLUIQ Platform, powered by BluLogix, is engineered to identify and address the full continuum of B2B monetization requirements including, billing; product, service, and catalog management; go-to-market activities; on-boarding & provisioning; customer engagement; and advanced analytics. And because BLUIQ is the only true multi-tenant, SaaS monetization platform in the market today we can deliver solutions for complex business requirements where other vendors have failed.

We think differently. Our platform doesn't stop at just delivering the best billing functionality. We go beyond billing to enable your business with data-enriched monetization. In short, this means that our proprietary technology approach optimizes data differently to close efficiency gaps, deliver true automation, generate customer insights, and adequately address the needs of complex B2B revenue models.

We like to listen. You'll notice from your first interaction with our team that understanding your business is our primary goal. Even our sales process is different. We won't rush to show you a demo of BLUIQ until we fully understand what issues your business wants to address. And because we have a true multi-tenant solution, we can show you a demo environment tailored to your needs. No more wondering if the solution will really work in your business environment - we will prove to you that it can.

We love complexity. Our data-centric architecture enables BLUIQ to manage a broad variety of billing and revenue scenarios from simple subscription billing, to hybrid usage and flat fee scenarios, to complex indirect channels, commissions and revenue models. We support intricate parent/child account hierarchies and extensive integrations with external systems.

We deliver results. Since 2013 we have been providing sophisticated billing and monetization solutions for 100+ satisfied clients. Our success rests on our commitment to fully understanding your business needs. From the start of our sales process and throughout implementation and beyond, our team of monetization experts is committed to addressing your business needs and empowering your business with a platform to drive growth. And because we believe so firmly in our ability to create a positive impact for your business, we are the only vendor to offer "shared upside" pricing that scales based on your growth.

PUT YOUR BUSINESS ON THE PATH TO MONETIZATION.
GET IN TOUCH TODAY

BluLogix helps businesses in the digital economy frustrated with billing, aggregate data to automate processes, generate new customer intelligence, and revolutionize growth. Founded in 2013, BluLogix delivers BLUIQ - the only true multi-tenant SaaS monetization platform in the market. Our proprietary technology and data-enriched monetization approach has helped 100+ companies get beyond billing and focus on identifying value-aligned relationship and revenue opportunities.

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