5 Recommendations to Turn Revenue Leaks into Revenue Gains

An eBook for Finance Executives

Hidden Risk: ERP Revenue Leaks

Companies need to capture all revenue possible. Finance teams may be surprised to discover lost dollars in an unexpected place:

Revenue leaks caused by gaps in ERP and quote-to-cash operations.

Plus … missed opportunities to **accelerate revenue recognition**.

To close this gap, many are adding a best-in-class software monetization solution to transform their quote-to-cash processes.

This eBook provides an overview about this important revenue recovery, and growth, opportunity.

5 Recommendations To Turn Revenue Leaks Into Revenue Gains

1. Plug the Quote-to-Cash ERP Gap

2. Extend Quote-to-Cash to Prospect-to-Support to Drive New Revenue

3. Manage, Track, Collect and Report on the Entire License Lifecycle

4. Get the Software There On Time to Only those Entitled

5. Remove Revenue Recognition Risks While Accelerating Revenue Recognition

1

Plug the Quote-to-Cash ERP Gap

Streamlined Quote-to-Cash

You

1 Plug the Quote-to-Cash ERP Gap

ERP systems were built to handle physical assets, not digital goods.

The challenge?

Digital goods are completely different – fluid in nature and always changing.

Physical Goods	Digital Goods
Factory	Download Server & Self-Serve Portal
Ownership, Possession	"Right to Use" / Entitlements
Wear & Tear	Digital Goods Lifecycle (Rights Refresh) & Compliance Management
Build, Stock, and Ship Once	Buy and Interact Often
Anonymous	Personalized

1 Plug the Quote-to-Cash ERP Gap

Most digital goods transactions occur after the sale.

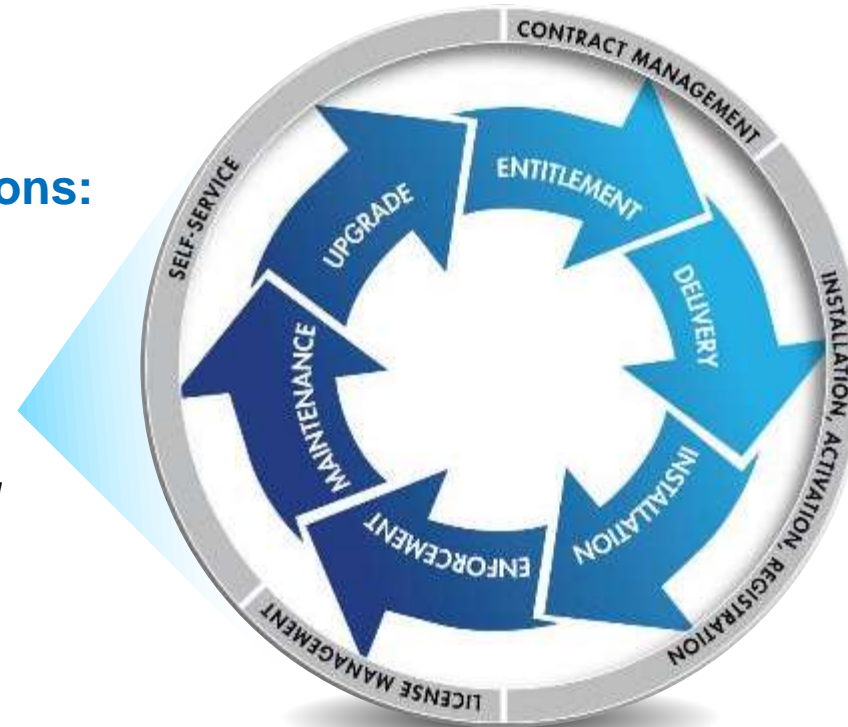|		
ERP systems are not designed for fulfillment or post-order entitlement transactions	**ERP systems do not accurately capture installed base detail – entitled to use and access**	**The gap: No central, accurate view of customer entitlements = revenue leakage**

80% of Interactions:

- Demo/Eval
- Upgrades
- Remix
- Renewals
- Updates
- Bumps
- Moves

Unlike physical goods, the digital nature of software easily lends itself to frequent customer interaction and opportunity.

CONTRACT MANAGEMENT

SELF-SERVICE

UPGRADE

ENTITLEMENT

DELIVERY

INSTALLATION, ACTIVATION

MAINTENANCE

ENFORCEMENT

INSTALLATION

REGISTRATION

LICENSE MANAGEMENT

2

Extend Quote-to-Cash to Prospect-to-Support to Drive New Revenue

Higher Revenue ↗

You →

2 Extend Quote-to-Cash to Prospect-to-Support to Drive New Revenue

You need to consider the full software licensing lifecycle.

- Deeper, more accurate tracking than ERP

- Broaden quote-to-cash to prospect-to-support

Think pre-sale events:
Demos, try & buy, trials, evaluations, loans, etc.

Think product fulfillment events:
Downloads, installs, activations, registrations and configurations

Think license lifecycle events:
Transfers, re-hosts, returns, downgrades, upgrades, updates, converted trials, moves and more

NEW

PROSPECT-TO-SUPPORT PROCESS

NEW

| Prospect Management | Opportunity Management | Solution design/pricing | Change orders | Order fulfillment | Invoice/revenue management | Support |

3 **Manage, Track, Collect and Report on the Entire License Lifecycle**
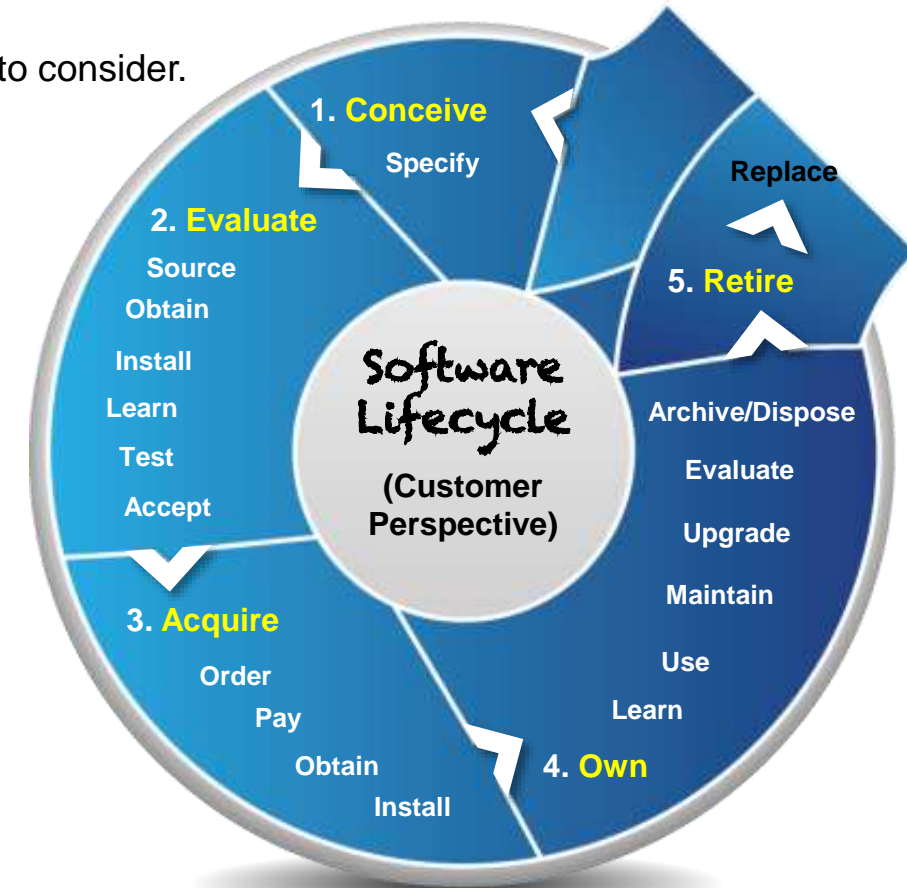
You

Customer Self-Service

3 Manage, Track, Collect and Report on the Entire License Lifecycle

To close gaps, should you build a solution? It's a logical question. Much to consider. Level of resources. Complexity of build. Ongoing changes.

A purpose-built software monetization solution:

- Provides customer self-service

- Enables the ability to manage, track, collect and report on all transactions throughout the lifecycle

- Incorporates best practices to reduce revenue leakage

- Enables higher renewal rates

- Automates and streamlines product setup, order entry and licensing processes and operations

- Empowers agility, scalability and market adaptability

Software Lifecycle (Customer Perspective)

1. Conceive — Specify
2. Evaluate — Source, Obtain, Install, Learn, Test, Accept
3. Acquire — Order, Pay, Obtain, Install
4. Own — Learn, Use, Maintain, Upgrade, Evaluate, Archive/Dispose
5. Retire — Replace

Fast. Efficient. Gap solved.

4 **Get the Software There On Time to Only those Entitled**

You

Efficient Software Fulfillment

4 Get the Software There On Time to Only those Entitled

An important revenue recognition moment— software delivery.

Unless only **"entitled" customers get access to software and updates, revenue is lost.**

A Software Monetization solution that includes entitlement management PLUS state-of-the-art electronic software fulfillment and delivery add up to right customers, right software.

Gaps go away—
only software paid for is accessed.

5

Remove Revenue Recognition Risks While Accelerating Revenue Recognition

You

Accelerated Revenue Recognition

5 Remove Revenue Recognition Risks While Accelerating Revenue Recognition

The days of rushing to ship physical software on the last day of the quarter to recognize revenue are gone when you deliver licenses and software electronically. Now you can **recognize revenue up to the final second of a financial quarter**. This ensures that revenue booked in a quarter is recognized within that same quarter.

… but risks still may exist…software and license key access needs to be provided, on-time and to only entitled users.

Software Monetization Solutions comprised of purpose-built entitlement management + electronic software fulfillment and delivery technology = **Reduced Risk**

Revenue Recognition Wins:
Predictable, accurate audit trails and security controls.

Goodbye Revenue Gaps.

Unauthorized users could be accessing your IP if you have inaccurate, outdated customer installed base and entitlement records.

Information delays can occur if homegrown electronic fulfillment and delivery system can't meet demand or fails.

STREAMLINE and **EXTEND** quote-to-cash to **PROSPECT-TO-SUPPORT** with best-in-class

Software Monetization Solutions to **DRIVE REVENUE**

Purpose-built Entitlement Management and Software Fulfillment systems turn revenue leaks into revenue gains.

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Learn More:

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SOFTWARE