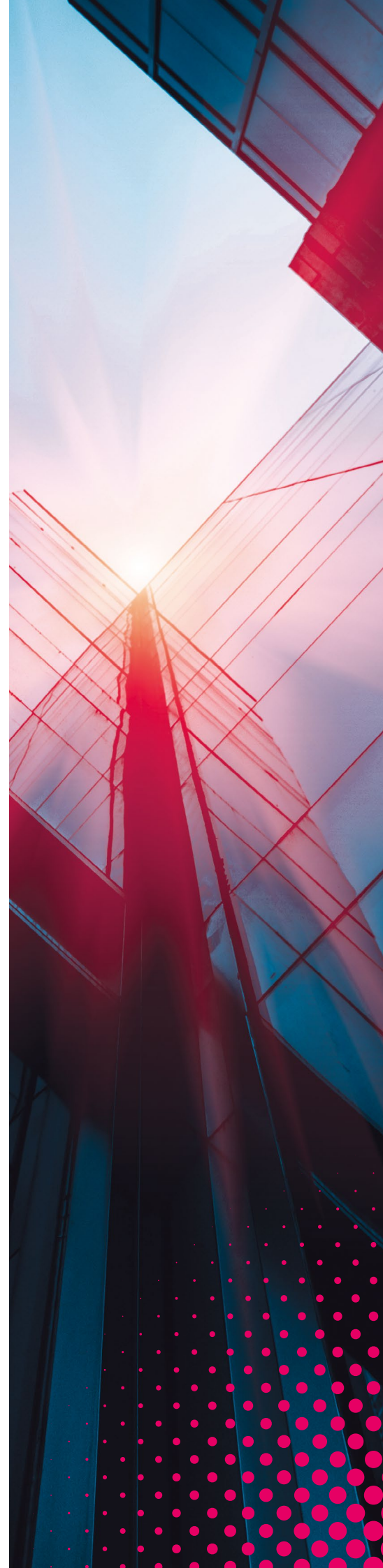# PhiX

Learn why Lead-to-Ledger Automation is now a Strategic Priority

Learn why
LEAD-TO-LEDGER AUTOMATION
is now a Strategic Priority

Customers want and expect a quick, frictionless buying process. Your sales people want to close deals, without being bogged down in data processing. And ultimately, your business needs to receive hard-won revenue without delay, whilst maximising the value of customer relationships.

In short, everyone deserves a smooth Lead-to-Ledger journey.

PhiX helps businesses implement Lead-to-Ledger automated processes, including Salesforce's new Revenue Cloud offering. The companies we are helping are now much better able to meet pent up customer demand, and to respond with agility to changing market conditions. They are equipped to scale up operations and roll out more profitable charging models, while also freeing up time and resources to focus on organisational goals. In all, they are in a significantly stronger position to meet the challenges and opportunities faced by us all right now.

So are you ready to join them?

A couple of years ago, revenue process optimisation might have been mid-table on your to-do list. Whereas it now warrants top priority status for any forward-thinking CFO. The purpose of this guide is to highlight that shift and support your business case for change.

Revenue processes: why change now?

Focus on
WHAT REALLY MATTERS

In terms of internal resources, many businesses are now leaner than they were 18 months ago. There's a requirement to do more with less, to still grasp the revenue opportunities that are out there, but without a boost in headcount. This can only happen if employees are able to focus on the type of work that actually adds value.

When CFOs were asked to summarise their purpose recently, 70% described it as a "true strategic advisor to the business". Companies are increasingly looking to their finance departments for insights and advice. However, if big chunks of your day are taken up with revenue-related queries, complex manual reconciliations and other admin-heavy tasks, there is precious little time left for strategy.

Likewise, as any CFO knows, the best way to solve a cash flow issue is for sales teams to double down on sealing those deals, and for customer services to get those invoices flowing out and revenue flowing in. If employees have to hunt for the latest pricing data to give out a quote or wait around for internal approvals, it's impossible for the Lead-to-Ledger journey to progress as quickly as all parties would like.

It is estimated that just 35% of a salesperson's time is actually spent selling. With key revenue tasks automated, it means more time available to devote to revenue generation.

NEW OPPORTUNITIES
and recurring revenue models

Many customers are now in 'revenge buying' mode after months of restrictions. However, businesses that are still grappling with siloed information and a long chain of command could be missing out on this bonanza. Promising leads will simply fall through the net unless you have the bandwidth to process them.

Meanwhile, savvy companies are using this period of recovery to rethink their whole revenue model, asking "Does our current charging model still meet the needs of customers? Is it the best way to achieve maximum value from customer relationships?" This is why, from construction through to cosmetics, so many businesses are looking at subscription (x-as-a-service) models for the first time.

For customers, the subscription model offers a simple and financially predictable way to access your offerings. For the CFO, more revenue through recurring payments generally means more accurate forecasting and resource planning, as well as fewer cash flow issues. The subscription model also ensures that customers can be reached and engaged with on a regular basis. Opening the door to more cross-selling, up-selling and personalised recommendations.

So let's say you recognise the potential of new revenue models and transaction types in theory. What's holding you back from putting them into practice? If it's impossible for your existing system to handle things like recurring charges, renewals, extensions, add-ons and swaps automatically, then any new charging strategy simply isn't going to get off the ground.

Legacy systems tended to be built for one-time transactions. If outmoded infrastructure is holding back your ambitions, it is almost certainly the infrastructure that needs to change.

Changing
CUSTOMER EXPECTATIONS

According to Gartner, around 80% of companies expect to compete mostly or entirely on the basis of customer experience.

Let's take a potential B2B customer who approaches you for a quote. The sales rep has to hunt for and check current pricing and request approval from multiple departments. She tells the customer that she will be back in touch in a day or so.

In the meantime, that customer approaches a competitor. With a CPQ (configure, price and quote) system in place, that company can provide an accurate quote in seconds. This type of swift, helpful response could well be sufficient in itself to sway the customer's buying decision in your competitor's favour.

Especially since the pandemic, customers want and expect companies to be responsive to their circumstances. 40% of customers will not do business with a company if they cannot use their preferred channels. This is why an omnichannel strategy is more important than ever: i.e. one that is fully responsive to changes in customers' habits and preferences.

The right Lead-to-Ledger automation solution is a key element in delivering this strategy. Fully scalable solutions such as Salesforce Revenue Cloud are just as effective at managing traditional contact centre interactions as they are at field sales, sales originating from connected devices and social selling. It means consistent, accurate, quotes, billing and contract modifications, no matter what the channel.

Meeting
COMPLIANCE CHALLENGES

From lease reporting through to new Brexit-related VAT rules, CFOs have been landed with more than their fair share of new compliance obligations over the last few years.

The revenue recognition standard, IFRS 15 is a case in point. There's an ongoing requirement to identify specific performance obligations within a contract and to allocate the transaction price to include individual performance obligations. In practical terms, your sales rep might be keen to throw in some extras on a complex negotiation. However, finance will need to check precisely what has been agreed, how much revenue is apportioned to specific obligations and what it means in terms of reporting.

Finance deserves some easy wins when it comes to compliance. Fortunately, a solution such as Salesforce Revenue Cloud can go a long way in eliminating headaches, especially on revenue recognition. You can effectively enforce accounting rules up front, determining everything from how you want to sell and how you plan to recognise revenue. Sales negotiators have a clear framework in which to work their magic, without risk of creating revenue recognition confusion.

Reporting becomes easier, too. With all customer, contract and revenue information in one place, you can neatly track transactions from lead stage to ledger entry. You can drill into whatever data you need and integrate it into whatever report you are seeking to build. All the while, you have the reassurance of knowing that the data is accurate.

Do you need
LEDGER AUTOMATION?
a quick checklist...

If any or all of the following sound familiar, then now is almost certainly the right time to look afresh at your revenue management processes and technology:

We want to increase sales activity, without necessarily boosting headcount	As we have grown, we have faced manual revenue processing complexities we never planned for	Sales, customer service and finance systems are disconnected
Mergers, acquisitions and branch offices have left us with a mish-mash of revenue processes and systems in place	Invoices get sent out with errors	It takes weeks to launch a new pricing update
Customers cannot upgrade their contracts without manual intervention from our teams	We struggle to provide instant quotes and deviations from standard terms	Technical limitations stop us from testing and launching new charging models

SO WHAT NEEDS TO CHANGE?
areas to focus on...

Lead-to-Ledger automation can assist your businesses with...

Faster revenue growth, including more profitable charging models

Creating stronger customer relationships and a better customer experience

Saving everyone time, including sales reps, finance teams and customers themselves

---

When weighing up their options for revenue process transformation, businesses should pay special attention to the following:

CREATE A LINK BETWEEN SALES AND FINANCE

Right from the first interaction with customers, sales teams need the right pricing information at their fingertips. Finance should be able to define business rules and hardwire these into the system. Quotes, orders and subsequent adjustments can then be validated instantly and automatically.

LOOK AT THE CUSTOMER LIFECYCLE

Your mission is to make the ongoing customer journey as easy as possible. There may be multiple time-bound events along the way (e.g. renewals, volume modifications and add-ons). With the right choice of transaction billing engine, each step of the journey should be handled without the need for manual intervention, recalculation or delay.

MITIGATE RISK

Look to automate your rules for pricing and discounts, along with the approval chains that support your policies.

With this approach, there is no chance of a typo causing the wrong figure to appear on an invoice. The rules won't allow it.

Your tailor-made combination of rules and required fields should also ensure that you have all the information you need for reporting and internal audit purposes.

BILLING AS A KEY CUSTOMER TOUCHPOINT

Billing can and should be much more than a standalone finance process. If you can integrate billing onto the same platform where all other aspects of the customer relationship are managed, it completes your 360 view of the customer.

In an ideal world, you should be able to view a customer's billing history, preferred payment methods, quantities bought, preferred charging models and other information throughout the entire contract lifecycle. Analysis of payment preferences and behaviour can produce valuable insights to inform areas such as optimum pricing and cross-selling opportunities.
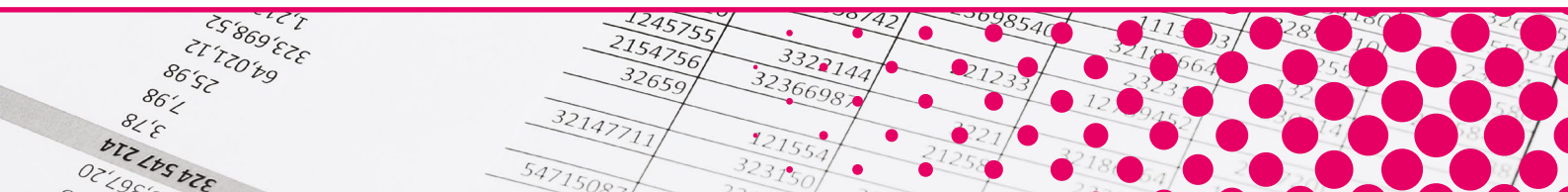
SALESFORCE REVENUE CLOUD:
it's time to grasp those new revenue opportunities...

Salesforce Revenue Cloud (part of the Salesforce Customer 360 Platform) arrived at the end of 2020. It includes multiple popular products from the Salesforce ecosystem, notably CPQ and Billing, combining them with some new features to produce a truly comprehensive sales and billing engine.

So what might this mean for your business? Take a closer look...

A CLEARER VIEW, FROM LEAD-TO-LEDGER

This is a complete digital buying platform. From initial lead interactions through to revenue recognition, you see all parts of the revenue lifecycle from a single source of truth. Salesforce's new Customer Asset Lifecycle Management tool also makes it much easier to track KPIs (e.g. monthly recurring revenue net revenue retention and customer lifetime value).

QUICKER QUOTES, FEWER ERRORS

You set your pricing policy, and Salesforce Revenue Cloud puts it to work - instantly. Salesforce CPQ can approve special pricing requests on the spot by applying rules set by you. For your sales team, it means individual queries and tailored packages can be dealt with at the moment of deal closure. No more time wasted by sales reps waiting to hear back from the office.

FINALLY PUT YOUR IDEAL REVENUE MODEL INTO PRACTICE

Salesforce Revenue Cloud can work for any revenue model - one-off payments, rolling subscriptions or hybrid. It also works for any channel (direct sales, partners or self-service). Finance leaders are often among the first people within an organisation to realise that an existing charging model or pricing spine is no longer the best option for revenue generation. A Lead-to-Ledger automated solution finally gives you a framework to roll out more profitable models.

Helping turn CFOs
STRATEGY-DRIVEN HEROES

EXPECTATIONS

Mainstay tasks (compliance, reporting, cost control) obviously remain as important as ever. But increasingly, businesses want more from their finance function. With broad visibility across the entire company, CFOs should be ideally placed to proactively suggest solutions to problems across the business. We're not just talking about cost-cutting options, but revenue generation ideas, too.

BANDWIDTH

But for this to happen, finance departments need thinking space: i.e. actual time to devote to strategy. According to Accenture, only around 34% of finance tasks are automated. If you are looking for areas where processes could be handled quicker, more accurately and with less manual input, revenue is almost certainly a prime candidate. Lead-to-Ledger automation can give you valuable bandwidth to devote to value-added work.

INSIGHT

There is often also the assumption that finance will be able to look across various functions, departments and processes, isolate key information and somehow draw it all together to provide insights. This capability doesn't 'just happen'. And in fact, if you are still working with separate systems, siloes and standalone spreadsheets, it is pretty much impossible.

Too often, revenue is a blind spot. From the CFO's perspective, perhaps the key advantage of a Lead-to-Ledger automation solution such as Salesforce Revenue Cloud is that it comprehensively brings finance and sales functions together. You finally have a 360 view of customer data, opening the door to analysis and insight.

PhiX

As a highly experienced implementation partner, PhiX specialises in helping businesses realise the full benefits of the Salesforce ecosystem.

The companies we work with are able to implement more profitable charging models, free up resources and get a clearer view of performance.

To see what's possible, get in touch today.

hi@phixtechnologies.com
phixtechnologies.com