



DRIVING GROWTH FOR FINANCIAL INSTITUTIONS WITH EXTENDED ORACLE REVENUE MANAGEMENT AND BILLING (ORMB) PLATFORM FEATURES

Abstract

Financial institutions (FIs) are under increasing pressure to improve topline growth in the face of intensifying competition, demanding customers, and unforgiving regulators. In a world disrupted by the pandemic, one of their biggest challenges is to offer a lucrative pricing structure that maximizes revenue even as it satisfies customers. The launch of new financial products is preceded by exhaustive research and analysis.

Today's customer-centric business world is governed by tough competition and price negotiation. The biggest challenge for FIs is defining pricing parameters while making attractive offers to customers. Pricing must provide the two-pronged advantage of profitable revenue generation as well as customer satisfaction.

Are these the only advantages that a new platform like ORMB offers? Not at all. This paper discusses some of the digital capabilities that is provided by Infosys solution for Oracle Revenue Management and Billing Platform, part of Infosys Cobalt, to give businesses an even greater edge. With this, businesses can plan better, react quickly to the market, and disrupt traditional business practices.

Introduction

Most FIs operate on legacy mainframe applications that were implemented years ago. While those systems worked well then, it is time to reassess their relevance in the digital world. By moving to sophisticated revenue management platforms such as ORMB, FIs can achieve better control over managing customers, products, pricing, accounts receivable and payable, and invoice generation with new-age digital capabilities.

Key stakeholders in transaction-based revenue generation

FIs and other transaction-based revenue businesses have three key stakeholders. Each stakeholder has clear roles and specific objectives that need to be met.

Product managers (PM) must identify

target segments and the right products for these segments. Based on this, the PM needs to set and meet revenue and margin targets by identifying the optimal rate plan for each product.

Relationship managers (RM) need to identify key customers in the target segment and build strong relationships with them. The RM must understand the

customer's business needs and position the right product for them at the right price point.

Customers today expect speed, transparency, and satisfaction in their interactions with the RM. Their business goals should be met by the products being offered – at a lucrative price point.

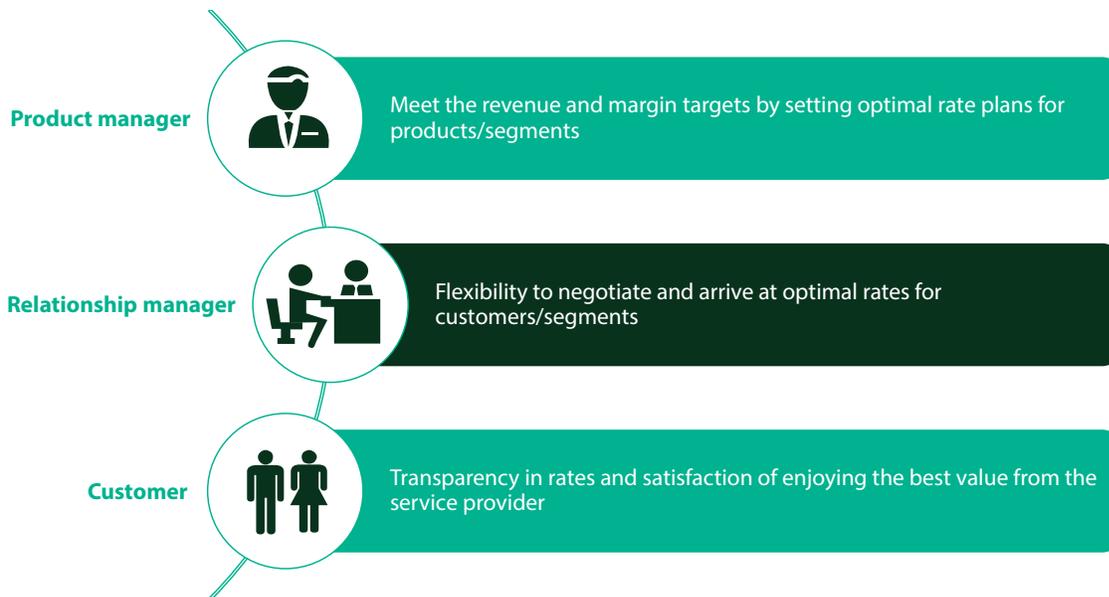


Fig 1: Key stakeholders in transaction-based revenue generation

To ensure a win-win for all stakeholders, it is important to leverage advanced modelling capabilities to accelerate business decisions.

Leveraging the capabilities of ORMB for business scenarios

Combining ORMB with Infosys' data extractor utility, it is now possible to generate insights to drive superior decision-making in real time. Let us consider a few scenarios and examine how having access to data can accelerate the decision-making process and thereby the transaction.

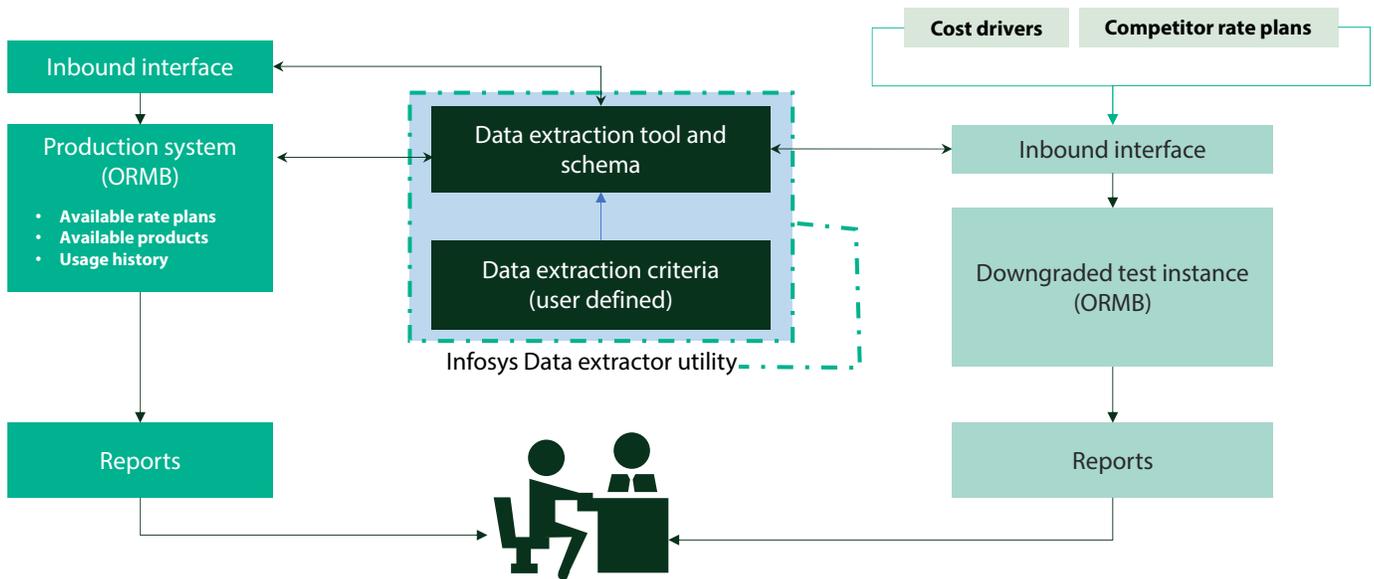


Fig 2: ORMB with Infosys data extractor for superior insights



Scenario 1: Negotiating deals with prospects

In today's highly competitive landscape, winning a customer is key to the business. RMs and PMs need to feel the pulse of the customer and get a competitive edge by providing them with customized pricing plans.

RMs and sales teams are highly dependent on revenue management systems to provide key inputs to craft the best deal for

each customer. With ORMB implemented by Infosys, FIs can develop pricing models based on multiple deciding factors such as projected volume, revenue, and cross-product sale. A prospective customer scenario can be modelled based on one of these templates:

- Based on an existing customer with a similar profile
- Based on pricing segmentation
- Blank template
- Based on competitor pricing

RMs can use the selected template throughout the simulation process to vary pricing attributes and arrive at the impact on the final revenue. Having basic data and pricing models in place equips the sales force for better negotiations with prospects.

When the deal is finalized, all details related to the prospect and pricing can be automatically updated in the production environment to generate the final contract.

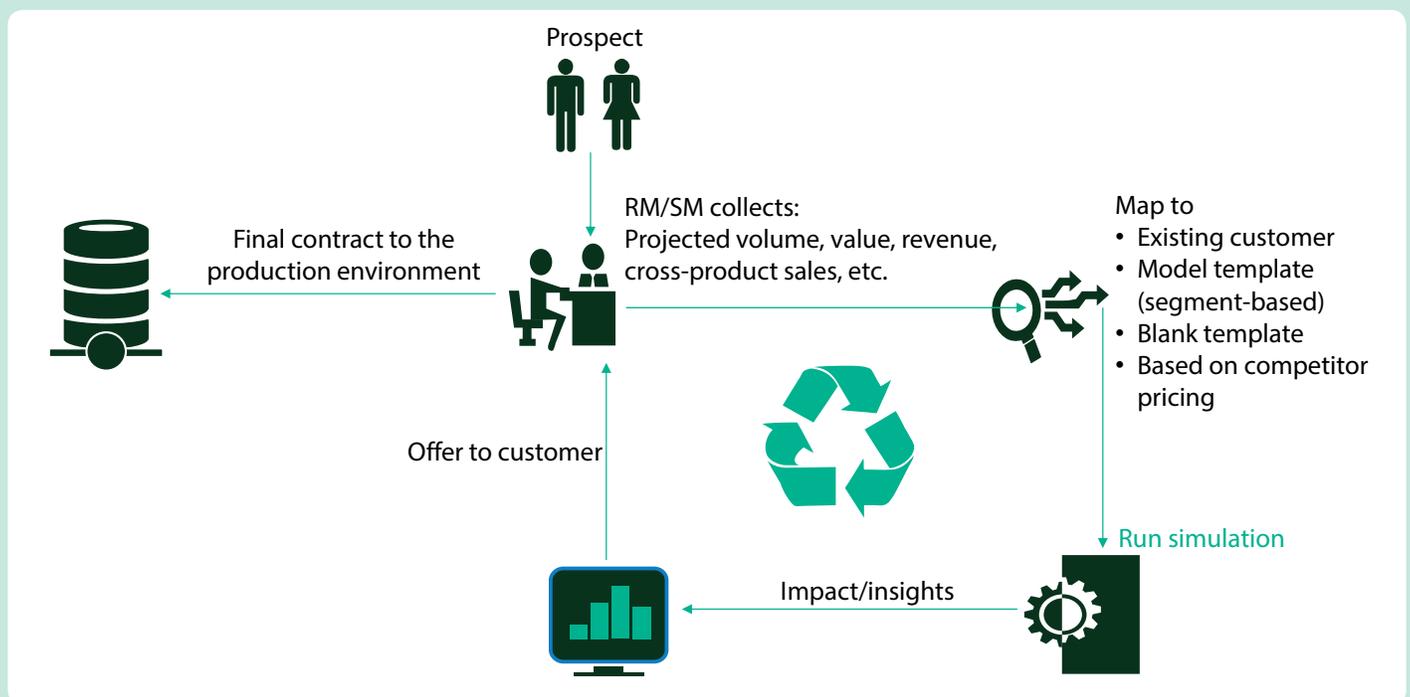
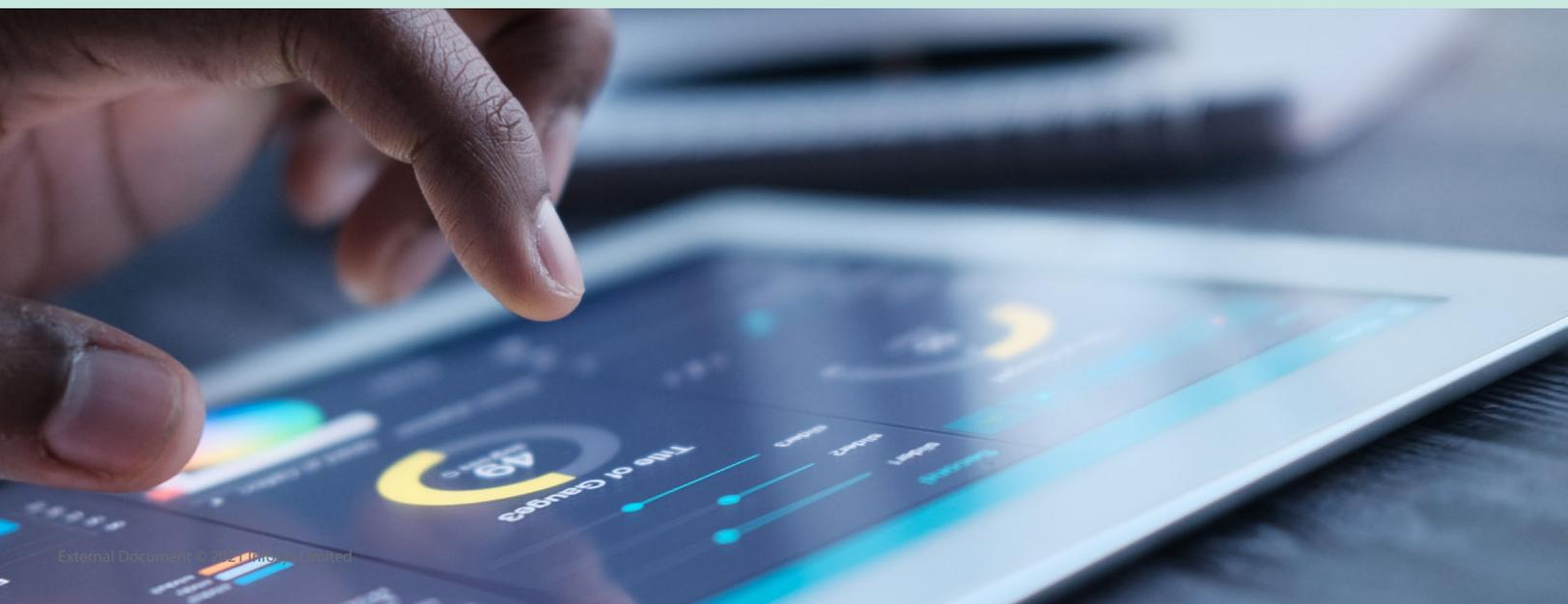


Fig 3: Improved negotiations with prospects



Scenario 2: Negotiating the price with existing customers

Sometimes existing customers want to renegotiate a better price structure. In such situations RMs need to act fast and take quick decisions to ensure they do not lose the customer to the competition. Quick access to historical data about the customer in addition to pricing and product information enables RMs to generate insights to renegotiate with the customer. RMs need to consider parameters such as:

- The revenue being generated by the customer
- Potential to up-sell and cross-sell products to the customer

With ORMB in place, RMs can extract a wide

range of data and carry out deep analysis before they renegotiate with the customer. ORMB is implemented to enable RMs to extract current transaction/pricing data assigned to a particular customer/account from the application. Based on this data, RMs can make changes in the following areas to simulate the impact on the customer account:

- Service-level price changes: Price changes will be applied on all charge lines of the service
- Customer/account level price percent premium: Applicable price lists of the customer/account can be changed by a given percentage
- Product level changes: Add/remove charge lines for a product

- Customer segment changes: Change of standard price list/discounts/recurring charges as part of moving the customer from the existing segment to another segment

Armed with these insights, RMs can make quick decisions regarding the right approach to negotiate with the existing customer. By carrying out informed negotiations and creating custom product and pricing solutions for the customer, RMs can ensure customer retention and loyalty.

When the renegotiation is complete, the revised price list can be automatically updated in the production environment with the effective date and associated workflows.



Fig 4: Steering negotiations with existing customers

Scenario 3: Setting individual product and bundle pricing

Marketing teams, product managers and price analysts need to continuously devise innovative pricing strategies to attract customers and promote up-selling and cross-selling.

ORMB facilitates the use of predefined or new models to audit and verify whether

current pricing patterns are bringing in the expected revenue. Major attributes of transaction pricing such as volume and cost of the current application can be used as a basis for the current revenue calculation. This can be compared against the projected revenue and be used to forecast revenue by making required changes in the pricing attributes.

Bundling or packaging of products is also

an important device to attract customers. Multiple combinations of products and services may need to be offered to existing and new customers to seal a deal. A platform such as ORMB makes it possible to bundle and unbundle products and services as needed to validate the revenue impact and arrive at a viable business proposition. The platform can compare the bundled revenue against individual service costs for the purposes of analysis.

Scenario 4: Reviewing the annual pricing strategy

Typically, sales teams, PMs, RMs, and price analysts review the pricing strategy annually. Business operations need the ability to carry out a 'what-if' analysis to revise existing pricing strategies by

calculating the effect of revised strategies based on historic volumes.

Using ORMB, FIs can extract the consolidated volume used against standard price lists for the current year and perform a pricing simulation with the revised price list. Volume can be manipulated based on market conditions

and other product strategies. The extract can exclude or include any items charged against an 'exception price list'.

When the analysis is complete the final revised price list can be extracted and updated on the production system with the effective date and associated workflows.



A photograph of two men in business suits walking and talking. The man on the left is Black, wearing glasses and a dark suit. The man on the right is white, wearing a blue suit and holding a tablet. They are in a modern office setting with a railing in the foreground.

Conclusion

Implementing a powerful platform such as ORMB can help FIs leapfrog to the next level of accelerated decision-making. The scenarios described earlier provide just a glimpse of the capabilities that can be built on top of ORMB. Given the ability to add, extract, and manipulate data at different levels, ORMB places the power of confident decision-making in the hands of RMs, PMs and sales personnel.

A view of historical data, ability to generate custom reports, customer-specific modeling of products, services, and pricing – all of these make it easy for FIs to respond quickly to the market and gain a competitive edge.

About the author



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Ravi has over 20 years of experience in relationship-based pricing and billing products. With hands-on experience in functional implementation and solution development, he has steered critical projects for global leaders in banking as well as telecommunications. He brings strong expertise in top revenue management products such as ORMB and SunTec's Xelerate/TBMS-F.

Infosys Cobalt is a set of services, solutions and platforms for enterprises to accelerate their cloud journey. It offers over 14,000 cloud assets, over 200 industry cloud solution blueprints and a thriving community of cloud business and technology practitioners to drive increased business value. With Infosys Cobalt, regulatory and security compliance, along with technical and financial governance comes baked into every solution delivered.

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