

OVERVIEW

Improve visibility into demand

Increase margin by reducing price erosion

Minimize lost value on unmet volume commitments

Eliminate channel revenue recognition risk

Reduce invoice errors and improve customer compliance

Taking the Risk Out of Revenue

Improving gross margins and increasing market share in the highly competitive High Tech market is top of mind for high tech executives. With design registration, pricing, quoting, contracts, and channel incentive payment reconciliation processing being "thrown over the wall" from department to department, management of the revenue life cycle becomes a great challenge. These processes also involve external representatives and distributors with data that often resides in multiple systems or spreadsheets.

Key Business Drivers for Revenue Management

The cyclical High Tech market is characterized by rapid product life cycles and is primarily impacted by poor visibility into demand. The industry has been transformed over the past ten years by two main drivers:

- Product portfolios have diversified — once dominated by demand from the computing world, other segments, including telecommunications, networking, automotive, and above all consumer products, are now driving demand. This trend has added considerable complexity to the design, planning, and selling cycles.
- Globalization — demand, design, manufacturing, and fulfillment have all become global, introducing significant challenges to gaining visibility into demand, controlling ASP and pricing policies, or even understanding where business is being won and where it is being lost and for what reasons.

These factors, along with the direct and indirect channels through which transactions are executed, have created challenges that are causing manufacturers to lose 2% to 3% of gross margin every year.

Model N High Tech Revenue Management Suite

The Model N High Tech Revenue Management Suite offers a holistic and strategic approach to managing the entire revenue life cycle, from planned revenue (price strategy, price planning and setting, and margin objectives) to negotiated revenue (mapping demand visibility and registrations to margin agreements, quoting, price negotiations, and contract compliance) to actualized revenue (managing channel incentive payments and reconciling POS data for revenue recognition decisions).

Designed to augment legacy ERP and CRM systems, the technology that supports Model N Revenue Management is a unified, transaction-focused platform that integrates people, processes, and data across the extended enterprise and regions. Revenue Management solutions allow companies to align business processes and individual execution through a transactional system that extends and complements existing legacy investments to manage the core processes that impact price, margin, and revenue recognition.

Model N High Tech Revenue Management Suite at a Glance

Global Price Management	Ensures consistent and accurate pricing across channels and geographies by automating quote responses according to pre-established price lists, pricing rules, contract terms, registrations, and market price programs. Eliminates price erosion caused by internal bidding wars and non-compliance with contractual volume commitments. Generates tailored responses to price requests based on user-controlled parameters such as customer, end customer, channel, geography, and target.
Global Quoting and Deal Management	Improves deal conversion rates, protects transactional margin, and obtains visibility into demand across channels and regions. Enables dramatically reduced quote cycle time and number of lost opportunities. Reduces price erosion through enforcement of pricing policies and the elimination of internal bidding wars. Obtains visibility into demand across channels and regions.
Channel Revenue Management	Increases visibility into channel sales activity, enables easier access to demand, and protects transactional margin by eliminating bidding against yourself and enforcing contract terms. Reduces overpayment of channel incentives and facilitates compliance with revenue recognition policies. Streamlines commission calculations and validating inventory levels.
Contract and Compliance Management	Helps sales and finance departments increase contract value and margin by reducing invoice and order pricing errors, improving controls over price concessions, and enhancing customer compliance tracking. Completely integrated with pricing, quoting, and incentives processes to provide consistent control over margin throughout the revenue life cycle.
Deal Analytics	Brings real-time, operational business intelligence to the price negotiation process with advanced customer and quote analysis functionality. Empowers sales and marketing staff to maximize profit from each transaction by providing them with interactive tools that analyze all related factors and provide price guidance at the point of negotiation. Provides sales and marketing managers access to real-time data and granular transaction-level details.
Rebates	Helps companies establish rebate programs that will drive consumption and improve market share. Also helps manufacturers eliminate overpayments and compliance exposure by automating rebate management processes, from setting up rebate programs on contracts and calculating and managing rebates as they accrue to effecting accurate and timely payments to eligible customers.
Performance Analytics	Enables companies to understand what is really driving their business — what to change and what to emphasize — including pricing strategies, customer and channel performance, product and market performance, root causes of revenue and margin erosion, and more. Provides the dashboards, and reporting these organizations need to answer the strategic and tactical questions that drive measurable initiatives.
Contract Authoring	Creates and manages agreements to deliver enhanced capabilities for building customer and deal-specific pricing strategies. Key contract data and terms are automatically synchronized with downstream Model N applications, ensuring seamless integration of transactional and financial information in the revenue life cycle, from contract management and compliance to deal management.

About Model N

Model N, the leader in Revenue Management Solutions, offers integrated application suites for managing global pricing, quoting, contracts, and the channel revenue life cycle. The Model N High Tech Revenue Management Suite, along with professional services and customer support, are provided by Model N to meet the specific needs of High Tech manufacturers. By enabling a seamless, end-to-end process from global pricing, to quoting and contracts, to managing channel incentive payments and reconciliation of point-of-sale data with debits, Model N's uniquely integrated approach improves visibility into demand, reduces margin erosion, increases quote conversion, and improves compliance with financial reporting requirements. Model N is located in Redwood Shores, California. For additional information, visit www.modeln.com.