



Model **N**

Revenue Cloud for High Tech

Maximize Every
Revenue Moment

Model N Revenue Cloud for High Tech

MAXIMIZE EVERY REVENUE MOMENT

The digital age has brought about significant market disruption for companies across all markets and industries. The competitive environment that ensued from this disruption created exponentially more complex go to market problems for many organizations but the largest global enterprise organizations have been hit the hardest. These are the organizations that need to meet the demands of local markets at global scale. Enterprise business models and sales strategies have become more sophisticated and complex in response to these dynamic market conditions. Through this rapid evolution these organizations have discovered that there is a chasm between ERP and CRM that needs to be addressed. Model N's Revenue Cloud for High Tech industries is purpose built to address the unique revenue execution challenges these global enterprise organizations are now facing.

Model N Revenue Cloud for High Tech

THE CHALLENGE

**The impact
siloed systems
have on revenue
and incentive
overpayment**

-3% to 5%

negative impact
on revenue

+ 5% to 10%

positive impact
on incentive
overpayments

Most enterprise organizations have been reactive in their response to digital disruption. As their product catalogs have increased in complexity they have cobbled together spreadsheets, internal applications, or point solution commercial applications to try and create sensible pricing strategies. Once their pricing strategy is solidified they take on the challenge of volume pricing for their channels and largest customers in the same manner. But that is just the tip of the iceberg. They then had to address internal and channel inventory management, deal management, channel incentive management, channel sales reporting and compliance, and finally channel data.

Managing the processes that impact pricing and revenue in silos with different tools invariably leaves money on the table and makes it impossible to proactively optimize upfront discounts with performance based incentives while simultaneously eliminating overpayments. ***This typically constitutes a negative impact of 3% to 5% on topline revenue and 5% to 10% on incentive overpayments.***

They have been left with a hodgepodge of spreadsheets, contract documents, point solutions, complex processes, and teams of people trying to meet the unfulfilled revenue execution void left between their ERP and CRM.

Model N Revenue Cloud for High Tech

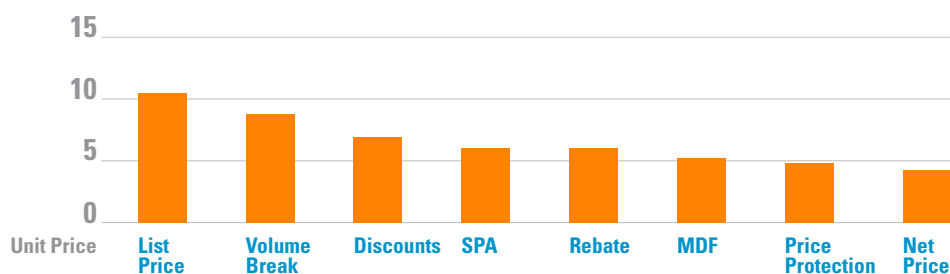
THE SOLUTION

At Model N we have a strong viewpoint about what it takes to grow the top line of your business in the wake of digital disruption. The strategic question we address: ***How do we maximize revenue at speed and scale across billions of revenue execution moments, every day?***

Only Model N delivers an end-to-end integrated solution designed for the industry.

Managing All Processes from Gross to Net

PRICE WATERFALL



The Benefits of the Model N Revenue Cloud



The Model N Revenue Cloud

From silo-ed, manual and fragmented—to one revenue execution platform

Impact on Internal Operational Costs

An integrated end-to-end platform with self service capabilities enables companies to scale their operations without having to scale head count at the same rate

A single integrated solution helps simplify the IT landscape, reduce the number of point solutions, reduce the number of point integrations to ERP and deliver a more scalable and sustainable infrastructure

CONTROL, VISIBILITY, COMPLIANCE

- If quotes, contracts and rebates are not integrated into a single flow it is difficult to balance upfront discounts and performance based incentives to better align pricing and actual volume consumed. Discounts are given against volume commitments that are not met. An integrated flow allows companies to be proactive and empowered to balance and optimize the quality of revenue in real time maximizing deal value
- Enabling direct conversion of quotes to approved Special Pricing Agreements (SPA / Debits) through self service options accelerate deal cycles and improve the ease of doing business with the channels
- Integrated contextual Deal Intelligence within the quoting and contracting process allows faster, more consistent and data driven decisions on price concessions
- Linking SPA / Debits, Credit Claims, rebates processes, inventory management and price protection allows for much more accurate reconciliation of channel data and the elimination of double payments and overpayments

All of the above translates into increased win rates, capturing more revenue on every deal, elimination of overpayments and improving channel engagement

The only Solution Natively Supporting the High Tech Channel

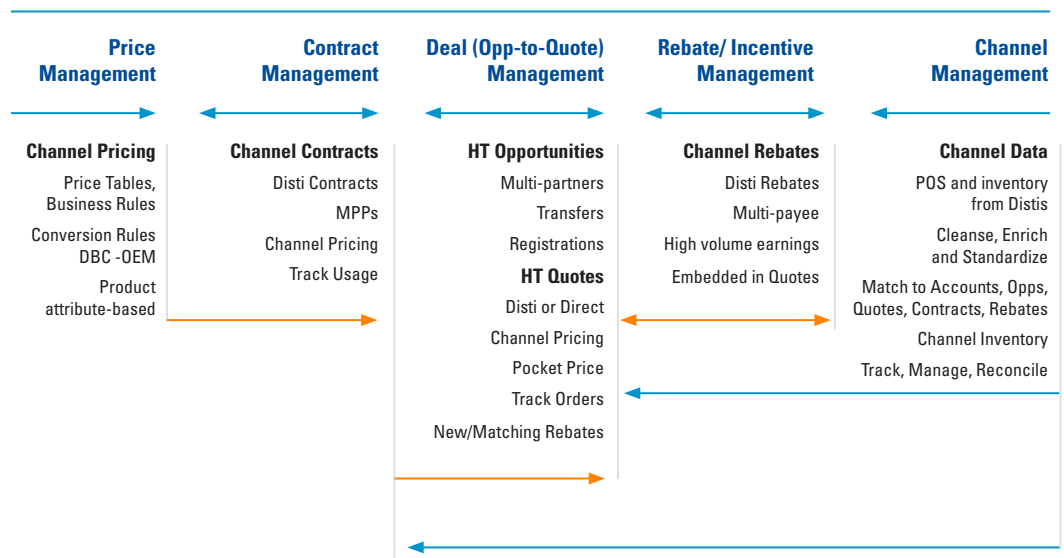
The Model N Revenue Cloud

bridges the gap between ERP and CRM as the commercial system of record for Revenue Execution. No other vendor takes this unified approach to addressing these unique challenges. By delivering an end to end solution Model N customers are able to get rid of error prone human processes, remove dependencies on spreadsheets, and eliminate silo'd systems.

The Model N solution allows customers to easily configure and quote complex products, quickly come to terms on complicated contracts, have more accurate and timely channel data ensuring visibility into complex channels, efficiently manage incentive programs avoiding overpayments and monitor performance, easily manage deal registrations, and have visibility into inventories on demand, so that they can continuously make improvements in top line revenue.

- Natively enables the High Tech Channel across every business transaction
- Revenue Management: Single process vs. separate apps for IT to integrate

END-TO-END REVENUE EXECUTION



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Model **N** Product Details

The only Solution Natively Supporting the High Tech Channel

Maximize revenue across your product portfolios,
customers, channels, and geographies

Business Cloud

Deal Management

Price Planning
Quote Mgmt
Price Execution
Product Configuration
Guided Selling
Approvals
Proposal Generation
Contract Lifecycle Mgmt

Deal Intelligence

Compliance
Win / Loss Analysis
Deal Comparison
Price Guidance
Revenue Trends

Channel Management

Debits
Point of Sale
Price Protection
MPP
Inventory Management
Stock Rotation

Rebate Management

Rebate Programs
Rebate Calculation
Accruals, Earnings, Payments
Sales Data Management
Partner Community

MDF Management

End-to-end fund-to-claim process
Lifecycle-driven, easy to use
Proof of performance
Partner portal
Real-time KPIs
Co-Op, Hybrids with Rebates

Channel Data Mgmt (CDM)

Active Partner Management
POS Data Collection
Data Cleansing & Validation
Channel Inventory
Segmentation & Classification
EDI Provisioning

Intelligence Cloud

Revenue Intelligence

Price Intelligence

Rebate Intelligence

CDM Intelligence

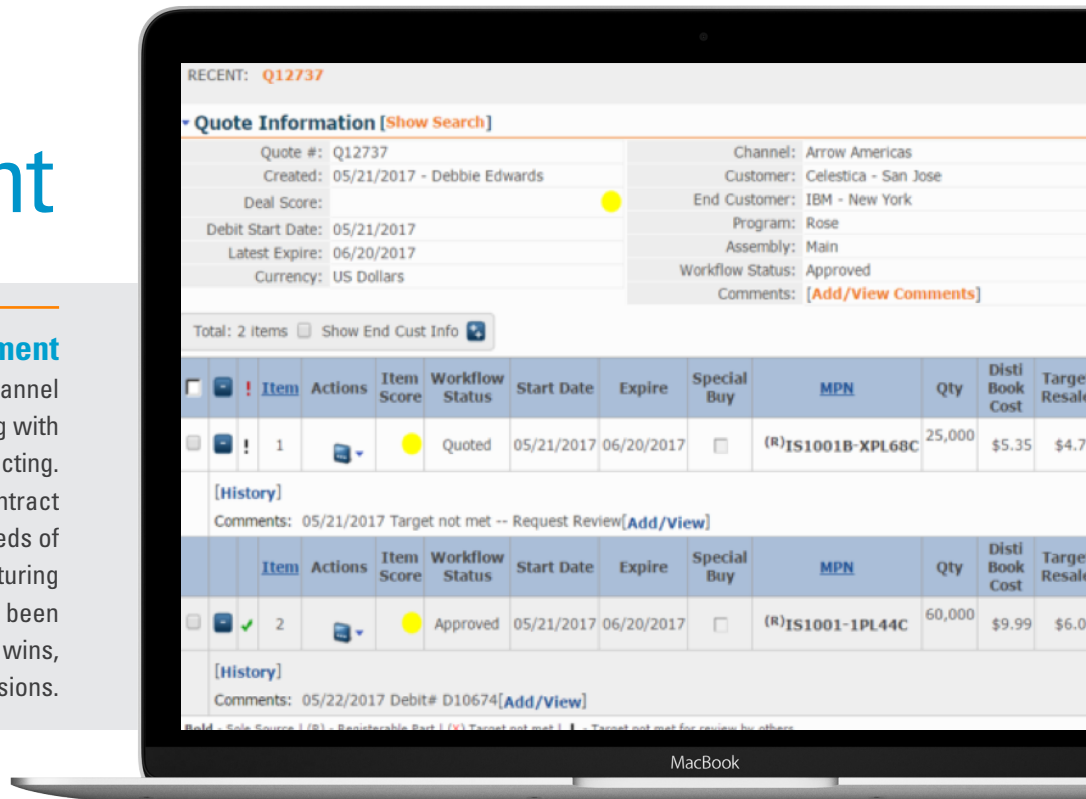
CLM Intelligence

Deal Management

Model N Deal Management

allows you to take control of direct & channel sales opportunities allowing faster quoting with a seamless solution for quoting, and contracting.

It is the only end-to-end quoting & contract solution on the market tailored to the needs of Semiconductor & Component Manufacturing space. Model N Deal Management has been proven to increase margins, drive design wins, and enable better pricing decisions.



Features

GLOBAL PRICING MANAGEMENT:

set up strategic pricing with pricing tables, tactical pricing with sophisticated business rules, and conversion rules for channel pricing

CHANNEL CONTRACTS AND

QUOTES: define contracts and quotes for direct and channel business, including matrix pricing along quantity tiers and time

ORDER PROCESSING: receive and process order and Point of Sale (POS) data

QUOTE AND CONTRACT

COMPLIANCE: ensure that transactions adhere to deal commitments and tiered pricing agreements

AUTOMATIC INTEGRATION WITH

MODEL N REBATE MANAGEMENT ensuring visibility into agreed to incentive terms and supports creation of inline rebates

SOPHISTICATED APPROVAL

WORKFLOW to guide internal people and processes efficiently

Benefits

Ensure consistent and accurate pricing across channels and geographies

Eliminate incentive overpayments

Eliminate price erosion caused by internal bidding wars and non-compliance
Improve handling of responses to price requests based on user parameters

Improve deal conversion rates, protect margin, and increase visibility across channels and regions

Improve quote cycle time and reduce lost opportunities

Increase contract value by reducing errors, improving controls over price concessions, and enhancing customer compliance tracking

Provide control over margin throughout the revenue life cycle

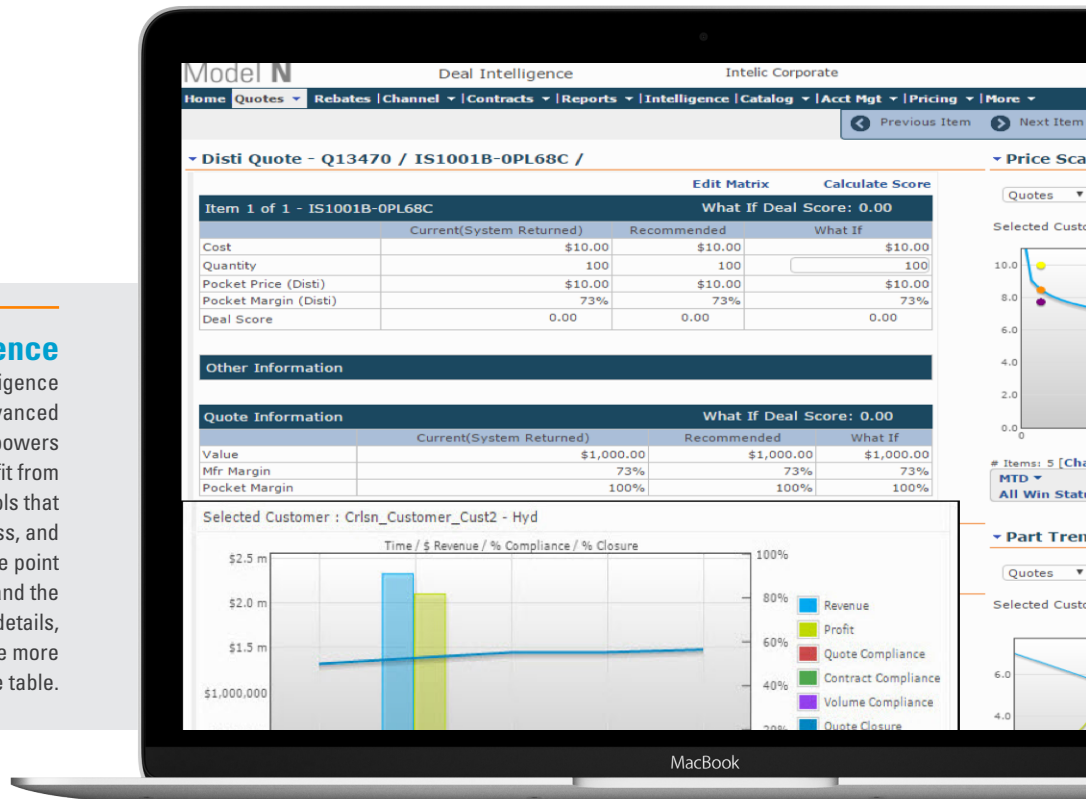
Control price concessions and track customer compliance against contracts

Ensure compliance with contracted rebate terms, reducing revenue leakage

Deal Intelligence

Model N Deal Intelligence

brings real-time, operational business intelligence to the price negotiation process with advanced customer and quote analysis functionality. It empowers your sales and marketing staff to maximize profit from each transaction by providing interactive tools that analyze relevant customer, price, margin, win/loss, and competitive data to provide price guidance at the point of negotiation. With access to real-time data and the ability to drill into granular transaction-level details, sales and marketing managers can evaluate more quotes faster without leaving money on the table.



Features

In-line quote analytics fully integrated with Deal Management enabling fast, data-driven pricing decisions

Price regression curve with Win/Loss history & suggested pricing

Customer performance analysis displaying revenue, profitability, and past volume compliance

Part trends by product or root/family

What-If scenario analysis to compare price options including bottom-line impact

Benefits

Provide real-time, operational business intelligence to the price negotiation process

Maximize profit by providing price guidance at the point of negotiation

Avoid bidding against yourself and eliminate price erosion

Channel Management

Model N Channel Management brings the best of inventory and pricing processes, design registrations, price protection, stock rotation, ship and debit and accurate inventory aging through enriched POS and inventory data from your partners. The end to end management of these complex processes ensures timely access to the critical data regarding your top line revenue and margins.

Features

DESIGN REGISTRATION

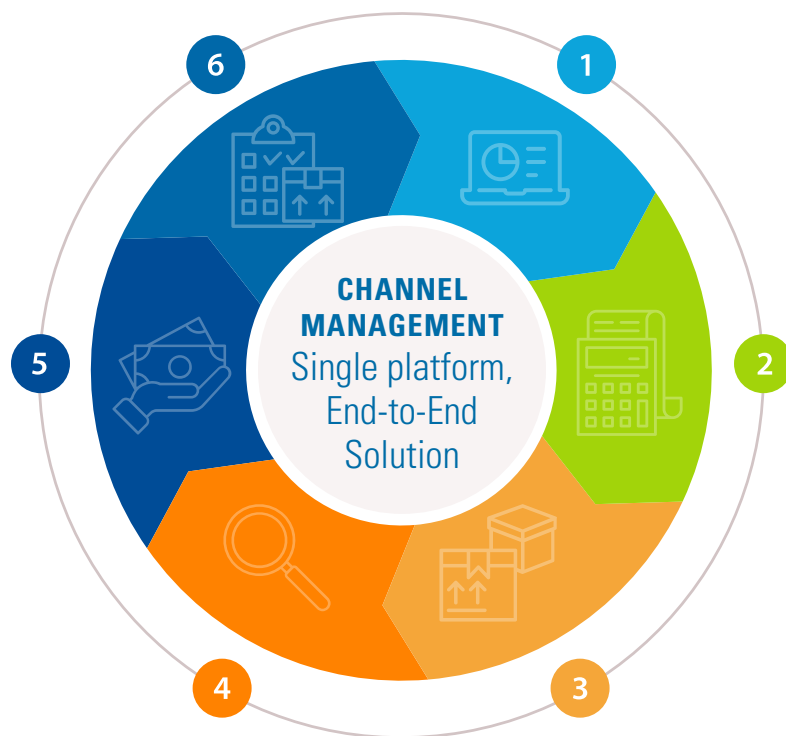
enables partners to register design and demand generation activity

SHIP AND DEBIT PROCESSING

automatically validate channel sales claims against authorized debits, based on POS and inventory data

CHANNEL INVENTORY

Track channel inventory levels to determine inventory deferred revenue, eligibility for debits, and available quantity and value



Benefits

Increase visibility into channel sales activity and enforce contract terms

Reduce overpayment of channel incentives and facilitate compliance with revenue recognition policies

Monitor inventory levels

Understand liability of channel inventory

1 Reported Distributor Inventory

Track all reported distributor inventory in one location

2 Calculated Inventory (QOH)

Auto-calculate distributor QOH (SISO, transfers, price changes) through systemic inventory bucketing

3 Inventory Reconciliation

Automatically compare reported & calculated inventory

4 POS / Claim Processing & Validation

Rigorous auto-validation of POS to Inventory & Claims to POS & Price Agreements

5 Price Protection

System-generated price exposure by distributor upon book cost changes

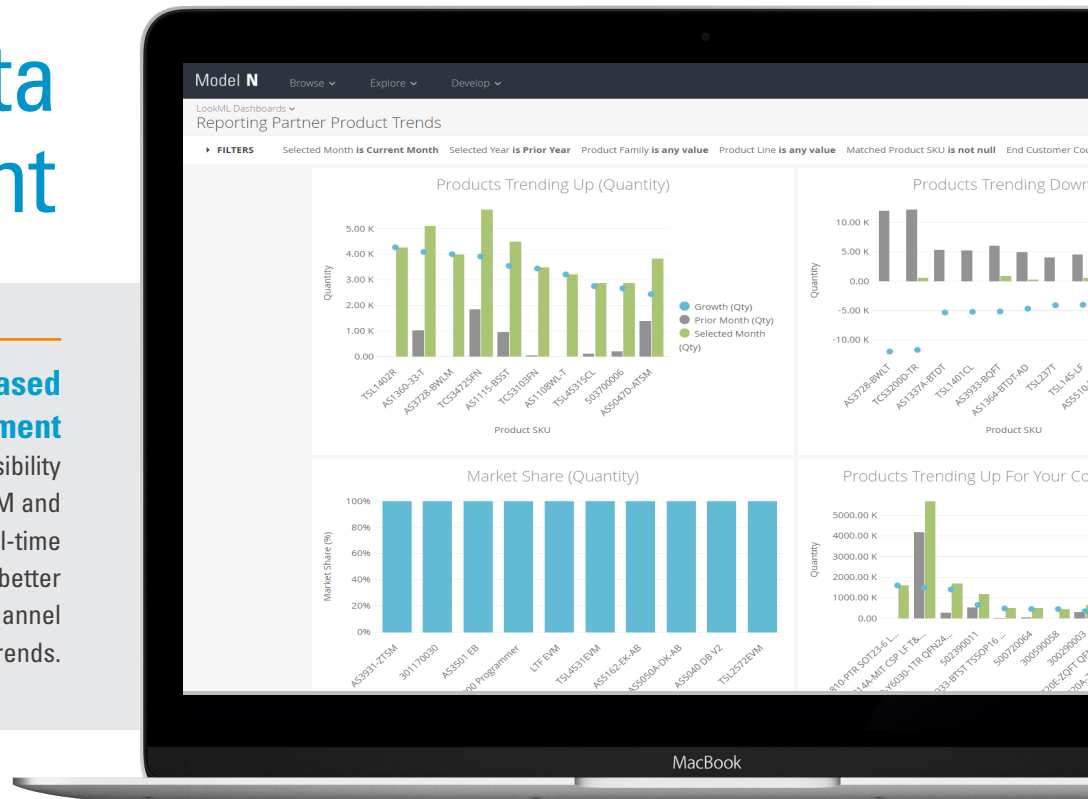
6 Stock Rotation

Auto-create & manage distributor stock rotation claims

Channel Data Management

Model N's cloud-based Channel Data Management

solution provides manufacturers with visibility into every distributor, reseller, ODM, OEM and end-customer in every transaction. With real-time channel information, organization will better anticipate ongoing and changing channel business shifts and global market trends.



Features

Simplifies and automates the collection of point of sale (POS), claim and inventory transactions of all types from channel partners

Systematically consumes, organizes and standardizes customer data while enriching the results without human intervention

Instinctively match and validate customer records with Model N's customer master directory

Streamline the analysis and reporting through exporting and integrating with downstream systems such as ERP and CRM

Benefits

Provides trusted, reliable and consistent channel sales information to ensure revenue, product and sales goals are realized and timely

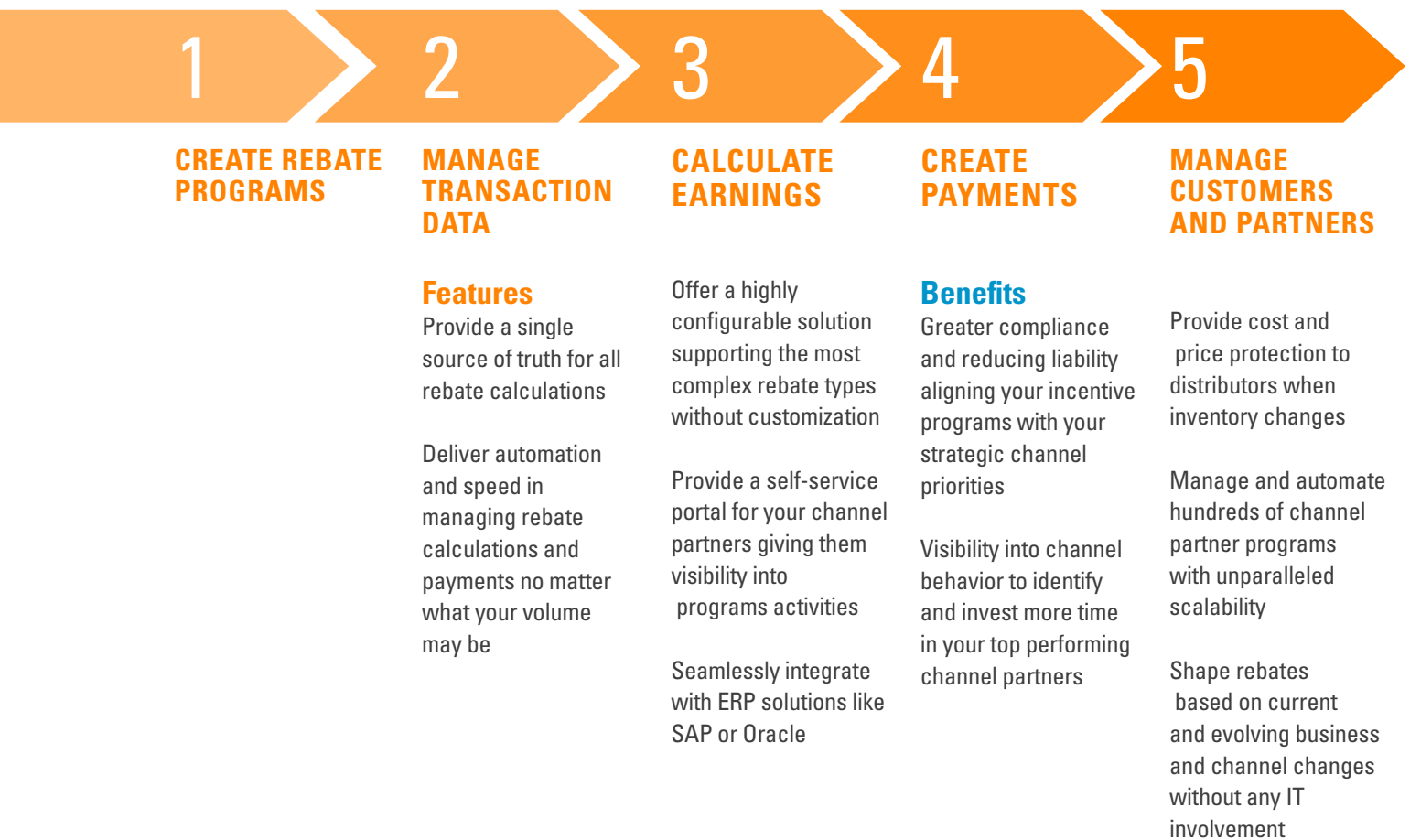
Improves channel sales efficiency through actively managing channel partners and time critical data

Optimizes marketing promotions by aligning investments and market share data in real-time analytics

Enhances the integration and use of channel sales info with Revenue Cloud

Rebate Management

Model N Rebate Management allows your organization to easily design, configure, introduce and manage effective rebate programs. The flexibility of rebate management allows incentive providers to use the system as a payment and/or clawback system. Rebate Management is an excellent solution for various industries such as Industrial Manufacturing, High Tech manufacturing, Original Equipment Manufacturers (OEM) and wholesale distributors selling a vast and complex product catalogue.



Market Development Fund (MDF) Management

Model N MDF Management is designed to provide channel leaders with the tools to successfully design and execute incentive programs, enroll partners and enable them to create plans that maximize impact. MDF Management helps you align marketing activities with channel sales strategies, manage approvals against activity types for each fund, track proof of execution, automate tracking, and timely ERP payment generation.



Features

Simplify the management of marketing funds from fund creation to payment

Align marketing activities to your channel sales strategy

Automate the tracking of partner engagement and execution against MDF initiatives

Reward high performing partners and maximizes profitability by reducing overpayments

Streamline manual payments through automated claim reimbursement

Benefits

Grow top line revenue by offering clear approval and workflow processes for managing claims and payments and preventing payments without proof of execution.

Improved sales efficiency by enabling channels to focus on selling instead of exhaustive reimbursement tracking and delayed payments

Robust mechanism for rewarding high performing partners

Ability to invest more on discretionary MDF to engage partners more efficiently while driving profitability

Greater compliance and reducing liability



Model **N**

Customer Success

with Model N Revenue Cloud

Customer Story ON Semiconductor

CHALLENGES

- Inconsistent global price execution
- Untraceable opportunities and lack of metrics

RESULTS

- \$20M per year in increased margins
- 11% increase in quote to order conversion
- 50% reduction in quote cycle time



NEW CAPABILITIES

- Track and link opportunities and registrations to quotes
- Develop and track clear metrics and goals across pricing and sales
- Identify and focus resources on highest value-add transactions

“Model N is the heartbeat of ON Semiconductor sales operations.”

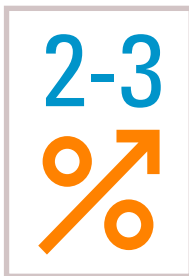
—**Randy Keadle** Corporate Pricing
Manager, ON Semiconductor

Customer Story STMicroelectronics

CHALLENGES

- Inconsistent price execution and poor discounting controls
- Inability to correlate opportunities to quotes and to POS
- 19 homegrown extensions to SAP, that were not integrated to each other and a high cost to maintain

NEW CAPABILITIES



- Consistent global price execution and global discounting *improved gross margins by 2-3%*
- Pricing rules addressing currency fluctuations *saved \$3-4M*
- Standardization onto one system *saved IT \$2.5M annually*
- Manual special pricing requests *decreased from 55% to 38%*

“By implementing a global pricing approach with Model N we reduced our escalations from 55% to 38%, and leveraged our pricing by 2-3%.”

—**Candido Duares** VP of Sales
Operations, ST Microelectronics



Model N Thank you

MODELN.COM

Model N's holistic approach to Revenue Execution makes it a unique solution in the market. Customer's around the globe have been able to quickly achieve results when they've chosen us as their partner.

**To learn more about the Model N Revenue Cloud
visit us at www.modeln.com**
