Model N | NXP

CASE STUDY

NXP realizes the business benefits of transitioning to Model N SaaS

ABOUT NXP SEMICONDUCTORS

NXP Semiconductors designs and manufactures purpose-built, rigorously tested technologies used in the automotive, industrial and Internet of Things (IoT), mobile, and communications infrastructure markets. The company combines leading-edge technology with pioneering people to develop solutions that make the connected world better, safer, and more secure. NXP operates in more than 30 countries and has more than 26,000 customers.

BUSINESS PROBLEMS FACED BEFORE MODEL N

- The internal functional management team was handling day-to-day tickets for functional enhancements, bug fixes, and custom requests, resulting in long lead times and user frustration.
- The extensive customization made upgrades cumbersome and infrequent, preventing NXP from capitalizing on new functionality.
- Model N planned to retire its on-prem platform, meaning NXP would no longer receive ongoing support.

OUTCOMES ACHIEVED WITH MODEL N

- **Increased support and faster turnaround time for modifications to day-to-day workflows and operational improvements**
- **Built-in checks and balances to prevent unnecessary system modifications**
- **Smoother, faster user experience that supports more efficient sales operations**
- **Ability to quickly capitalize on new and existing Model N functionality, eliminating the need for many customizations**

"Before we decided to shift our Model N platform from on-prem to SaaS, we spent a lot of time looking at a few key elements: business continuity, total cost of ownership, and most importantly, how it's going to impact over 1,900 users and 44 different partners. We use Model N day in, day out, so it was very important for us to take all these considerations into account."

Ram Santhanam, Global Head of Pricing and Customer Transaction Operations

THE SITUATION

NXP has used the on-premises Model N platform across the entire organization since 2011. In that time, they have leveraged the platform to streamline revenue operations, reduce risk, and scale strategically. However, NXP's platform required extensive customization. "We had customizations for just about everything because the functionality we needed wasn't available," explained Ram Santhanam, Global Head of Pricing and Customer Transaction Operations. Taking large-scale platform upgrades more frequently than once every three to four years was cost-prohibitive, so NXP didn't always take advantage of new features and functionality as they became available.

When Model N announced it would no longer support on-prem systems, NXP needed to decide whether to move to Model N SaaS, keep running without any support, or choose an alternative solution. After carefully considering their options, NXP decided to remain with Model N and switch to SaaS. Total cost of ownership was a key driver for the transition. "It's not just about licensing," explained Santhanam. "We really looked from end to end — everything we spend, everything we do, adds up to the total cost. My team and IT partners developed a full-blown model that shows where every penny is spent." Santhanam recommends that anyone considering a move to SaaS go through a similar exercise. "The insights we gleaned were just phenomenal."

THE SOLUTION

Before beginning the SaaS migration, Santhanam's team reviewed custom feature implementations that increased the complexity of NXP's on-prem solution. He explained, "Much like you'd have a garage sale or do a deep clean before making a big move, we looked at what we should leave behind." NXP inventoried their customizations and how they were used, then the team worked with Model N to see if the same task could be accomplished with an out-of-the-box solution.

This exercise identified customizations that NXP initially thought they needed to keep, but in reality, they either no longer needed or could replace with other functions. "We realized we needed to be willing to dig deep and throw away stuff we didn't need anymore," said Santhanam. "Our implementation manager helped us understand what functions the newest version of Model N supports. While that functionality might not be exactly the same as what we had, we determined that if it met 80% of our business's needs, we could get rid of our customization."

Deployment and development differ significantly between on-prem and SaaS instances. The perceived loss of control was particularly concerning to Santhanam. "We knew things that we used to be able to do ourselves would now require raising a ticket and going to Model N to get it done." As part of their preparation, NXP reviewed all their tickets from the prior year to understand the issues they had faced and the type of support they required. NXP and Model N then engaged in numerous discussions to establish processes and set expectations, so that when the transition occurred, both sides would be ready to step up and get the job done.

Santhanam had also met with Model N customers in the life sciences industry. "They advised us to pay attention to integrations… don't take them lightly." Model N's integrations with the ERP system, Salesforce, and enterprise data warehouse were critical to the company's financial and sales processes. "We talked with Model N about the integrations that needed to work," explained Santhanam. "Despite all the time and effort we put into this area, we still had some hiccups. I think that's because there's only so much you can do with your staging and test environment. In hindsight, there's nothing we would have done differently. But my advice to anyone else going through the transition: Plan. Anticipate that this area will be challenging and allow more time. Test, test, and test. And plan for additional time to mitigate anything once it goes live."

As we prepared to go live, we were bracing for the worst. But interestingly, the transition was a non-event. And that's a good thing."

Santhanam

RESULTS

NXP's new Model N SaaS platform went live in June 2025, and all in all, the transition was seamless. In fact, Santhanam believes that NXP now has more support and can operate in a more agile manner than with their former on-prem model. In the past, NXP consulted only with Model N experts during large Professional Services engagements. "When we were on-prem, we would come for an upgrade project," said Santhanam. "We would bring up tickets when there was a defect, and it would go back and forth, but we never really engaged on day-to-day stuff."

Today, they can reach out to Model N to discuss and solve operational improvements. For example, NXP identified a business need to streamline pricing updates to quickly process tens of thousands of codes in a repricing batch. "We started talking about the problem with our Model N team," stated Santhanam. "They brainstormed and determined we could make the process improvement with a Model N workflow construct. Conversations like that about day-to-day operations had never happened before. It's a better partnership."

Additionally, the SaaS model has helped NXP improve compliance. As the person in charge of ensuring SOX compliance, Santhanam views the need to submit tickets for changes as a blessing in disguise, as it helps him prevent unnecessary or risky changes. He said, "Any change we make, we have to think through and raise a ticket. There are checks and balances. People ask us, 'Do you really want to do this? Is there a better way to do it?'"

Model N SaaS is delivered on a world-class cloud that's powered by Amazon Web Services (AWS), which provides the elasticity, performance, and security NXP needs to address market changes, meet business goals, and reach new channels. It's also faster than being on-prem. Santhanam has received positive feedback from sales team members on the platform's responsiveness and usability, including those who used to refer to the on-prem system as "a bear."

WHAT'S NEXT?

Santhanam looks forward to continued collaboration with the Model N team. Among his priorities are finding ways to leverage the platform to improve customer validation and compliance monitoring processes. "With the current geopolitical situation, it's becoming more and more important for us to know custody of electronic components to three levels," explained Santhanam. "I think Model N is in a really good position to help us apply their learnings from the life sciences side."

Learn how Model N helps maximize revenue by eliminating revenue leakage and compliance risk. ›

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