

When Green Equals Green

Best Practices for Communications Provider Billing
in an Environmentally-Conscious, Multi-channel World

WHITEPAPER:
COMMUNICATIONS

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ABSTRACT

WITH AN INCREASED FOCUS ON ENVIRONMENTAL STEWARDSHIP, IT'S NOT SURPRISING THAT MANY COMMUNICATIONS FIRMS ARE LOOKING FOR WAYS TO PROMOTE "GREEN" ACTIVITIES WITHIN THEIR COMPANIES—including customer billing.

THIS FOCUS ON GREENER BILLING PRACTICES HAS BEEN SPURRED ON IN PART BY AN INCREASE IN ENVIRONMENTAL AWARENESS, ESPECIALLY AMONG INDIVIDUALS UNDER 45 YEARS OLD—KEY TARGETS FOR NEW COMMUNICATIONS SERVICES. WHEN A YOUNG GRAPHIC DESIGNER FROM PITTSBURGH RECEIVED A 300-PAGE CELLULAR PHONE BILL, FOR EXAMPLE, THE EVENT QUICKLY BECAME A YOUTUBE SENSATION THAT ATTRACTED OVER 1.5 MILLION VIEWERS. THE SELF-MADE VIDEO ENDED WITH A SIMPLE MESSAGE: SAVE A FOREST.

INVOICING IN MORE ECO-FRIENDLY WAYS IS IMPORTANT, BUT IN TODAY'S ECONOMY, COMPANIES ARE ALSO LOOKING TO MONTHLY BILLS AS A WAY TO INCREASE SALES, CUT COSTS AND STRENGTHEN CUSTOMER RELATIONSHIPS.

INSTEAD OF THROWING THE BABY AWAY WITH THE BATH WATER, COMPANIES ARE EXPLORING HOW THEY CAN ACHIEVE MULTIPLE OBJECTIVES THROUGH AN EFFECTIVE, MULTI-CHANNEL COMMUNICATION STRATEGY. THIS WHITE PAPER, DEVELOPED BY PITNEY BOWES BUSINESS INSIGHT, EXAMINES BEST PRACTICES FOR COMMUNICATIONS PROVIDER BILLING IN AN ENVIRONMENTALLY-CONSCIOUS, MULTI-CHANNEL WORLD.

e-Billing is One of Several Key Initiatives

The advancement of electronic bill presentment and bill pay capabilities represents a clear opportunity to reduce paper consumption—but it is only one of several ways your monthly bills can help you achieve your most pressing corporate goals.

When you have an ability to manage, archive and manipulate both data and print streams, you can:

- Produce printed mail that is more eco-friendly and good for your business
- Employ leading-edge TransPromo applications to boost retention and cross-sell
- Manage paper and electronic documents to cut costs and enhance the customer experiences
- Satisfy customer demands for “my way” billing and transaction history

Pitney Bowes Business Insight is uniquely qualified to help companies implement smart, effective billing strategies that connect customers, conserve resources and contribute to bottom-line growth. For over 25 years, we have served as a valued resource to the communications industry, offering an array of location intelligence, data quality and communication management solutions that increase the effectiveness of customer interactions and drive better decisions. Today, more companies are working with Pitney Bowes to streamline and transform billing operations than anyone else in the world.

Greener, More Efficient Mail

Americans made 3 billion online payments in 2007—twice as many as in 2004. Clearly, online bill pay has become more mainstream, but most customers still want to receive their paper bills.

More than 95 percent of mailed invoices are open and read each month. Once received, paper bills and statements receive more consideration than any other form of communication, with the average customer investing up to three minutes or more for statement review. Not only do they command more attention when initially opened, they are often viewed more than once. The paper-based nature of transaction mail is valued by consumers as they pay bills, submit expense reports, prepare taxes and file documents.

While consumers value mail, they also believe that mailers have a responsibility to prudently and proactively create more eco-friendly mail and would be more likely to do business with companies that incorporated today's best practices, including:

Reduce returned mail. Undeliverable-as-Addressed mail cost the United States Postal Service® over \$1.6 billion last year, and the cost to mailers and the environment could be even greater. Some estimate that returned mail costs \$3.00 or more per piece in added processing, while the waste and resource consumption incurred in paper, production output, trucking and recycling or disposal of undeliverable mail is significant. Real-time address validation, move update processes and closed-loop address management practices can help keep your records up-to-date.

Incorporate householding techniques. When companies send out three separate invoices to the same individual in the same month, that impacts the environment with three times the trucking expense, three times the CO₂ emissions, plus added paper as well. Today's customer data quality and data integration solutions allow you to create a high-definition view of your customers so you can consolidate billing for multiple services in a single statement. On the production floor, print stream engineering gives you the flexibility to modify and combine the print-ready files created by your existing applications—without disrupting your underlying operations or mission-critical systems.

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Reduce, reuse, recycle. Buying paper with high post-consumer recycled content helps the environment on many levels, but you may find additional opportunities through invoice design as well. Duplex printing, summary statements and better organization of information can help you satisfy customer desires for printed invoices without leading to a YouTube video about your company's bills.

The TransPromo Advantage

You can take consolidated billing one step further by adding relevant marketing messages to your statements. This linking of transaction and promotional documents (TransPromo) has proven to be a win-win for customers, businesses and the environment. With today's technologies, many firms are using customer intelligence to speak with their customers on a more personal level through paper and e-billing applications, self-service web portals, cell phone bill pay and secure transactional email. These activities provide value in several ways:

- Increases the relevance of existing communications
- Printing "onserts" directly on statements reduces your reliance on pre-printed inserts—saving on paper
- Synchronize cross-sell activities across multiple channels
- Plus, the effectiveness of TransPromo as a tool to sell products and service can allow you to eliminate other more wasteful efforts

Effective, Electronic Document Management

The ability to store, search and retrieve digital versions of customer bills—anytime and anywhere—is a critical component of an eco-friendly, multi-channel communication strategy.

Electronic document management technologies provide a means for paperless reviews, revisions, and approvals to improve workflow efficiency. They ensure that customers see the same information online and in the envelope. And it makes it easier for customer service representatives to respond to customer inquiries without needing to print and mail duplicate statements. Additional benefits of e-document management include:

- Reduce on/off-site storage and retrieval costs
- Speed file retrieval times for archived files
- Lower disaster recovery costs
- Reduce litigation support costs

Today's high-speed, high-volume, high-performing document repositories provide ubiquitous access to critical communications—through virtually any interface or application.

Electronic Payment Options Boost Satisfaction and Cash Flow

While customers still prefer to see their bill on paper, they have become increasingly comfortable in paying bills electronically. In the United States, 80 percent of online households use online banking services and as of 2007, Internet-enabled households were paying more bills online than via paper checks.

In addition to convenience and costs, consumers cite the environment as one of the primary reasons why they choose to pay bills online.

An effective online bill pay experience may employ a number of applications, including high-speed e-presentation, e-payment, archiving, online account management and e-service. But the benefits can be significant, including streamlined processes and increased customer loyalty.

These technologies can help communications firms dramatically reduce printing, postage, paper and handling costs. And as proven time and again, customers pay e-bills faster which helps improve cash flow and bottom-line results.

Companies exploring e-payment options should consider choice and functionality. With today's leading solutions, you can empower customers with flexible payment options, including pay now, scheduled payments, partial payments and auto-pay. Plus, you can offer a broad range of funding options, including ACH, PayPal and credit card transactions. Often, the same platform can be used by CSRs to administer payments over the phone.

Integrating customer communications and reporting with your e-payment platform provides for a closed-loop experience. Customers can receive automatic email notification of successful or failed payments as well as past due accounts. Receipt of electronic payments can create instant updates for your internal groups—accessible by service reps, finance staff and customers.

e-Billing Gains Appeal, Becomes More Versatile

While many telecom customers are not ready to turn off paper bills altogether, leading companies are offering and actively promoting e-billing options—giving customers the choice to receive their monthly statements through the mail, electronically or both.

e-billing is seen by many consumers as being more environmentally friendly, saving paper and energy. While only 39% of individuals using online billing have chosen to cancel paper bills, the trend is definitely moving toward online presentment.

Business customers appreciate the analytic and reporting capabilities that often accompany e-billing service—making it easy for them to download reports, track expenses and manage charge-backs across the company.

The benefits to communications providers can be even greater:

Savings: In addition to environmental concerns, companies report that e-billing can reduce the cost of sending a bill by as much as 70% via savings in material, postage and labor.

Loyalty: Customers who receive e-bills report higher levels of satisfaction—25% of customers indicate that this service improved their overall relationship and made them less likely to switch to a competitive service.

Sales: e-bills can include embedded links to promotional offers, making it easier for customers to learn about new services and solutions.

When your e-invoicing application also includes built-in workflow, dispute processing and advanced analytics capabilities, you can also streamline and automate several operating functions for both you and your customer.

Built-in invoice workflows help speed up the bill payment process with customized electronic approval paths to the appropriate individuals or groups for faster review, approval and payment.

Automated dispute processing allows business clients to flag and dispute invoice line items, while not disrupting the payment of approved items.

Advanced user management helps control bill payment authorization limits and improves record keeping—allowing customers to administer their accounts without having to call a service representative.

For companies looking to promote more eco-friendly practices, reduce costs and offer a consistent experience across channels, today's solutions provide an ability to manage, archive and manipulate both data and print streams—providing a “single-point execution” that eliminates redundancies. That means you won't need to build and maintain two applications, one for paper bills and one for e-bills. Document design, data access and

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business logic can be executed once, allowing you to create both printed and web documents simultaneously. You can coordinate marketing messages and campaigns for both paper-based and electronic channels using a single design environment. And by accepting a direct data feed from the billing system, you can reduce errors and costs.

CASE IN POINT:

TELEFONICA LAUNCHES ECOLOGICAL BILLING

With 11 million accounts, this Brazilian communications pioneer had been printing and mailing 40 million pages each and every month—a process that took ten days to complete.

Working with Pitney Bowes Business Insight, they have re-engineered their billing process, allowing customers to receive invoices via email and pay online. Offering end-to-end support, Pitney Bowes supported invoice redesign through e-Account deployment. Projected benefits include:

- \$20 million in savings over a three year period
- Faster issuing of invoices
- Streamlined archiving and retrieval for legal and auditing teams
- Cost-effective document storage
- More effective marketing

This program is a key part of their Environmental Sustainability Group. It is estimated that within the first year, 760,000 customers will opt for electronic bill delivery. This will save 300 trees and help neutralize three tons of CO₂ emissions.

Pitney Bowes Business Insight: Your Source for Billing Solutions Where Green Equals Green

Your monthly invoice is one of the most important touchpoints between you and your customer. How you handle these transaction represents a highly visual way to demonstrate your commitment to environmental stewardship. At the same time, companies are also looking at ways to change billing practices to expedite cash flow, reduce costs, improve loyalty and sell new products and services. With an effective multi-channel billing strategy, you can achieve all that and more.

Pitney Bowes Business Insight can provide you the know-how and the solutions you need to manage, archive and manipulate both data and print streams. For over 25 years, we've helped communications firms improve their billing operations and today we offer end-to-end support, with technologies including:

- Customer data quality
- Global address cleansing
- Location intelligence
- Document composition
- Print stream engineering
- Electronic document management
- High-volume data repositories
- Electronic bill presentment
- Online payment functionality
- Online account management

WITH PITNEY BOWES, YOU CAN CREATE CUSTOMER EXPERIENCES THAT ARE IDEAL FOR TODAY'S ENVIRONMENTALLY-CONSCIOUS, MULTI-CHANNEL WORLD— IN WAYS THAT CONNECT CUSTOMERS, CONSERVE RESOURCES AND CONTRIBUTE TO BOTTOM-LINE GROWTH.

TO LEARN MORE, CONTACT PITNEY BOWES BUSINESS INSIGHT AT 1.800.327.8627 OR VISIT WWW.PBBUSINESSINSIGHT.COM TODAY.

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