

**Transforming IT Capabilities
for as-a-service Business
Models using Oracle**

White Paper

Introduction |

We live in a highly consumerized, digital-first world, where customer expectations are constantly changing and personalization is a key differentiator. In this environment, hi-tech manufacturing, independent software vendors, media and entertainment, life sciences and medical devices industries can benefit immensely by adopting an as-a-service business model which is prevalent in telecom, utilities, and professional services. Servitization is the shift of business model from only traditional products to a mix of products and services to their offerings. There are multiple benefits to becoming an end-to-end provider for these industry segments, such as generating predictable revenue streams, increased customer retention with lifetime value, improved a product innovation and a strengthened core value proposition. One of the earliest and most popular example of servitization is of Rolls Royce in which they offered a service package whereby customers had the option to pay by the hour depending on the time engine is in flight.

The latest digital technology can equip today's enterprises with key IT capabilities needed to successfully transition to an everything-as-a-service business model (XaaS), instead of merely selling products or services. It's no surprise, therefore, that the as-a-service market was valued at US \$93.8 billion in 2018. Between 2019 and 2024, as-a-service market is expected to grow at a CAGR of 24% . In this white paper, we discuss how businesses can pivot to everything-as-a-service, leveraging Oracle's world-leading packaged applications suite to achieve tangible benefits.

Why Everything-as-a-Service (XaaS) makes sense

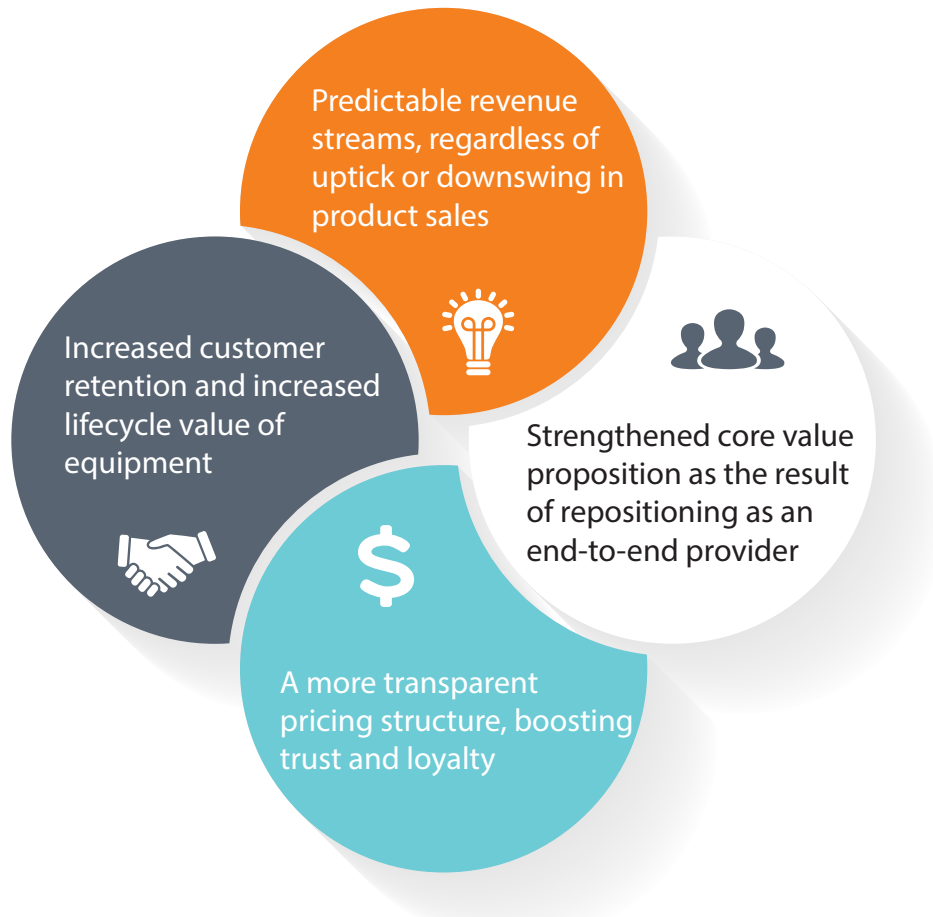
In our world of rapid innovation and hyper-connectivity, the possibilities of creating new as-a-service business models for other industries are far-reaching – electric vehicles as-a-service, medical equipment as-a-service, construction or excavation equipment as-a-service, and many more.

The everything-as-a-service (XaaS) model offers an alternative to legacy modernization and new services implementations. It provides scalability and a shorter time to value in delivering digital government at scale. According to Gartner, by 2025, 95% of new IT investments made by government agencies will be made as a service solution.

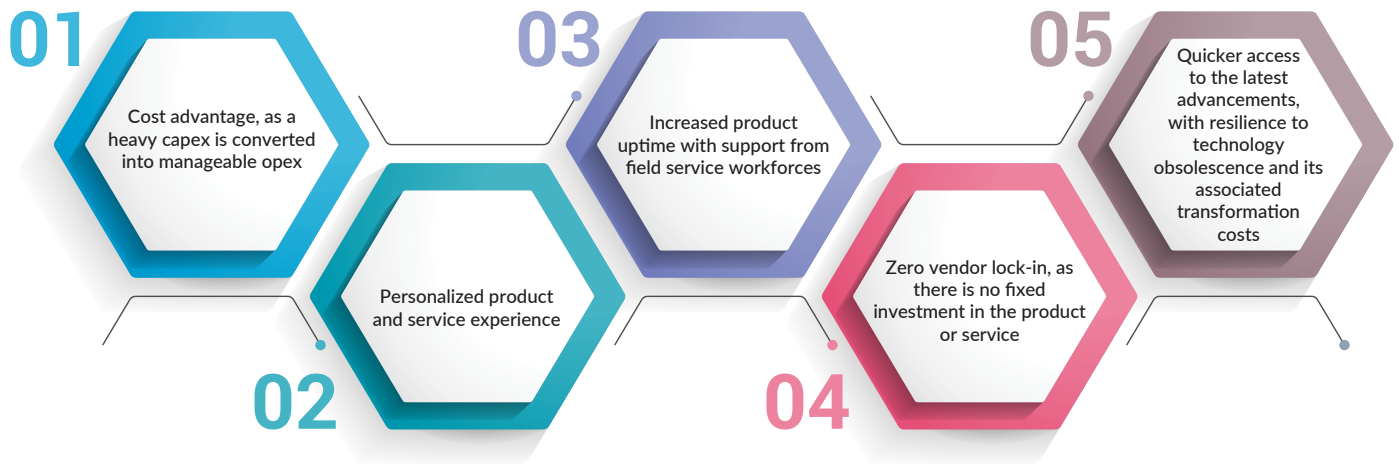
Similarly, expensive medical equipment manufacturers could gain from the as-a-service model. Leading healthcare services provider, InHealth, offers fully managed MRI technologies, reducing the need for upfront investment from healthcare providers.

The Benefits of Embracing Everything-as-a-Service |

The as-a-service business model provides opportunities for enterprises as well as for end customers, creating a “win-win” situation and a sustainable approach. Together with the right mix of technologies embedded in product development and a robust IT environment, it is possible to enable several benefits for an as-a-service enterprise, including:



Benefits of switching to XaaS



Driven by these benefits, incumbent enterprises and new-age disruptors alike are opting for servitization or as-a-service business model. Recently, we witnessed the world's first augmented reality (AR) glasses-as-a-service from German wearables company, Ubimax. For a monthly \$200 fee, the company provides all the necessary hardware, software, and services required to deploy AR at scale. Siemens has made major strides in energy-as-a-service. They design, deploy, and manage a bespoke energy conservation system, powered by its digital twin modeling tool. Munich is rolling out a city-owned mobility-as-a-service solution that will revolutionize public transportation, integrating both private and governmental transportation providers in the city.

Instances like this indicate the incredible possibilities opened up by servitization for enterprises. But to successfully embrace an as-a-service business model, enterprises need certain IT application capabilities.



Core IT Capabilities for Leveraging Everything-as-a-Service

In an as-a-Service business model, personalization, flexibility and agility are key differentiators. This business model requires changes to all major aspects of the enterprise: people, process, technology, and culture. Specifically, for the technology aspect, enterprises need to reimagine their current IT capabilities. Some of the key IT capabilities that must be transformed or added to IT for a smooth transition are:

Contract management

Applications and customer-facing portals to activate or deactivate contracts, monitor usage, and keep track of payment schedules.

Data management

Frameworks and processes to collect customer consumption data, ensure data privacy and regulatory compliance, and analyze the data for insights to upsell or cross-sell fresh offerings.

Flexible pricing and payment models

Compatibility with a diverse range of pricing models and payment options, reconciling those options with the overall enterprise revenue stream; for example, fixed subscriptions, pay-per-use with flexible billing frequency (month/quarter/year), and products or services bundling (inclusive and exclusive of consumables).



Invoicing and revenue collection

New payment portals that allow customers to track their consumption levels, get alerts of consumption at specific thresholds, and pay the enterprise directly via access to auto-generated invoices.

Field workforce management

Applications get near real-time updates of equipment operating conditions and allocate, manage, and assist field workers who are in charge of equipment servicing, maintaining, repairs, and replacement, improving equipment uptime as equipment downtime is now directly linked to revenue dips.

Contact center

Best-in-class contact center capability, where customers can interact using digital communications (social media channels or chatbots) with customer service representatives and contact center executives and get real-time updates.

Partner channel enablement

Solutions to support an extended partner ecosystem, such as resellers or dealers who earn a commission from total revenue and optionally third-party leasing partners, to whom the enterprise might transfer some of the business risk.

Revenue recognition

Tools compliant with accounting standards (such as ASC606 and IFRS15) that can arrive at net revenue based on gross earnings and cost recognition.

Extended line of credit

Portals to allow customer access to additional services on a credit basis – apart from the subscription package – to be consumed during a contingency scenario or once the threshold is reached, maintaining business continuity.

IoT and AI adoption

Sensors to collect and relay consumption data for accurate billing and real-time updated invoices and AI chatbots to offer automated customer support, reducing pressures on contact center teams and field executives.

These are the key IT system capabilities enterprises need to transition to an as-a-service business model. Fortunately, Oracle's Cloud Application offering has made major strides to help enterprises achieve this goal.

How Oracle's Packaged Applications Streamline Everything-as-a-Service Delivery

Oracle's new generation cloud software-as-a-service (SaaS) applications offerings are perfectly geared to accelerate the enterprise journey toward everything-as-a-service. Oracle's key applications for an as-a-service enterprise include (but are not limited to):

01 Subscription management

- ◆ Oracle Subscription Management provides a solution to manage simple subscriptions such as monthly digital media subscriptions and complex usage-based products such as cloud data storage.

02 Configure price and quote

- ◆ The Subscription Ordering feature in Oracle CPQ Cloud supports subscription and renewal management capabilities that speed up subscription and renewal of service and support contracts which are delivered over a period of time with recurring billing. This feature ensures that sales teams maximize valuable revenue opportunities.

03 Billing and invoicing

- ◆ Billing provides the flexibility to bill subscribers monthly, quarterly, annually or according to custom cycles, both in advance or in arrears. Off-cycle billing is available via features like bill-now and on-demand billing, while bill-on-first-usage enables free subscription trials.
- ◆ Invoice template design allows users to configure the invoice formats as per subscriber-specific requirements with the optional capability of consolidated billing and invoicing.



04 Payment processing

Payment processing is streamlined and enterprises can take advantage of pre-integration options with leading payment gateways.

05 Financial management

Effective management of the financial side of subscriber accounts (including accounts receivable, general ledger, and taxes) is another key feature. This supports complete real-time accounts receivable actions including adjustments, payments, refunds, disputes, and write-offs based on workflow permissions. It also provides native tax support for either flat or jurisdiction-based taxes and integrates with third-party tax solutions. Finally, it conforms to ASC606 and IFRS15 standards.

06 Oracle leasing

This feature builds a single source of truth for enterprises, offering financial support to customers with leased-out solutions, streamlining risk management, contract validation, and customer relationship management as well as building profitable long-term relationships.

07 Oracle field service

This service transforms the customer experience as well as field workforce productivity, using self-learning and predictive technology. Oracle's artificial intelligence (AI) capabilities power the application, allowing it to adapt on the fly.

08 Oracle digital assistant

The digital assistant enables AI-led conversational interface build, deployment, and management to resolve customer queries at scale across web, mobile, and instant messaging platforms.

ZenEva is a next-gen conversational chatbot that is powered by Natural Language Processing, Machine Learning, and intent capabilities of Oracle Digital Solutions. Delivered as a service, ZenEva empowers the collaboration efforts of employees and enables them to interact via various channels such as Slack and Facebook Messenger. The idea is to provide a self-service portal to employees where they can initiate natural conversations around general FAQs and receive round the clock support.

Read this whitepaper to learn about the creation of chatbots by leveraging Oracle Digital Solutions:

Link- <https://www.zensar.com/insights/white-papers/creation-chatbots-leveraging-oracle-digital-solutions-meet-zeneva>

09 Oracle IoT applications

These applications cover a range of solutions such as production monitoring, asset monitoring, fleet monitoring, and service monitoring – all extremely relevant to the servitization economy.

Oracle's robust portfolio of next generation cloud-based enterprise applications addresses nearly every requirement arising from the adoption of servitization. By adopting Oracle Cloud Applications, an enterprise can turn its vision for everything-as-a-service into a reality. This is critical for enterprises to retain and expand their customer base in the face of stiff competition from industry disruptors. Additionally, it translates into significant revenue gains and improvement in market reputation, helping enterprises stand out in this digital era.

How Zensar Aids the Transition

Zensar is committed to helping its clients strengthen and reimagine existing IT capabilities as enterprises move to an everything-as-a-service model. We have successfully helped enterprises transform their IT systems, enable process digitization and deliver tangible benefits to our customers globally. Our Oracle-specialized consultants, are equipped to successfully manage the entire IT transformation required for an enterprise to transition to an as-a-service business model.

Reliable SLA-based Oracle SaaS support for US-based leading chain of hotels

Zensar improved user adoption and stabilized the support for upgrade and implementation of new features and additional modules in a recently implemented Oracle Cloud system for the retail and service industry giant. An SLA based shared services support model was used for the development of an automated solution for integration with external systems and the implementation of Oracle SaaS modules for financials, planning and budgeting.

Oracle SaaS extension using PaaS for a leading hi-tech industry major

Zensar helped the company disrupt the status quo and be a differentiator in the market while enabling them to reduce the customer query resolution time to >50% and vulnerability to attacks by >95%. Oracle Sales Cloud implementation was truly hybrid with seamless automation and customer experience across SaaS, PaaS, On-Premises and mobile applications.

Reference

XaaS (Anything as a Service) Market Overview, Dynamics, Trends, Segmentation, Key Players and Forecast to 2024,

<https://menafn.com/1098985503/XaaS-Anything-as-a-Service-Market-Overview-Dynamics-Trends-Segmentation-Key-Players-and-Forecast-to-2024>

XaaS and the art of connected manufacturing

<https://diginomica.com/xaas-art-connected-manufacturing>



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We conceptualize, build, and manage digital products through experience design, data engineering, and advanced analytics for over 200 leading companies. Our solutions leverage industry-leading platforms, and help clients be competitive, agile, and disruptive as they navigate transformational changes with velocity.

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