M4 Systems Case Studies

London Stock Exchange

London Stock Exchange Increases Efficiency with a Recurring Billing Solution from M4 Systems

Overview

Country or Region: United Kingdom
Industry: Financial Services

Customer Profile

One of the worlds oldest stock exchanges, LSE provides trading services, capital markets, derivatives and information services to more than 400 firms. The most international of all the world"s stock exchanges, around 3000 companies from over 70 countries are admitted to trade on its markets.

Business Situation

LSE needed a recurring billing solution that would automate processes, reduce the number of man hours spent on monthly and quarterly billing routines and improve control.

Solution

Working with M4, the Exchange developed a solution which fully integrates with Microsoft Dynamics GP.

Benefits

- Reduced costs and improved revenue recognition
- Streamlined processes
- Improved control

"The implementation of Advanced Recurring Billing has had a massive and positive impact. Streamlined processes and reduced costs have paid for the solution several times over."

Laurence Freeman, Head of Sales Invoicing, LSE

Providing trading services, capital markets, derivatives and information services to more than 400 firms, London Stock Exchange is the oldest and most international of all the world"s stock exchanges.

Generating a billing requirement for over 4000 subscription customers across multiple product lines, the Information Services division of the Exchange needed a dedicated recurring billing solution to streamline processes and improve control.

Working with **M4 Systems**, the Exchange implemented an Advanced Recurring Billing solution. Fully integrated with Microsoft Dynamics GP, through the roll out of the solution the Exchange was able to drive down manual intervention while improving efficiency and control.

Microsoft Dynamics GP

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DynamicsPlus
Microsoft Dynamics Enhanced

Solution

With a history dating back more than 300 years, London Stock Exchange (LSE) is at the heart of the global financial market and is home to some of the largest, most successful and dynamic companies in the world.

Following the merger with Borsa Italiana in 2007, LSE is the most international of all the world"s stock exchanges, with around 3,000 companies from over 70 countries admitted to trading on its markets.

One of the world"s oldest stock exchanges, today LSE provides trading services, capital markets, derivatives and information services to more than 400 firms made up of predominantly investment banks and stockbrokers.

The need for an Advanced Recurring Billing solution arose within the Information Services division of LSE.

Manual Processes and Increased Operational Complexity
The Information Services division generates a billing requirement for over 4000 subscription customers across multiple product lines on a monthly or quarterly basis.

Previously, LSE maintained a standalone database to capture and update billing information, which in turn passed a „billing feed" for manual manipulation and integration to Microsoft Dynamics GP (formerly Great Plains) to achieve the invoicing. The disparate nature of the two applications necessitated a new data feed to be passed from the legacy system to GP each month, with manual reconciliation of the two systems on each billing cycle. Thus a full report of all customer billing information was extracted on a regular basis and uploaded to Dynamics GP - regardless of whether any changes had been made to a customer"s subscription services.

In addition to managing updates to subscribed services, LSE also had to take into account changes to pricing. Services are typically billed on a quarterly basis against a price file held in Dynamics GP. Likewise any contracts entered with a variant on standard pricing had to go through a separate approval process, resulting in additional validation and manual intervention.

"Once a decision had been made to implement a solution which integrated with GP, we had no hesitancy in involving M4 – the trust was there, we knew they could deliver."

Laurence Freeman, Head of Sales Invoicing, LSE

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Laurence Freeman, Head of Sales Invoicing, explained the issue LSE was facing: "For over 90% of our clients, there were no changes in the services provided from one period to the next. The fact that the two systems were independent of one another resulted in the team spending a large proportion of their time manually updating, validating and re-keying information relating to client accounts where no actual changes had been made".

Limited Access to Management Information
The volume of data and difficulty with auditing changes to services between billing periods made it challenging for company employees and executives to obtain up-to-date information.
"Visibility into changes to contracts, and evidence of appropriate approvals on variants to standard pricing was difficult to retrieve, and prior to adopting Advanced Recurring Billing very much paper based," said Freeman. "We needed a system solution that would allow management to control pricing, with complete and robust audit trails."

Following an internal review of the billing routines for Information Services, a business decision was made to search for a fully integrated solution that would automate processes, reducing the number of man hours spent on validating billing routines and which would improve visibility and control.

It was also hoped that an increase in efficiency would allow the Exchange to run all billing routines on a monthly rather than quarterly basis, essentially leading to faster revenue recognition for LSE.

Solution

The Exchange had very clear objectives from the implementation of a recurring billing solution. The solution must:
- Streamline processes, removing the need for manual intervention
- Improve control and visibility in to information
- Provide a flexible and adaptable platform to grow and evolve with the Exchange
- Offer robust data audit trails
- Integrate with the existing accounting solution, Microsoft Dynamics GP

LSE researched the possibility of an existing, generic application but to no avail. At the time there were no out of the box solutions that could meet their key requirements or that readily interfaced with Microsoft Dynamics GP.

"The solution fully meets our existing needs and is flexible enough to grow and evolve with the Exchange."

Laurence Freeman, Head of Sales Invoicing, LSE

As the existing business partner for the Dynamics GP solution within the Exchange, LSE approached M4 Systems. "M4 had already proven the capability of their Development Team to us previously on a number of other minor projects." said Freeman. "Once a decision had been made to implement a solution which integrated with GP, we had no hesitancy in involving M4 - the trust was there, we knew they could deliver."

Working with M4, the Exchange ran through a formal process of reviewing and documenting its key business requirements and processes resulting in a design document for the new solution. This led to the decommissioning of the legacy application and extension of Dynamics GP into the business area, and the advent of a new process with all contract data being entered directly into Microsoft Dynamics GP. Once entered, each contract was associated with a tariff and billing frequency, then left alone to generate regular billing on a more automated basis until the contract was amended or ceased.

Advanced Recurring Billing was delivered on time and within budget within the Information Services division of the Exchange.

Benefits

Prior to implementing Advanced Recurring Billing, the standard process within the Exchange for adding new customer contracts and maintaining them was long and convoluted. Having implemented a Recurring Billing solution, which is fully integrated with Microsoft Dynamics GP, the process has been significantly improved and efficiencies gained.

The Exchange now has an end to end seamless solution – new contracts are keyed directly to GP before a series of workflows are triggered commencing with an internal validation process, and (in the case of variation from standard tariff pricing) a further Profit Centre Approver, before finally being accepted into Dynamics GP via Recurring Billing as an approved, recurring live contract.

Streamlined Processes
The Advanced Recurring Billing solution developed by M4 Systems has streamlined processes, making LSE"s employees more productive:

- All billing is now controlled within one secure solution, reducing the need to re-process unchanged data and removing almost all manual processes
- Enhanced functionality and integration to Dynamics GP has automated processes and routines including the ability to auto generate credit notes and pro rata in-voices to the contract end date
- Removing the need to conduct revenue assurance checks on data from the leg-acy application has allowed the sales invoicing team time to focus on other value adding tasks.
- The Exchange has improved its revenue recognition. Previously when a contract was entered it would only make its way to the billing team at the end of each quarter. Now, when a new contract is set-up, it is assigned a billing cycle by product and next bill to date. This generates the next invoice immediately, and then bills automatically as part of the quarterly cycle
- The module provides the flexibility to run the recurring billing routine daily, even hourly if required. LSE can also isolate billing by product, currency, customer etc.

Improved Control

- Using workflows, the Exchange has improved controls around discounting and an automated weekly check is now generated for new contracts

- Annual pricing controls and maintenance have been streamlined. LSE now aligns products to an annual price file. This automatically generates the correct charge between periods and accommodates cross over price increase periods, automati-cally adjusting contracts

"The implementation of Advanced Recurring Billing has had a massive and positive impact on the Exchange"s recurring billing routines. Streamlined and automated processes have freed up staff allowing them to focus on value adding tasks. We were also able to decommission a legacy application and made savings on support costs which have paid for the solution several times over." Freeman continued "The solution fully meets our existing needs and is flexible enough to grow and evolve with the Exchange."

M4 Systems

M4 Systems is a Gold Microsoft partner focussing on Microsoft Dynamics finance and accounting (ERP), Dynamics CRM and custom development solutions.

An internationally recognised ISV, M4 has a dedicated in-house development team offering customers the flexibility and capability to deliver rapid, cost-effective, integrated and sector-specific solutions.

For More Information

For more information about M4 Systems solutions and services visit: www.m4systems.com