

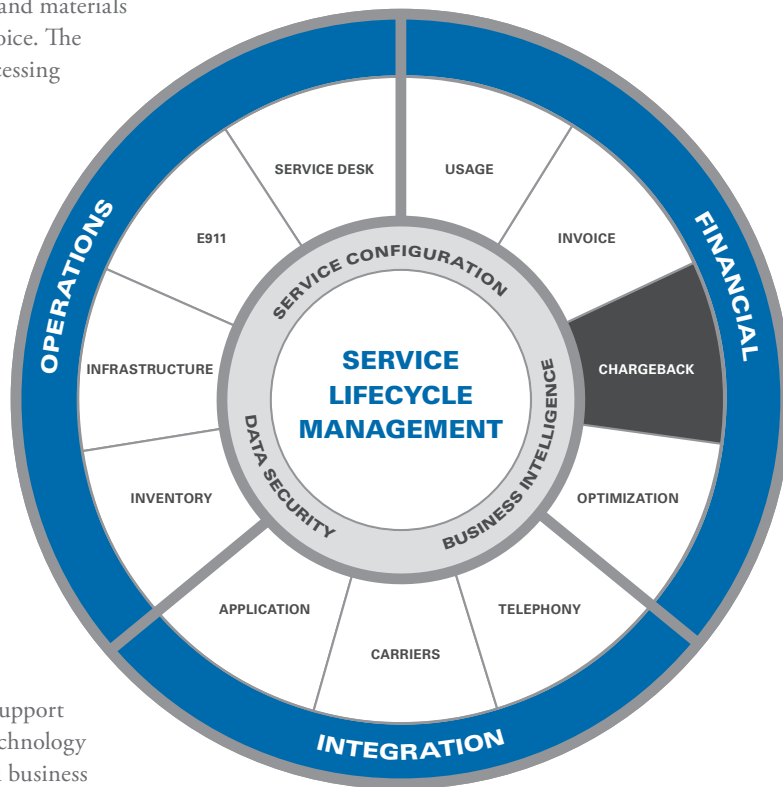
PINNACLE Chargeback Management

Business Challenge

Aberdeen reports that an average business spends between \$1.50 - \$2.00 per transaction on the labor and materials to send and process a traditional paper invoice. The material costs include paper, printing, processing and postage costs.

Businesses incur additional indirect costs including financing accounts receivables, and servicing customer inquiries about their bills. Savings from implementing a system that supports Electronic Billing Presentment and Payment (EBPP) can reach \$1.90 per transaction when all aspects of customer service, financing and billing costs are managed within the integrated platform.

Technology solution providers are looking for ways to increase their revenue streams for the continuously expanding array of network services. Voice is just one of many services offered over the network. Organizations have combined the service support and service delivery teams for these new technology services into a single, more efficient unified business model. A universal services delivery framework allows for procurement of services at wholesale rates and allocation of costs to recover operational revenues through various chargeback and billing models. EBPP is a significant enabling technology for reducing operational costs and improving value perception by providing more in-depth financial information whenever and wherever users require it.



Solution

PINNACLE Chargeback Manager allows customers to conveniently access billing information and remit payments using a web browser. Chargeback Manager also supports individual credit card payments and automated, business-to-business (B2B) transactions with third-party collection agencies and general ledger financial systems. Chargeback Management alleviates the labor costs related to the printing and distribution of bills along with the staffing required to support direct customer engagements.

Chargeback Manager is able to manage dynamic charge-backs, credits, billing and payment processes for all types of network services. Chargeback Management provides a flexible, efficient and cost-effective means to:

- Facilitate multiple types of electronic billing and automated payment models.
- Institute credit limits to automatically shut down access to services.
- Accommodate flexible rate structures and billing periods for different customer groups and service types.

Electronic Billing

PINNACLE's web-based Electronic Billing Presentment and Payment (EBPP) ensures efficiency and accuracy; automating the lifecycle of billing and payments. The primary advantage of electronic billing over traditional means is the elimination of support personnel and costs to produce, distribute and collect payments. Chargeback Manager will consolidate and present all the recurring, non-recurring and usage charges into a custom billing statement that can be reviewed and printed from a web browser. Charges can be accumulated by billed entity and sent to a third-party billing and collection system. The three types of billing paradigms supported by PINNACLE are:

1. **Billing Receivables** – A third-party agent receives an electronic file of aggregated individual charges from PINNACLE to manage the remittance of payments on behalf of the Billing agency. The third-party agency assumes full responsibilities for managing collections and tracking receivables. The Billing agency receives a lump sum payment from the collection agency.

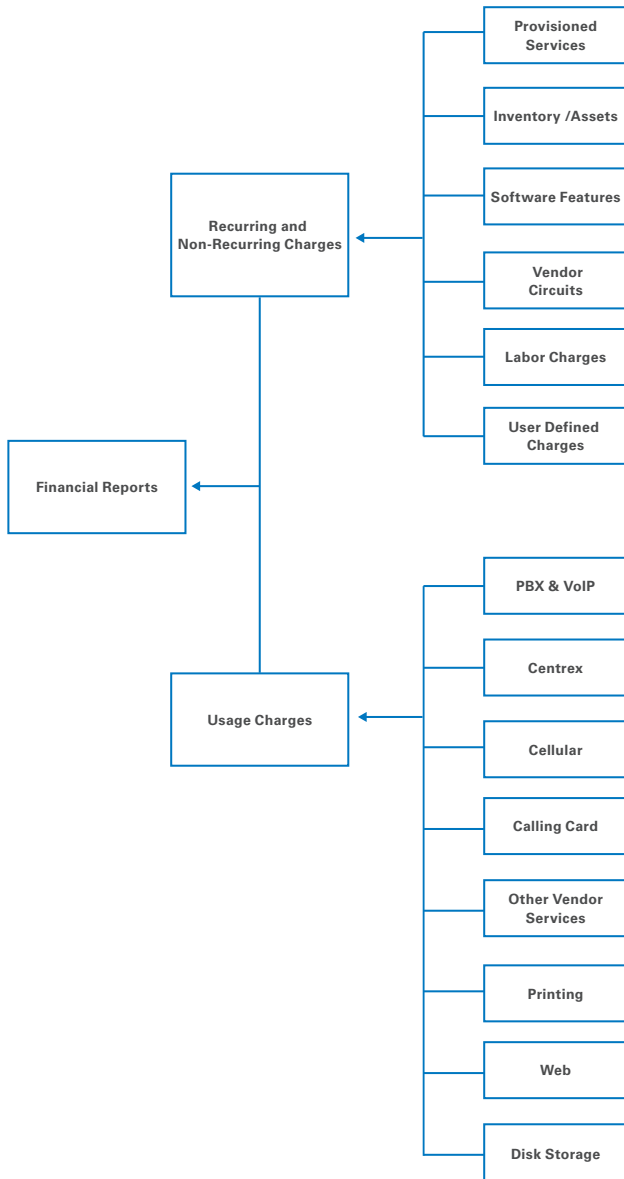
2. **Accounts Receivables** – Using PINNACLE a billing agency takes full financial responsibility for bill presentation and collections. Billing agency assumes full financial liabilities for tracking receivables with PINNACLE

3. **Administrative** – Charges are collected by an administrative organization and sent to an enterprise general ledger system from PINNACLE to automatically debit agency accounts receiving services and credit the accounts the various technology of service delivery organizations.

Chargeback Manager helps improve customer satisfaction by providing a range of financial reports that can be customized to support specific business requirements. Some examples of financial reports that help improve the value perception of the service delivery team are:

- On-demand, individual billing status reports.
- On-demand billing for individuals leaving the organization.
- Multiple-tiers of administrative billing presentation with drill-down capabilities.
- On-demand and scheduled automated credit card payments.
- Multi-dimensional perspectives of billing data to quickly review usage analytics, billing trends or costs by any combination of agency, individual, service type, billing code, equipment type, location, etc.

The electronic billing capabilities of Chargeback Manager have become an attractive solution as technology service providers continue to search for ways to reduce operational costs. Additional automation can be achieved by configuring the job scheduler to automatically execute monitoring and billing cycles.



Automated Governance

Chargeback Manager eliminates the human interaction required to monitor and take corrective action against delinquent and inactive accounts. Chargeback Manager interfaces directly with the other functions included in the PINNACLE Communication Management Suite application. Some examples of how the PINNACLE job scheduler can establish better automated financial control are:

- Using credit limits to automatically deactivate use of the telecommunications network.
- Taking corrective action on customer accounts based on feeds from Human Resources or a Student Information System.
- Leveraging deposits to alleviate the liabilities of customers leaving without making final payments.
- Using reports and dashboards to monitor trends and take proactive actions.
- Automatically remove charges resulting from disconnections or modification to service configurations.
- Automate the massive activations and deactivations associated with academic terms.
- Automatically reactivate services based on received payments.

Flexible Billing Opportunities

PINNACLE supports unlimited number and types of usage fees, recurring fees and non-recurring one-time charges and credits for all services and agreements. Each assigned recurring fee can change on a different schedule. For instance, a single customer may have the following schedule for recurring fees:

- Domain name billing (recur annually for \$39.95)
- Web host billing (recur monthly for \$19.95)
- Email account billing (recur quarterly for \$29.95)
- Voice services (recur monthly for \$9.95)

PINNACLE manages over \$1.5 billion in complex billing activities annually.

PINNACLE customers manage billing operations ranging from \$100,000 to \$1,000,000 monthly.



PAETEC's success depends upon exceeding customer expectations every day. We are intensely focused on customers and continuously improve the effectiveness of our quality management system. PAETEC has maintained ISO 9000 certification since 2000.

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PINNACLE provides a powerful set of business rules to support virtually any combination and variation of billing scenarios. Some examples of how business rules can be configured include:

- Prorating charges to only bill for the time frame services are actually used.
- Automatic resolution of customer-specific rate structures per assigned charge.
- Advance billing to secure funds for all services.
- Apply a credit to resolve a dispute against several previous billing cycles.
- Recovering fees over multiple billing cycles for services that were not correctly billed.
- Configure recurring charges to bill every month, on specific months, quarterly, semi-annually or annually.
- Flexible descriptions that can be configured to clearly define the purpose of credit or other adjustments.
- Flexible amounts to enable efficient reuse of specific billing codes for managing credits and adjustments.
- Automated rate updates to all assigned charges from a master rate table window.
- Grandfathering of pricing agreements to accommodate specific service level agreements.
- Designating revenue accounts for each specific type of charge.
- Schedule reassignment of charges to between General Ledger accounts.

Ask Your PAETEC Solutions Consultant to demonstrate how PINNACLE customers are leveraging Chargeback Manager to:

- Allow customers to view their billing statements online wherever and whenever they desire.
- Provide an array of value-added reports to your customers to analyze all types of financial information and utilization statistics.
- Customize billing statements to meet specific reporting and presentation requirements.
- Export customized financial transactions that can be uploaded to your General Ledger (GL) and/or Billing Receivable (BR) systems.