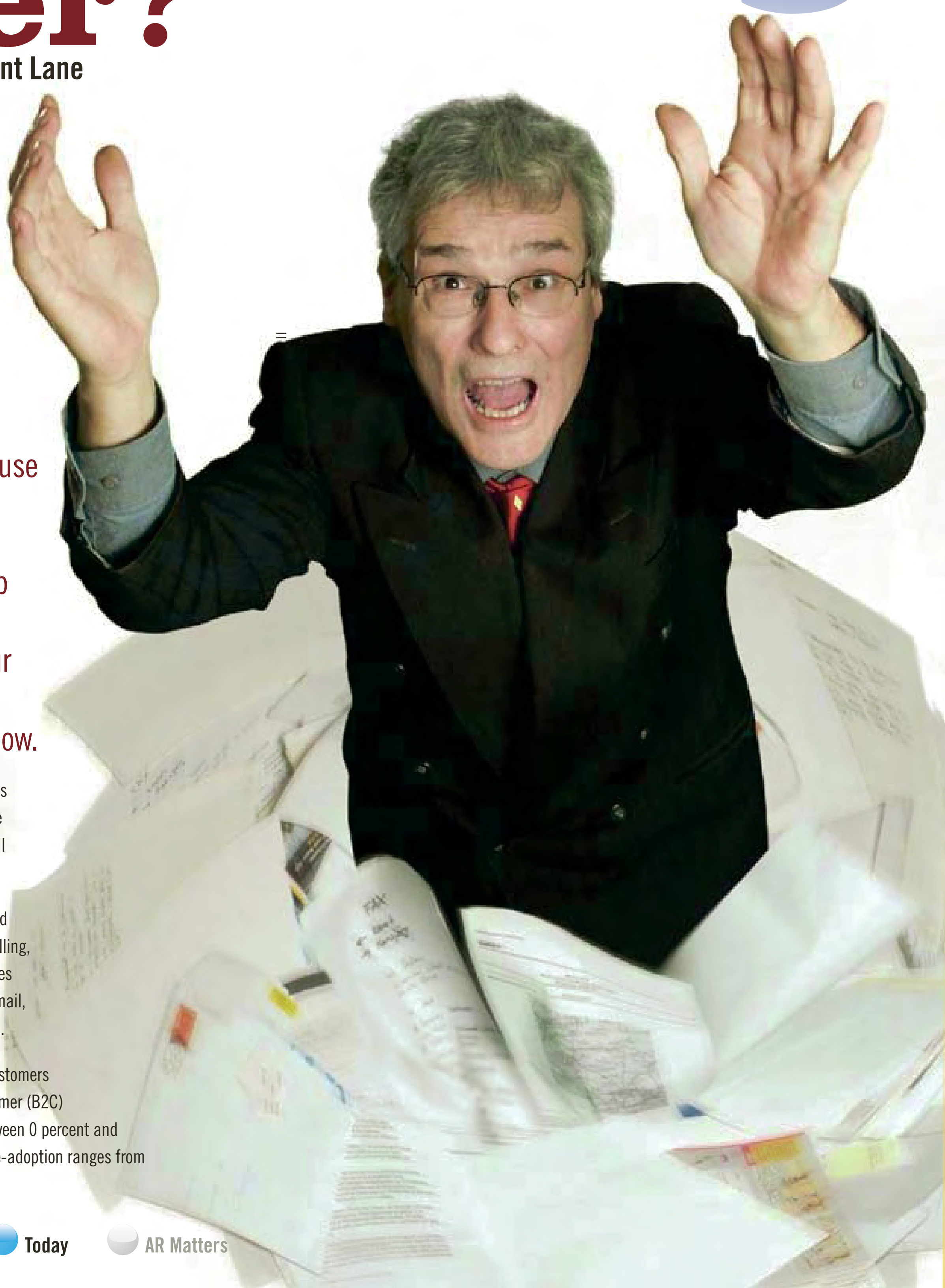
Drowning in paper?

By Flint Lane

Tips for driving electronic billing adoption



It simply does not compute. We do so many things online. We use e-mail to communicate with our colleagues, family members, and friends. We use the Web to look up current events, check on sports scores, plan vacations, and do our banking. Yet the use of electronic bill delivery remains ridiculously low.

Over the past 10 years, I have been to countless conferences where a speaker has declared that all billing would be done electronically in three, five, or 10 years. The reality, as we all now know, is that it is not that simple.

Exactly what is meant by electronic billing? It's easy to find different definitions. Ours is simple: electronic billing, or e-billing, is any method of delivering an invoice or statement that does not involve the U.S. Postal Service. This includes the Web, e-mail, fax, auto-debit, text, and electronic data interchange or EDI.

Here are some statistics based on hundreds of our biller customers across business-to-business (B2B) and business-to-consumer (B2C) markets. In the B2C space, we find e-billing rates vary between 0 percent and 40 percent with an average of 16 percent. For B2B billers, e-adoption ranges from 0 percent to 100 percent with an average of 37 percent.

Obviously, the bigger you are, the longer it takes to move the needle. However, with a few of the best practices described below, you can begin reducing your U.S. Postal Service volume. There is no magic bullet to driving a higher e-billing percentage. When it comes to changing behavior—in this case, getting someone to agree to receive and pay bills electronically—our experience over the last nine years has led us to the following key e-billing drivers:

1. Make sure the ***e-billing choices*** you offer to your customers are appropriate. If you primarily send bills to other businesses, and do not offer Web, e-mail, and fax options, you're missing out on some delivery channels. Different customers want bills differently, and it's a mistake to assume you can drive them all to one channel.

2. Adoption of e-billing is a team effort between marketing, technology, finance, and other groups at your company. However, there needs to be one person, and only one person, who is the designated ***e-billing champion***. This person is accountable to senior management and responsible for coordinating activity across all of the functional teams involved. The e-billing adoption process is not something you do for three months and you're done.

3. There must be a defined ***customer win***. Your customers will not agree to receive their bills electronically simply to save you money. The win can be any of a number of things, depending on your customer demographics—feeling better about the environment, increased control over their spending, or a chance to win a prize, for example. Different customers respond to different approaches, so changing your message to appeal to different demographics is essential.

4. Set ***measurable goals*** and monitor and report on them. For example, one of your goals might be "Achieve e-billing of 15 percent by year-end." Many of our clients use a monthly dashboard that we provide to report progress to their management.

5. Have an ***ongoing marketing campaign***. Communicate on your bill or through bill inserts; have your customer service representatives suggestively sell; make sure new accounts are enrolled in e-billing; focus on your top paper customers. These are just a few ideas. This is not a one-month communication. Just like any marketing campaign, it should involve consistent effort over time.

6. Use ***internal and external incentives***. You are asking your customers to change their behavior. While some of your customers will switch because they understand the benefits of e-billing and others will do so because of the environmental benefits, there is another segment that will be motivated only by the opportunity to get something back. Our customers have used many different incentives such as gift certificates, sweepstakes, free product, and a discount on an upcoming bill. As a side note, some companies try to use disincentives to drive behavior, including surcharges for paper bills. T-Mobile did this last year with disastrous results. Proceed carefully with disincentives.

Companies should focus on the 3 P's for driving e-billing: ***people***, ***product***, and ***process***. This means having the right people championing the effort, the right set of products that customers want, and a well-defined process for driving e-billing adoption.

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of available information. An integrated EDM/BPM suite that's tied into your business-critical information systems acts like glue, enabling a unified presentation of all appropriate information to everyone who needs it and is authorized to view or work with it.

Real-life example

Let's say an insured applies for automobile coverage. The application is automatically captured and pertinent data is harvested, such as name, coverage type/amount, and agent. This immediately triggers a new job in the underwriting process, throwing the data against your underwriting criteria and allowing the rules—instead of people—to make decisions and push the application forward logically.

If the application isn't approved, it drops from the process to an underwriter who reviews the details along with the application, claims history, and other pertinent information. Omissions are automatically flagged; an automatic message requests whatever is missing. The customer's reply triggers digital packaging of the complete application and supporting documentation, which proceeds automatically to the pre-designated underwriter. He or she approves it or sends it to a separate queue for further investigation. Denials generate customized letters, extracting data to explain why coverage was refused. BPM and smart integration ensure data is used and reused, as needed—efficiently.

Integration: Web services

True efficiency demands seamless integration. Thick client integration and screen scraping had their moment in the sun when they were the best options to capture available data, but they pale in comparison to thorough, flexible, and elegant Web services integration. The goal: to create a navigable system for digital communications so valuable data stored within your business applications can be leveraged to automate processes and propel work forward logically. Web services create the virtual infrastructure needed to make it happen.

Choose 21st century solutions

Browser-based EDM/BPM that is underwritten in Web services, designed with a single and seamless interface, and thoroughly integrated with your core business systems is priceless. Appropriate and timely access to complete and accurate data, wherever you are, 24/7, shortens underwriting cycle times, produces cleaner claims, accelerates revenue cycles, and results in superior service. It also gives you more time to pursue your ideal customers and ensure they get the attention and service that engender long-term loyalty.

Beware of EDM charlatans. Acquire the toolset your company needs for real and lasting success.

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