



Best Practices in Billing Communications

*Increasing Collections, Reducing Costs, and
Improving Communications through
Enhanced Billing Services*

SUMMARY

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Executive Summary

Organizations are recognizing the unique role that the monthly bill plays in their relationship with their customers. Inspired by billing innovations from marketing-driven financial and telecom companies such as American Express and Verizon, the bill is finally being used to its full potential: as a direct marketing response vehicle, which consistently generates the highest response rates of any other marketing medium.

Companies are using the bill as a channel to extend their brand image and to deliver timely, targeted messages to their customers. They are finding that well-designed bills which communicate clearly result in favorable customer impressions and are paid more quickly.

Advances in technology have added a whole new dimension to the value of the billing statement. Electronic Bill Presentment and Payment (EBPP) is re-engineering operating procedures in billing departments. Billing data from the ERP system can be integrated with the EBPP provider system; monthly bills are compiled and uploaded to the online view/pay application in a fraction of the time taken in the past; customers are sent email reminders to view and pay their bills online; bill history is available online 24x7 for customers to review. The operating efficiencies being realized are resulting in dramatic cost savings in billing preparation and mailing, late fees, and staff expense. Customers are more satisfied because they are receiving billing information more quickly, more efficiently, more clearly, and with anytime anywhere access.

To make these enhancements to billing services and communications, an examination of all aspects of the billing process is required. Corporate objectives as well as the needs of all stakeholders must be addressed in a collaborative, focused approach. Implementing electronic billing services requires multi-departmental participation with representation from Finance, IT, Customer Service, Comptroller, and Revenue Management. In deciding how best to approach billing enhancement, billing project owners must ask strategic questions about the value they are achieving from their current processes, what needs to change, and whether the organization has the resources to implement alone or turn to outside, expert providers.

Once the technical resources are sourced and deployed, the billing project owner develops the new billing services communications plan to engage internal and external constituents to actively participate. This is a critical task that will single-handedly determine the success of the new billing program. Even the best-built system will never achieve the adoption rates the organization strives for without sufficient, consistent and repeated messaging to all constituents.

Best practices from public companies and higher education institutions guide the presentation of these activities in this white paper. Actual experiences from business officers at higher education institutions who have implemented electronic billing services provide perspective to the recommendations.

Deploying web services in the higher education space is fast becoming a proven path to enhanced communication with students, increased administrative efficiencies, reduced expenses, and the delivery of payment solutions. It also presents the public image of a highly professional institution. Higher education institutions employ best practices in billing communications to enable the achievement of higher collections rates, reduced costs and increased student satisfaction.

Introduction

Higher education institutions have become increasingly savvy in applying marketing best practices in their communications with students and parents. College websites, marketing brochures, alumni events and email communications apply sophisticated marketing strategies. Student Financial Services and Business Officers see the measurable improvement these offline and online marketing techniques have attained for the admissions and financial aid departments and are seeking their own best practices to apply to tuition billing services.

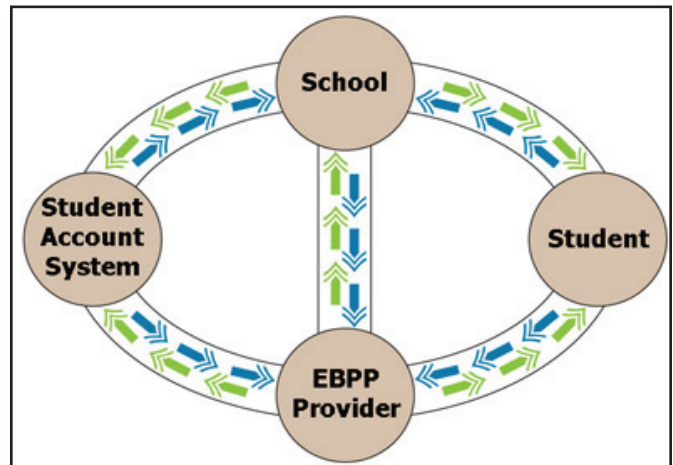
Since the millennium, organizations have recognized that technology facilitates better communication with constituents. They deploy web services to enable their constituents to view, transact and communicate in record numbers. Technological advances have supported this continuing demand for electronic communication, and today many consumers are ready, willing and able to interact with their key service providers online.

Electronic transaction services in public and private sector organizations create a continuum of communication that is simply not achievable in a paper-only operating environment. This continuum of communication is the springboard to achieving greater collections rates, reduced costs and increased student satisfaction.

Higher education institutions can employ best practices in billing services to create their own continuum of communication. These best practices encompass the following basic principles of a sound billing communications process:

- Delivering new billing services which enhance the customer experience and improve satisfaction
- Leveraging technology to improve communications with customers
- Streamlining bill administration, mailing, and payment reconciliation to reduce costs
- Utilizing the bill as a direct response medium that is the most read communication the organization generates
- Recognizing the bill as supporting and improving the school's brand
- Offering broader access to payment convenience for all customers through expanded payment channels and methods
- Developing and executing an adoption marketing plan
- Creating involvement and buy-in among internal and external audiences
- Tracking, reporting, and analyzing results

The Continuum of Communication



Conclusion

Higher education institutions have begun to put in place industry best practices to achieve the goals of enhanced billing services. Clear progress is being made in sourcing, implementing and adopting EBPP and enhanced billing services in campuses across the US. Those billing offices that have converted to electronic billing are experiencing wide-ranging cost savings in managing the billing process plus more satisfied students. Parents are growing more comfortable with the EBPP process once their students take the initiative to enroll. Electronic payment adoption rates are already higher than the national average at some institutions. Information is available online 24x7 and billing formats have been improved. Communication is clearer and more efficiently delivered as a result.

At the same time progress is being made, we must not become so “e-centric” as to lose sight of the human touch that customers need and expect. Online financial transactions require the greatest human support services of any other online activity. Providers of EBPP applications recognize this fundamental need and are integrating online communication and links to customer support in their solutions.

It is imperative that business officers allow their billing partners to guide them toward the latest, customizable communications tools available through their online portals, such as timely banner messages, account-status alerts, targeted e-mail messaging, actionable links to related information, online chat with support representatives, and access to affordability planning and counseling resources. These are the human touch resources that students and parents need in their cyberworld.

Keep your customers needs balanced with your organization’s business goals. In this way, you will develop your own best practices as you build a continuum of communication in your institution.

Endnote

This abstract of the white paper, *Best Practices in Billing Communications*, is provided as a summary of the opportunities and benefits in enhancing billing processes. The outcome of the research, analysis and composition of this white paper is a recognition of the opportunity to continuously enhance the findings through further research. As such, I invite attendees of the 2006 NACUBO Student Financial Services Conference to participate in further research to deepen the findings. The insight and perspective gained from the one-on-one interviews conducted with business officers of higher education institutions for this white paper is an important contributor to the best practices shared. Consequently, the white paper will be issued in stages or versions; each designed to present a focused and in-depth view of a specific aspect of enhancing billing communications.

Ruth Griggs Fontana

Ruth Griggs Fontana has extensive experience in developing and implementing strategic marketing and communications programs to deliver quantifiable results. She brings over 20 years of experience from the client and agency side in financial services, business-to-business and consumer services marketing from global and market-leading companies such as American Express, Citibank, Dreyfus, and Official Payments. An expert in online and offline communications, she has developed a specialty in enhancing customer communications through the billing medium. As an independent marketing and communications consultant, Ruth applies her knowledge of financial services marketing best practices to the higher education industry. Her mission is to help institutions improve communications, reduce costs and enhance relationships with students and families.

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