

SunTec's Solution Powers a Leading European Bank's Embedded Finance Initiative with Efficient Revenue Sharing Management



About the Customer

Headquartered in London, this financial services conglomerate is one of the largest Europe-based banks by total assets. It operates offices, branches, and subsidiaries across 60+ countries in Africa, Asia, Oceania, Europe, North America, and South America and serves almost 40 million customers.

The Challenge

The bank collaborated with a corporate ERP solution provider to embed financial services into the ERP platform and offer their end customers funding of working capital and other banking services. This was an opportunity for the bank to gain access to a new segment of corporate customers while also ensuring a fair and transparent fee-sharing model that could evolve as business volumes grew. This required a robust revenue management solution that would embed the banking services into the ERP platform and efficiently manage revenue distribution based on the contract. The system had to manage revenue distribution between the bank and ERP provider as well as among various teams within the bank. The revenue distribution would be based on conditions such as thresholds, tiers, and business volume caps.



The Solution

The bank leveraged SunTec's powerful and intelligent revenue management platform to manage the intricate revenue-sharing agreements necessary for the success of this initiative.

Under the terms of the agreement, revenue was generated when corporate customers utilized financial services through the ERP platform. The distribution of this revenue was governed by specific conditions, such as the total business volume conducted on the ERP system as well as agreed upon thresholds and a tiered structure. SunTec's solution provided the bank the flexibility to manage and automate these revenue-sharing agreements. For instance,

If business volume fell below a certain threshold, the bank retained the entire revenue, but when the volume exceeded that threshold, SunTec enabled the bank to dynamically adjust the revenue split, as per the pre-agreed ratios with the ERP provider.

Also, within the bank, this revenue was divided among various teams involved in the service delivery. SunTec's solution allowed the bank to accurately apportion revenue based on each team's role, ensuring that all involved parties were compensated fairly and transparently. This flexibility and transparency fostered internal cooperation and strengthened the partnership with the ERP platform provider.

Benefits

- **Superior Customer Experience:** The bank was able to offer customers seamless access to financial solutions embedded directly into the ERP platform, ensuring a frictionless experience and customer satisfaction.
- **Efficient Revenue Sharing and Mutual Growth Opportunities:** The tiered fee-sharing model incentivized the ERP provider to bring more business to the bank, while the bank had a flexible mechanism to ensure its internal teams were compensated fairly for the services provided. As business volumes increased, the collaboration became more profitable for both parties.
- **Innovation:** The cutting-edge approach to offering financial services increased the bank's relevance in a digital-first world.
- **Unraveled White Spaces for Revenue Generation:** The collaboration helped the bank identify and exploit previously untapped opportunities in corporate banking. By embedding financial services into the ERP platform, the bank unlocked new revenue streams from an entirely different customer base, maximizing its market penetration.
- **Customer-Centric Partnership:** While the end customer interacted primarily with the ERP platform, the bank was the silent engine behind the scenes, handling the financial complexities. Together, they ensured a value-driven and customer-centric experience.