

SAP User Insights



At T|A|C Events, we speak with leaders in the global SAP ecosystem on a daily basis. Via our events, webinars and content platforms, we aim to keep you informed and updated with the very latest insight and learning directly from SAP users.

Cengage Group
COMPANY

USA
HQ

4,500
EMPLOYEES

Edtech
INDUSTRY

SAP S/4HANA Cloud and
SAP Billing and Revenue
Innovation Management

SAP FOOTPRINT

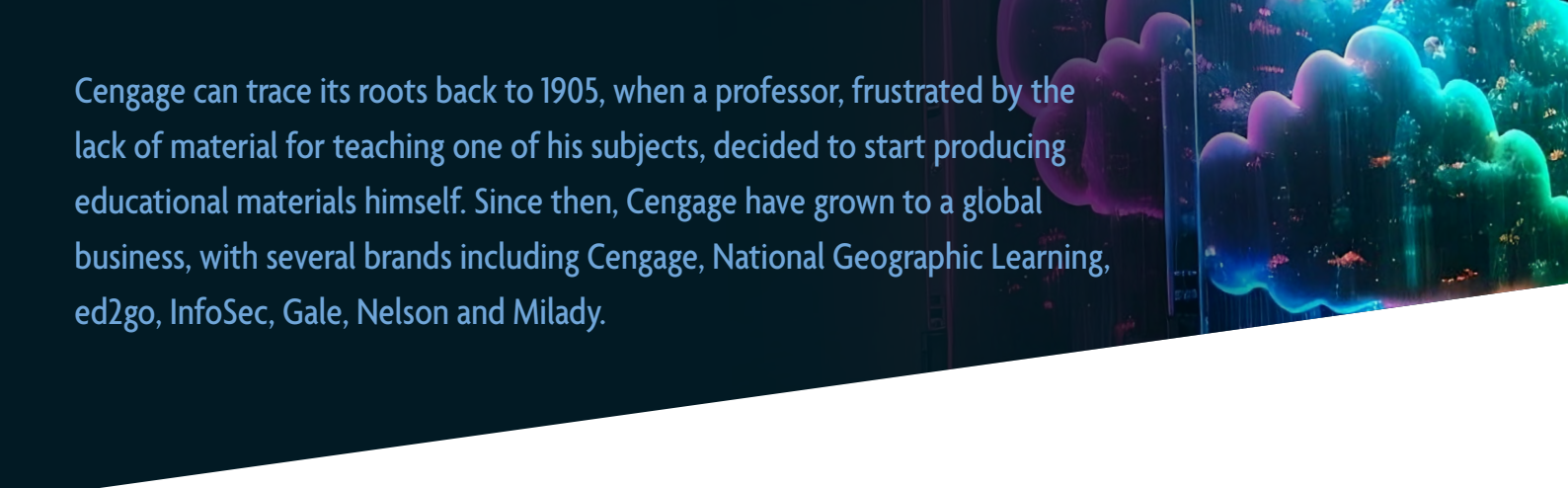
Cengage Group's Digital Transformation Journey with SAP Billing and Revenue Innovation Management



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Explore Cengage Group's digital transformation journey with SAP for gaining the ability and flexibility to quickly monetize subscriptions and usage plans for its B2C and B2B business models.

After emerging from the 2007 recession and the subsequent bankruptcy reorganization, Cengage came out the other end much stronger and the difficult times prompted innovation.



Cengage can trace its roots back to 1905, when a professor, frustrated by the lack of material for teaching one of his subjects, decided to start producing educational materials himself. Since then, Cengage have grown to a global business, with several brands including Cengage, National Geographic Learning, ed2go, InfoSec, Gale, Nelson and Milady.

As Charles Qian, VP of Enterprise Architecture, at Cengage, tells us . . .

“We decided that digital transformation and disrupting ourselves are the only ways to survive and grow in the marketplace.”

As a result, Cengage has focused on digital growth and transformation using SAP Billing and Revenue Innovation Management. In their traditional model, Cengage sold products (such as textbooks and digital articles) to students through bookstores or other secondary channels. However, as content consumption was evolving and the price of textbooks increasing, they had to rethink this and ask themselves: what if we created a service that is the equivalent of Netflix for education. In 2018 this led to the birth of Cengage Unlimited.

This new business direction not only allows students to pay one single price to have access to a library of 10,000 plus items of educational content, but it enabled Cengage to create a better market for themselves by reducing the impact of secondary markets like used books or rentals.

The team realized they needed to be able to identify new, nontraditional opportunities that could be quickly monetized by being the first to market with the new offerings. On top of this, a digital first mindset is essential for success: to accelerate growth through innovation, Cengage realized they needed a modern IT landscape that automated key business processes.

Mr Qian points out that promoting business innovation is not just about creating new IT capabilities, but new mindsets: Cengage needed a mindset shift from selling discrete goods to selling services. Having been a business selling physical products for over 100 years, there was organizational resistance to transitioning to a

service-oriented business. A new mindset had to be built throughout the entire company - not just among the Finance and IT teams.

Why choose SAP Billing and Revenue Innovation Management?

When choosing the SAP Billing and Revenue Innovation Management application suite, the Cengage team was impressed that the application has been powering subscriptions and other digital business models for many digital-first companies for over 15 years. On top of this, Cengage knew that they were not just looking for a subscription billing management solution but also wanted to modernize their ERP. Therefore, SAP S/4HANA Cloud and SAP Billing and Revenue Innovation Management were selected as their tools for enabling digital transformation. Mr Qian tells us that he was impressed that SAP took the time to thoroughly understand their business and technical challenges so that the best tools and technologies were recommended. The Cengage team found SAP to be a trusted advisor invested in ensuring Cengage is successful in their digital transformation journey.

Cengage also needed a solution that could support their B2C, B2B and B2B2C business models. In addition to recurring subscriptions for students and end-users, Cengage also needed the ability to support more complex B2B models, such as complex bundles and multichannel bill presentment. SAP Billing and Revenue Innovation Management easily supports both models.

SAP Alignment with Business Strategy

Expand share in the fragmented Academic online non-credit channel

Expand into direct-to-consumer channels, building on Cengage Group market positions

Enter the \$10B Employer channel via externships and placement of qualified candidates

HOW DOES SAP ENABLE THIS?



FLEXIBLE "B2C" CONSUMPTION MODELS

- Unlimited subscription
- Predefined subscription
- Freemium
- Subscription with overages
- Pay-per-use
- Outcome-based billing



FLEXIBLE "B2B & B2B2C" BILLING

- Processing detailed records, aggregating billable items, invoice generation
- Multichannel bill presentment (mail, email, self-service)
- Receivables mgmt., payment processing, credit mgmt., partner settlement

As a highly configurable product, the Cengage team can make changes using the platform configuration tools rather than having to write or modify code. This offers the nimbleness and speed in which changes can be made by the team - whether it is IT or business users.

As Cengage launches SAP Billing and Revenue Innovation Management and SAP S/4HANA Cloud, they need the flexibility to address constantly changing market dynamics. Therefore, having the ability to quickly innovate, experiment and potentially throw things away without large

investments of time and resources was important to them. The flexibility and agility that SAP offered were the key differentiators.

Mr Qian tells us that he is confident that SAP Billing and Revenue Innovation Management will enable Cengage to quickly innovate and succeed in a rapidly dynamic industry.



Insights for other SAP Customers

The journey is never done:

Ensure you practice active listening and empathy throughout your implementation journey to ensure all customers and stakeholders feel heard.

Customize only when needed:

The standard features will work in most situations: don't waste money, time and effort customizing when the standard features work just fine.

Socialization and evangelization of the project at the beginning of your path:

Is vital and does help you to avoid conflicts and tensions down the road

Meet The Learner Where They Are

Powering Cengage's Digital Transformation Journey through BRIM



5.25

CENGAGE GROUP

Want to hear more?

Mr Charles Qian joined us at our 2022 Billing and Revenue Innovation Management Conference in Chicago to discuss Cengage's implementation journey. Watch the full video [here](#).