



facebook

Enabling Revenue Management for Social Media Ads

palo alto, ca
www.facebook.com

Industry: Social Media

Annual Rev: ~\$300m (not official source – private company)

Employees: ~500

Facebook Inc. is the leading provider of social media networking utilities with over 80million subscribers and one of the fastest growing pre-IPO companies in the industry

background

facebook inc, is a fast growing social network utility with over 80 million subscribers including a growing number of facebook apps developers. As a result, facebook is attracting top name brands to run major advertising campaigns on their property. With the result social ad revenues are now the primary source of revenue for the company. The challenge faced by this young company, was to enable an enterprise class financial system to support and manage the unique product lines revenue recognition requirements.

challenges

complex revenue recognition rules - standard ERP/financial systems do not have the flexibility to support time, delivery or performance based revenue recognition rules

billing - inability to separate billing from revenue recognition as part of a standard process

systems - lack of scalable and flexible ERP system to provide an integrated revenue management workbench that would allow – reviews/approvals and ability to report and forecast revenue on a daily basis

compliance risks - compliance risks due to homegrown and semi-automated legacy system to process revenue recognition, billing & month-end reconciliation

real-time IO management - managing IO changes in real-time (stop & transfers, cancellations etc.)

aquarius solution

revStream revenue management engine was configured and implemented in less than 16 weeks to provide facebook a single integrated revenue management workbench to streamline and manage the online advertising industry's complex revenue recognition scenarios and provided comprehensive reporting capabilities. aquarius was engaged for this effort for their expertise in the online advertising industry and domain expertise in billing and revenue management.

revStream solution provided a "single integrated platform" to enable the following **key capabilities**:

- process centric revenue management - rules based schedule/ allocate; calculate, manage (review/approve); recognize and post to GL
- enabled automated time, delivery and performance based revenue recognition
- compliance features like segregation of duties (SOD) and audit trail reports
- revenue management reporting and analytics datamart using Oracle BI
- seamless integration to Order Management for delivery information and statistics and to Oracle GL for automated posting of journal entries

aquarius's relevant industry experience and solution helped facebook eliminate "excel spreadsheets" and manual processes in accurately and efficiently managing revenue transactions from a single integrated workbench along with the ability to forecast and create adhoc reports.

results

- highly automated, efficient and accurate revenue scheduling, allocation and accounting process
- ability to obtain daily revenue snapshots, forecasting capabilities - managing the entire company's revenue
- compliance risks minimized and mitigated with the use of approvals, exception reporting, audit trails and SOD
- increased productivity of Finance team
- Scalable and flexible platform to support future product lines and evolving business model
- Single source of truth for full financials (billing, revenue, credits, cash, collections, GL)- Oracle

for more information on aquarius's expertise, solutions and services, please visit www.aquariuscg.com