Why You Need to Automate Your Subscription Billing in 2019

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Happy New Year! 2019 is here, a time for new opportunities and potential for growth. The subscription economy, a newer business model that focuses on the customer relationship rather than products or services, is definitely growing. According to researchers, the subscription e-commerce market has increased by more than 100% a year over the past five years.

You can get just about anything you want on a subscription basis—streaming video, meal prep in a box, software, and even designer gowns. Tien Tzuo, CEO of Zuora, notes the wide range of payment choices that subscription companies are allowing their customers: pay-as-they-go, pay-per-subscription monthly, or via a long-term contract. " The point is to have flexibility," he says.

He adds, "The Subscription Economy has increased the intimacy between SaaS companies…and their customers. In the Subscription Economy, every company must better manage a direct, complex, responsive, multi-channel relationship with its customers…. The shift to the Subscription Economy brings with it the need for a completely different approach to building your business."

Just send me the bill—my way

In the subscription economy, billing is much more complex. Instead of the order-centric model, subscription billing is adapted—within reason—to the needs and preferences of your customers. As your business grows, the complexities will only multiply. Add in the new revenue recognition guidelines (ASC 606/IFRS 15), and the need to automate your billing processes becomes all too clear.

Order-centric financial solutions don't scale in the subscription economy, where customer relationships reign supreme. Limitations include:

- A fragmented customer lifecycle across separate orders for upsells, down-sells, and renewals
- Lack of ASC 606 tracking for performance obligations over the customer's lifetime
- Complex tracking and forecasting of revenue streams, including the inability to see billed, unbilled, and paid billing across both recognized and deferred revenue
- Lack of separate schedules for billing and revenue

Whitepaper: How Automating Your Billing Lets You Scale with the New Subscription Economy in 2019

 dsheets that don't allow you to scale.

To address the diverse needs of your customers and support growth,

you need a contract-based financial solution that provides a single system of record to automate billing, revenue recognition, forecasting, and SaaS metrics. You save time calculating, reconciling, and aggregating data, resulting in faster quote-to-cash cycles and faster period closes.

In our whitepaper, "Finance's Guide to Automating Your Subscription Business," financial management experts at Sage Intacct offer 5 key steps to ensure predictable revenue:

1. Integrate systems for quote-to-cash
2. Establish contract based billing
3. Build end-to-end revenue management
4. Create real-time SaaS and GAAP dashboards
5. Forecast the future

Learn how to scale your billing through automation, so you can grow your business with confidence in the new year and beyond.

download the free copy of the whitepaper here