![conga logo]

Ultimate guide to managing a subscription business

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Creating a connected customer experience

The B2B business world has changed forever. With a multitude of low-cost competitors emerging in almost every vertical and businesses with innovative revenue models competing for long-term buyer relationships, business buyers are in the driver's seat.

This market shift, accompanied by advancements in technology, has enabled a variety of new sales and delivery options. Buyers can now browse, buy, and pay for a variety of products and services through multiple channels and modalities with agility and ease.

In this landscape, it's no longer enough to have the best product or the lowest price. You must also be agile and easy to do business with throughout the entire customer lifecycle. Buyers want to purchase quickly, easily, and on their timetable. They also expect to be able to make updates, extend, renew and reorder—all without having to renegotiate their contract. Customers expect to get what they pay for and pay for what they get. This includes orders to be fulfilled, digital services to be provisioned, professional services/milestone services to be meet expectations, and invoices to be accurate.

If customers need to update a billing address, add or remove a new product or user to a contract, respond to new payment terms, or check on a delivery status, the expectation is that the interaction is hassle-free. This is true regardless of whether it's done through a sales rep, channel partner, or website—whether it's their first purchase or their 100th.

In today's digitally connected world, this means it's essential to offer a self-service buying and account maintenance option for your customers and partners.

For most businesses, it's a challenge to deliver this level of digital engagement and operational excellence. Managing a connected customer experience through a lifetime of purchasing—from initial order through updates, extensions, and renewal—requires flawless orchestration. This becomes particularly difficult when selling a complex mix of physical products, digital goods like software, and services, which require billing against a variety of financial models and billing schedules.

As a result, savvy businesses are adopting new systems and processes that give them the agility to respond to changing customer needs, manage complex renewals for multiple product types, and support a variety of billing schedules—all in one place.

The Ultimate guide to managing a subscription business covers the challenges that today's market and shift in buyer preferences have introduced. This guide recommends solutions for enterprise organizations looking to implement technology and approaches to manage end-to-end subscription business models and the complete customer lifecycle, thereby gaining a competitive advantage.

The *Ultimate guide to managing a subscription business* is for organizations looking to adopt customer-focused business models and solutions for managing subscriptions. Whether looking to incorporate subscriptions into an existing strategy, or to become more agile without disrupting existing subscription services, technology should support the process, rather than stand in the way of innovation or growth. This guide is designed for businesses looking to deliver a seamless, end-to-end customer experience, while earning the maximum revenue from every customer.

Topics in this guide include:

- Business buyer demands driving the emergence of new business models

- Benefits and challenges of a subscription business model

- An overview of the subscription management process

- Challenges and risks associated with legacy revenue management solutions

- How modern solutions support subscription businesses

- Questions to ask potential vendors before making a purchase decision

Consumer preferences driving the subscription economy

In the age of Amazon and Uber, consumer-focused businesses have led the way in transforming the shopping and service experience. With a few clicks of a mouse or a couple taps on a smartphone, consumers can subscribe to have everything from shaving supplies to pet food shipped to their door on a regular basis—and can order a ride to come to them wherever they are.

This transformation doesn't just impact purchasing—it impacts the customer experience across the entire lifecycle. Consider how painless it is to return and exchange items purchased on Amazon and how easy it is to update billing preferences, shipping addresses, or quantities purchased, no questions asked. The new customer lifecycle doesn't stop at "buy," it carries through "add-on," "reorder," "renew," and—increasingly for successful companies—"subscribe." Removing barriers and costs to sell, fulfill, and serve goods and services to the customer all adds up to top and bottom line growth.

As business buyers experience the benefits of agile and flexible commerce in their personal lives, they have come to expect new levels of flexibility and seamlessness in their business lives, too. With 80% of customers demanding new consumption models,[1] like monthly subscriptions and on-demand delivery, the world of one-and-done sales is gone forever. The first transaction is merely a gateway to a potential lifetime of business, comprised of a mix of complex products, simple products, aftermarket services, professional services, and usage-based services that must be maintained, upgraded, and renewed over time.

The move to subscription services began in telco companies, software businesses, and high-tech start-ups. Now, companies in every industry, including manufacturing, consumer goods, healthcare, and financial services are embracing blended business models that include subscription and "as-a-service" products offerings as a sustainable and growing source of revenue.

Consider the case of a health tech company, where purchasing a fitness tracker gives the consumer much more than just a physical device to wear. It also gives them access to a wealth of additional products and services—like weekly meal plans, workout plans and videos, or partner- hosted fitness events. In addition to supporting the sale of additional products, the data generated from these usage-based consumption models generates valuable customer insights. This in turn deepens the value to the customer and can be used to identify and develop new products and services and better sales and marketing strategies.

1 The Economist Magazine, 2014

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How the subscription economy benefits businesses

While the shift to more innovative purchasing models and consumer-friendly business practices clearly benefits consumers, businesses have realized that they can also reap the benefits of change.

From a pure cost perspective, the subscription business model is incredibly attractive. Not only does it deliver a higher return on acquisition costs by increasing the overall customer lifetime value—especially when you consider that the median cost of acquiring a new customer is $1.15 on the dollar, while the cost of an upsell is $0.57 and a renewal is only $0.15 on the dollar[2] — but it also gives businesses the recurring opportunity to connect with customers.

Because subscriptions lock businesses into an ongoing customer relationship with built-in touchpoints, they can collect much better data on customer buying preferences and how they change over time. This data enables marketers to deliver right-timed, personalized messages based on customer buying preferences and billing schedules. Businesses that monitor customers' changing needs and usage patterns have a better understanding of their behavior, resulting in increased opportunities to expand and grow revenue.

Subscription products and services also give businesses the opportunity to stand out in crowded, global markets and cater to the needs of an increasingly diverse audience. By going to market with a mix of physical goods, digital goods, and contractual services (like warranties and professional services),

businesses have multiple avenues to deliver value as they build long-term relationships with their customers and partners. When businesses leverage subscriptions only, they're leaving money on the table.

And while low-cost manufacturers can often replicate physical goods, it's much harder to replicate the positive relationship formed with the customer as they get to know the business through a variety of touchpoints and services. The complementary services offered may very well be the reason they stay loyal to the brand as competitors arise on the scene.

For example, people who manage their music on Apple Music are more likely to buy an Apple TV than another brand because of the loyalty they've developed for the Apple brand.

As a result, more companies are looking to grow faster by focusing their business on selling a mix of subscription-based products and services through a variety of channels, including self-service digital commerce and direct and channel sales. Companies succeeding with these new business models are not just transforming their go-to-market strategies, but also their end-to-end commercial processes and systems.

2 InsightSquared, 2016

How the subscription economy changes the way we do business

Digital disruption has required organizations to explore new revenue models, like subscriptions, where long- term customer relationships are the foundation of revenue growth. Once a business has decided to grow its revenue through the growing subscription economy, it must understand how to manage the lifecycle.

In the subscription economy, the critical point of the sales relationship is no longer limited to the original purchase. It lasts for the entirety of the customer relationship, which might include upsells, cross-sells, returns, add-ons, extensions, and renewals. A successful subscription offering must facilitate the end-to-end experience, from the initial sale all the way through to fulfillment, billing, and renewal cycles.

Customer story

A major technology enterprise realized that it would risk losing customers to the competition if it did not rethink the way its clients consumed its products and services. The company recognized that a massive market shift required a change in the way it managed its process, but quickly realized it didn't have the right systems, tools, or culture in place to attain and retain customers with speed and agility.

The company used 1,300 applications and a 60-step, highly manually process. As a result, its clients, sellers, and pricing managers acted as the "glue" to integrate all of the processes. Fortunately, the company realized as the business grew that its process was not sustainable because their systems were not designed to provide the speed and flexibility required for the Anything-as-a-Service economy (XaaS).

To support this business model, they implemented an end-to-end process with a single platform from Conga that could configure, price, quote, contract, bill, and renew complex products, subscriptions, aftermarket services, and professional services.

When organizations use legacy revenue management solutions, it results in inadvertently locking information away from the teams interacting with customers—and from customers themselves. Legacy systems are often outdated, rigid, and lack the flexibility and agility to support recurring charges and long-term business. This bogs down day-to-day operations and results in slow response times, inaccurate quotes, or billing errors that hurts the customer experience. Internal teams often lose valuable time attempting to fix the problems with custom coding, workarounds, spreadsheets, and more manual intervention.

Additionally, because many legacy systems are focused exclusively on backend processes and financial reporting, they neglect the customer- facing piece of revenue management. This is a critical mistake, as the customer relationship is the key to revenue in any successful subscription business.

In a self-service, instant gratification world, customers expect transparency and ease of doing business. The ability to view the estimated delivery time for goods ordered, make changes to a customer profile, or update billing preferences is table stakes. If a business cannot provide this type of functionality, customers will think twice when evaluating their next purchase.

And in a subscription world, there is no such thing as a "done deal." The customer relationship is ongoing, so being able to make changes to the order and automatically manage recurring billing is key. Remember— nothing makes a customer angrier than getting an incorrect bill, paying too much for a service, missing a month of delivery, or paying for a product they did not want.

It's critical that the subscription management solution is both agile and controlled. If a solution is outdated and rigid, it fundamentally cripples sales, marketing, and product teams, who struggle to create and launch innovative packaging, promotions, or new offerings when the systems don't support them.

Once products are sold, lacking the systems and oversight to ensure accurate order fulfillment, billing, collection, revenue recognition, and reporting can translate into fines from the SEC, months of unpaid bills, loss of shareholder trust, costly business inefficiencies, and major loss of revenue.

Subscription-based business models are becoming one of the preferred ways to do business, and failure to adopt modern processes and systems to support this new business model can severely undermine positive outcomes.

In a world where the long-term customer relationship is key, these challenges are no longer just an operations issue—they become a sales and customer issue, too. Businesses must ensure their customers are satisfied with the initial purchase, the use of the product and experience with the company, and the cycle or process to renewal or replenishment. Maintaining a positive impression of the business calls for excellent customer service, flawless deal execution, and a tight flow of data from the sales quote or self-service order to the contract, order, bill, and renewal. This requires a connected, agile, modern subscription management solution.

Impacts on operations, revenue, and profits when a company lacks a modern subscription management solution:

- Revenue leakage because of inaccurate quotes, contracts, and invoices

- Time-consuming, laborious, and manual processes and spreadsheets

- Extremely long quoting, contracting, fulfillment, and invoicing cycle times

- Inability to generate quotes, contracts, and invoices for blended offers with software, hardware, digital goods, and services

- Inability to invoice based on usage or consumption

- SKU proliferation as product catalog grows

- Limited ability to handle order changes or co-term billing

- Billing and invoicing errors

- Billing disputes with customers

- Lack of visibility into anticipated revenue

The changing nature of products is also disrupting value chains, forcing companies to rethink and retool nearly everything they do internally.

(Harvard Business Review)

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The process for a subscription business

Before exploring the technologies that support a subscription business or blended business models (e.g., subscription products or services, usage-based products or services, physical goods, and professional services), let's look at the process itself to better understand what is involved and identify critical points of failure and opportunity.

Quote to Cash
The process for a subscription business

Engage
Deliver a unified digital and buying experience

Configure
Construct winning solutions from a universal catalog

Price
Optimize margins within deal parameters

Quote
Generate quality quotes quickly to increase close rates

Contract
Product accurate contracts fast with self-service

Order
Capture, change, and orchestrate orders across all channels

Fulfill
Fulfill and accurately provision orders

Bill
Generate accurate invoices for any mix of services and products

Recognize revenue
Recognize revenue correctly and comply with all regulations

Renew
Grow recurring revenue, improve retention and eliminate renewel errors

The 10 processes critical for managing a subscription business

① Engage

The process begins when a prospect or customer expresses an interest, which may include a request for a price or a quote. The customer could buy directly from a salesperson or online.

With standardized pricing and terms for each product/service line and customer segment, the entire purchase experience can be condensed to immediate orders through a self-service digital commerce experience.

② Configure

When selling more complex offerings, an ideal combination of products and services, (e.g., subscription services, usage-based services, physical goods, and professional services), must be assembled or configured to satisfy the buyer's requirements.

Depending on the complexity of your product and service offering, this can be difficult. Finding a solution that can easily configure the full spectrum of subscriptions and services in a single proposal is rare in today's marketplace.

3 Price

Identifying the right price is critical because pricing essentially determines the entire revenue of the business. Pricing is also one of the best ways to influence behavior, from customers to sales reps and channel partners. For the subscription economy, price optimization for blended business models and product offerings is a must.

4 Quote

Quotes are an extremely important part of the sales cycle. Not only are they the blueprint for the sales contract, but they are often the first impression a company makes on a potential customer. Effective quoting requires both speed and accuracy. Everyone wants the first-mover advantage, and quality control is equally important.

To be successful, companies need a quote approval process that introduces price and discount control, but not bottlenecks. Self-service models are a great way to further streamline the sales process and create a fast-growing, sustainable revenue stream. They create a digital commerce experience based on a real-time quote of standardized list pricing, terms and conditions, and automated recurring billing and payment.

5 Contracts

As contracts are created, it's important to ensure that the right people have visibility and input into anything that could introduce risk into the deal. For the subscription economy, examples include built-in renewal clauses, ramp pricing, termination clauses, opt outs, and more. A self-service tool, where contracts can be requested, and the correct language populated automatically, helps ensure contract accuracy.

Organizations can set themselves up for success during the contract phase by paying close attention to the terms and conditions, then employing a thorough review process. That said, businesses don't want their expensive legal resources spending their valuable time combing through contracts line-by-line.

To achieve agility without sacrificing control, businesses need an automated way to quickly identify changes or irregularities when they occur. Employing eSignature tools can also provide a faster, more automated way to close deals. Here again, using standardized terms and conditions supports a full self-service experience for your end customers.

6 Order

During this step, an integrated, streamlined process creates the visibility needed to make in-flight changes to the order, including changes to delivery conditions and requirements. Ideally, the fulfillment center and support teams should have ongoing visibility, so there are never surprises when a deal closes.

To that end, it's best to automatically flow order details from quotes and contracts to an enterprise resource management (ERP) system or order management system.

These details need to be retained for up-to-date information on assets owned, services used, and current subscriptions to enable faster, more intelligent renewals.

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7 Fulfill

Once an order is created, data within the order or contract is sent to operations for fulfillment or provisioning. Depending on the industry, fulfillment can be a very complex coordination of activities. It can include custom design and configuration, scheduling manufacturing processes, software provisioning, equipment installation, and scheduling of services teams. The complexity increases if (and when) customers need to move, add, change, or delete items from their orders after placing them.

For example, customers might amend orders for physical goods or digital services when partial delivery of assets has already occurred. Customers may change how many seats of software they need mid-contract cycle, upgrade their plan from silver to gold, add more training classes, or amend professional services contracts with change orders. All of these activities change the performance obligations. Fulfillment teams need to be armed with systems and processes to efficiently meet the company's obligations to the customer.

8 Bill

The once simple process of invoicing customers has become more complicated in a world with limitless options for monetization. Today, physical products may be billed at the time of shipment, software products may be invoiced based on the number of users or usage (such as the number of gigabytes used or transactions processed) and services might bill based upon a variety of criteria—like job completion, percentage completed, or the achievement of certain milestones.

Blended monetization models and product offerings

When selling through one monetization model, billing can be simple. But when managing multiple billing models or a mix of hard goods and software, or coordinating invoicing for multiple and changing orders, it can be a challenge to manage these activities in a way that doesn't confuse the customer or introduce errors.

If customers can't understand the bill, they will hesitate to pay. If they feel the invoice is different from what they signed or ordered, they'll want to resolve it before paying. However, if the invoice is clear and accurate, customers are more likely to pay quickly and have a continued positive impression of your company.

Payment methods

In the subscription world, another billing consideration is payment methods. For B2B enterprises that relied on the traditional business model of selling a product once, it wasn't necessary to develop the IT and finance infrastructure to accept credit card payments or enduring the hassle and expense to become Payment Card Industry (PCI) compliant.

But in a subscription world, where flexibility and a seamless user experience matter, it is vital to accept payments in the method most convenient for the customers, including Automated Clearing House (ACH) and credit cards.

Dunning

Finally, adopting the subscription model means taking a delicate approach to client management—especially in the case of non- payment. With repeat customers, businesses will eventually run into a client that stops paying. At this point, the business initiates dunning, the process of asking for payment of a past due bill.

Historically, companies have been quick to hand receivable invoices over to a collection agency. However, it's important to understand that missed payments are sometimes caused by errors like an expired credit card, a reissued card (due to chip implementation or a data breach), or a change in account information.

Immediately sending a subscription customer to a collection agency sets an unfriendly tone. Plus, collection agencies typically only help recover 15-30% of the amount due. If the customer has simply neglected to pay, dunning is a much more effective and profitable option for businesses looking to collect payment without straining the customer relationship.

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9 Recognize revenue

Contracts and quotes contain essential information about the obligations your business has to the customer. When these obligations are fulfilled, finance defines revenue rules that determine when revenue may be recognized, based on when products are delivered, services are rendered, or subscriptions are billed. This means tight coordination of invoices sent, payments received, and what physical goods have been shipped and received, when usage-based services have been provisioned, when milestones have been reached in services contracts/warranties, or when professional services have been completed.

Revenue recognition becomes difficult when finance has to generate revenue schedules for the full spectrum blend of products, services, and subscriptions without ongoing access to accurate orders and agreements. Many changes are made over the typical three to five-year life cycle of an enterprise subscription service, including adding users, upgrading from the silver package to the gold package, or adding a usage-based service to augment the flat rate subscription service. It's difficult to create a revenue schedule and forecast revenue for a diverse blend when dynamic customers change their subscriptions, unless there is automation based on assets owned/subscribed in place.

Rather than spending the end of the quarter in a conference room trying to reconcile stacks of contracts, orders, and invoices, proper insight into the entire revenue lifecycle allows finance to simply verify if services have been rendered or if products have been delivered. This allows them to close the period, recognize revenue, and update the revenue forecast in a timely manner.

Finally, as of 2018, an additional change has further complicated the process of revenue recognition. Many businesses have yet to automate their processes for ASC 606 (and IFRS 15), but failure to comply with these new financial reporting requirements could trigger audits, restatements, penalties, valuations, and increase borrowing costs and misunderstandings about cash availability.

1 Identify the contract(s) with a customer

2 Identify the performance obligations in the contract

3 Determine the transaction price

4 Allocate the transaction price to the performance obligations in the contract

5 Recognize revenue when (or as) the entity satisfies a performance obligation

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10 Renew

In today's subscription economy, it's vital to manage customer retention and drive recurring revenue. For many businesses, an enormous percentage of revenue comes from repeat or subscription customers, making renewals a critical part of the revenue journey.

For enterprises selling subscriptions, there is tremendous revenue potential from existing customer upsells and cross-sells. If you work with complex product and service offerings, there may be a number of departments involved in maintaining the customer relationship, and a variety of disparate data that needs to be reconciled to ensure timely renewals. For example, subscriptions that started on different dates need to be co-termed, or there may be a number of change orders that influence the original contract renewal value. New users may have been added to a subscription service, credits may need to be applied to a renewal payment, and expiring pricing discounts may need to be pulled out of the renewal quote.

Depending on your business processes or the level of complexity, some customers are well suited for automatic renewal, self-service upgrades, and add-ons, while other renewals may need to be handled by a sales rep. With all the complexity associated with long term business relationships, trying to manage a renewal without visibility into the original deal—and all the subsequent customer activities—can be a nightmare. It's critical for businesses to stay on top of contract renewals and customer buying history.

Many best-in-class organizations have adopted end-to-end subscription management solutions to shorten renewal cycle times, increase renewal deal size, and reduce churn.

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Moving beyond ERP to enable subscriptions

With a blend of business models, including subscriptions, the process is fairly complex. A variety of activities that rely on data from prior customer interactions need to be orchestrated. In order to flawlessly coordinate all these activities, businesses must have the right IT infrastructure in place. If an outdated or inflexible system does not support the desired business model, sales will slip. An inability to bill can prevent a business from offering an innovative monetization model, and go so far as limiting the growth of the organization.

Traditionally, revenue information lived within an ERP solution. In a world of one-time transactions this made sense, but in today's world of subscriptions and blended business models, ERP systems are ineffective for handling the dynamic nature of revenue lifecycle data.

Even though ERP systems may be the ultimate storage location for financial data, monolithic and inflexible systems are not well suited to handle revenue management for a recurring revenue business. While it might help execute backend processes, the lack of flexibility and visibility can make it difficult for customers and partners to do business together.

Markets served by subscription offerings are often highly competitive, requiring more dynamic and agile business processes. In a subscription world, businesses must be able to innovate quickly, based on customer engagement data and changing buyer preferences.

This type of agility is limited when the simple process of launching a new product requires months of manual coding in order to effectively execute and manage the associated configuration, pricing, quoting, fulfilment, billing, and revenue recognition process.

Home-grown solutions fail to scale

When looking to extend a classic ERP system to handle recurring revenue, some companies have tried leveraging their existing software engineering resources to develop a custom system, which is tightly integrated with their digital service or backend software, or tied to layers of complex spreadsheets.

These homegrown solutions can provide a stop-gap or quick fix solution, but they quickly become a problem as the business grows. Consider this: if it takes weeks to get monthly invoices correctly tabulated and sent to customers when the system is first implemented, what happens when business doubles? Is it more valuable to allocate IT resources to maintain a custom revenue management system, or is it better for IT to focus on creating and supporting the core product and service offerings? Plus, what happens to all of the homegrown systems when an enterprise acquires three additional companies, each with their own billing systems—and likely separate systems that support the sales and contracting process as well?

Whether managing the revenue lifecycle in an existing ERP or a home-grown solution, the limitations of classic ERP systems and the complexity introduced by using ineffective solutions for the job ultimately impact the ability to do business.

Without a centralized place to manage real-time knowledge about customers' fiscal commitments and delivery expectations, businesses lack the agility needed to maintain positive customer relationships. That's why forward-looking companies are selecting subscription management solutions that are designed to bridge the gap between front office CRM and back office ERP systems. These purpose-built solutions are the only ones that can effectively support modern subscription businesses in delivering a blend of products and services to customers.

How a true subscription management solution helps you succeed

To succeed in the subscription economy, it is necessary to implement a single platform that streamlines and improves business processes, eliminates manual steps, and provides automated workflows across the end-to-end commercial process. Businesses need a platform that connects previously disjointed departments and systems and institutionalizes best practices and workflows.

Platforms built on a single data model enable data from one customer interaction to be immediately available in other interactions, across all customer touchpoints and sales channels, resulting in a comprehensive, real-time revenue view of the customer that helps determine and drive actions.

It also ensures all departments are equally well-informed, with the commercial insights needed to drive revenue optimization, and bring transparency to the exchange of information with customers, which supports a better, more streamlined purchase experience.

The platform needs to orchestrate the timing and creation of orders, invoices, and journal entries. For those with an ERP system, it also needs to push accurate records into the back end system so businesses can manage the back-and-forth of customer order delivery and payment in an agile system, while ensuring the final data moved into the system of record is accurate. This reduces sales cycle time, speeds up the time to new product introductions, and increases the speed with which enterprises can respond to market conditions.

With a tightly managed process, it's easy to support different revenue models for different lines of business and keep a close eye on recurring revenue streams, even as contract values change over time. This, in turn, enables businesses to be more customer-friendly and more efficient across all channels.

When the end-to-end commercial process is managed correctly for the subscription economy, businesses gain the ability to:

- Extend richer product offers, delight customers with delivery, and effectively plan incoming revenue with financial accuracy

- Drive customer satisfaction, prevent billing disputes, and reduce revenue leakage with accurate quotes, contracts, and invoices

- Increase sales performance and reduce renewal surprises

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With a modern subscription management solution, businesses can push accurate information to the appropriate internal and external teams, partners, or directly to end customers, enabling self-service. This means all relevant stakeholders can easily find answers to the following questions:

- What products and services has this customer purchased?

- Which products and services do they have installed?

- Which service do we need to deliver with which products?

- What will be invoiced and on what schedule?

- How much does the customer currently owe?

- What is the financial impact of an upgrade, add-on, or renewal?

Additionally, finance can rest easy without the burden of risk because the platform integrates payment gateways, tax services, fulfillment, and provisioning and licensing systems while also sending accurate reporting data to an organization's ERP and accounting systems.

Businesses that optimize their subscription business using a modern platform gain flexibility and agility, which is needed for true customer relationship management in the subscription economy. Modern subscription management platforms offer companies with blended or subscription models a single system, with a single data model that can handle configuring offers, optimizing pricing, quoting blended offers, and crafting accurate contacts.

They manage changing obligations, assets owned, entitlements, and subscriptions across months and years of changes, swaps, deletions, and additions.

With a single system to manage quote, contract, order, invoice, and renewal information—as well as customer account information and fast, convenient self-service experiences—customer-facing teams and your end customers have better visibility and control.

A modern subscription management solution makes it easy to capture and orchestrate orders across all channels, manage in-flight changes, partial or distributed fulfillment, and provide self- service online portals so distributors and end customers can manage, add, change, or delete information as their needs evolve.

Gartner predicts that by 2022, 70% of mid-to-large enterprise businesses will be using an automated revenue management solution to support complex billing and revenue recognition compliance.

(Gartner, Inc.)

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Questions to ask your subscription management solution provider

Enterprises need to ensure they select a modern subscription management platform capable of these blended and modern business models, particularly when offering a variety of products and services with complex pricing and deal timeframes (e.g., physical goods, digital services, professional services, subscription services) or supporting milestone-based agreements, one-time fees, usage-based services, consumption-based services, pooled usage, and metered usage. Those that do will be in the best position to take advantage of the opportunities the subscription economy offers.

When looking for a subscription management solution that can meet the complexity of business, here are some questions to ask potential vendors:

1 **Does the platform support a blend of full spectrum of offers to customers?**

- Subscription products: Easily configure, price, quote, contract, and renew subscriptions, including managing usage-based billing and revenue recognition

- Aftermarket services: Recommend and link configured products with required or associated aftermarket services, easily configuring pricing and quoting for complex products, subscriptions, and aftermarket services in one quote, contract, and invoice

- Professional services: Enable accurate estimation and execution for support teams, integrating CPQ with contract management capabilities for subscriptions and professional services

- Complex products: Support the most sophisticated product catalogs, addressing advanced configuration capabilities for complex products and subscription services together

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2 Does the platform support blended business models, with the pricing and packaging flexibility to change offers per region or per account to obtain and retain business?

3 Does the platform work effectively across all sales channels (e.g., pure self-service websites, channel partner sales, full- service direct sales, and hybrids of these selling models)?

4 Does the platform do the following without creating custom code?
- Manage quoting, pricing, contracting, and ordering
- Orchestrate delivery and provisioning
- Bill and collect payments

5 Does the platform automatically propagate contract and asset changes to billing and revenue recognition schedules, all while keeping finance compliant and all the stakeholders synchronized and informed?

6 Does the platform support distributed order fulfillment for orders with multiple fulfillment systems or locations?

7 Does the platform integrate to critical downstream interfaces like payment gateways, tax computation services, and fulfillment, provisioning, and entitlement systems?

8 Does the platform allow me to keep my existing ERP or financial accounting system, and integrate smoothly with them?

9 Does the platform automatically deliver invoices based on assets ordered, so any changes to assets owned are automatically computed on the next invoicing run?

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10 Does the platform automate compliance with ASC 605, ASC 606, and IFRS 15 accounting standards?

11 Does the platform provide a single data model across the end-to-end commercial process?

12 Does the platform use applied artificial intelligence (AI) to gain actionable insights available in real-time?

13 Does the platform offer a conversational user interface to facilitate data entry, speed adoption, and simplify use?

14 Does the platform combine commercial process automation with behavior applications, including promotions, sales compensation, and rebates to align and drive revenue-winning behaviors across buyers and sellers?

15 In addition to functionality, is the platform flexible and scalable?
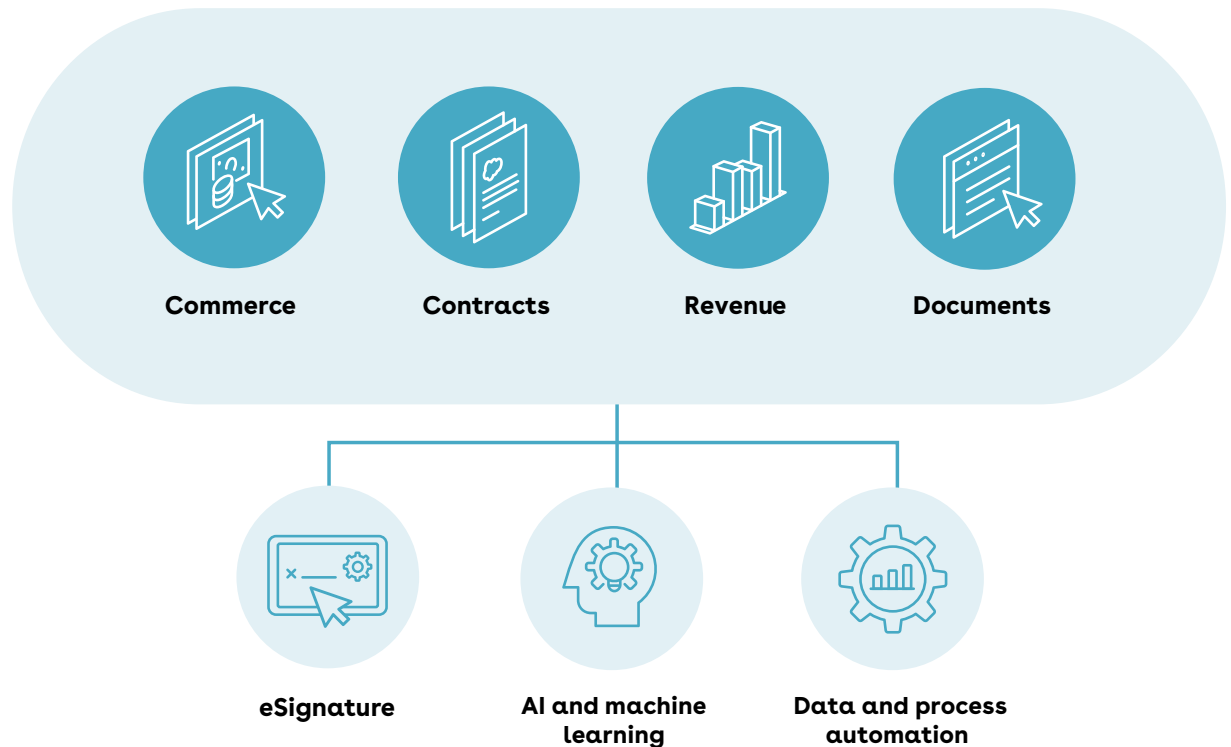
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Why partner with Conga to meet the challenges of a modern subscription business?

Conga understands the drivers that fuel the subscription economy. We've been automating and optimizing critical revenue and commercial relationship management processes for over a decade.

In an age of unparalleled customer focus and business complexity, it is impossible to get the full view of the business, drive predictable results, and keep up with customer expectations without a comprehensive, leading platform for transforming commercial operations.

Conga's Commercial Operations Suite leverages a single data model across the entire commercial process. Conga helps customers simplify and automate the essential documents and processes for commerce, streamlining quotes, pricing, and contracts to deliver greater business insights and increase agility to respond to market changes.

Commercial Performance Suite

Commerce

Contracts

Revenue

Documents

eSignature

AI and machine learning

Data and process automation

About Conga

Conga, the global leader in commercial operations transformation, helps businesses simplify and automate their approach to the essential quotes, contracts, and documents that drive commerce. We help our customers become more agile, so they can adapt quickly to change and create a fluid, connected customer experience. Companies choose Conga for the most comprehensive solution set in the market and expert guidance, enabling them to transform the processes and documents surrounding customer engagement, configure price quote (CPQ), contract lifecycle management (CLM), and the complete commercial operations lifecycle. With Conga, businesses evolve their commercial operations to streamline their revenue processes and derive the meaningful insights that lead to sustained growth.

Conga is headquartered in San Mateo, California with global operations across North America, Europe, and Asia.

Learn more at conga.com or follow Conga on Twitter: @CongaHQ

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