Are You Ready for Modern Billing Automation?

6 Questions to Help You Decide

A growing business can mean billing chaos if your finance team doesn't have the right tools on hand: things like late invoices, human error, and revenue leakage can creep in before anyone notices. But if these are things you have noticed, it may be time to add billing automation into the mix. Read on for help deciding whether the time really is now...

1 Is the invoicing experience frustrating your employees or customers?

Automation speeds up the delivery of invoices without having to lift a finger. On average, processing orders manually takes 5 times longer than an automated process and increases the likelihood of making mistakes. Mistakes cost you time and money, which could damage your company's credibility, leading to customer satisfaction issues and, ultimately, customer churn. Equally troubling is that, as your business scales, errors will have a compounded effect and will trickle-down through other facets of your organization.

2 Is it easy to identify and follow up on outstanding payments?

You should be able to identify and follow up on outstanding payments instantly. A modern billing solution will facilitate the automation of both dunning communications (via email and SMS) and credit card retries. In addition, it can provide reports that help you visualize not only upcoming expected payments, but also the dollar amount and total number of outstanding invoices at the company level or by customer.

Automating your collection processes will save you a tremendous amount of time and frustration and help to keep your cash flow consistent.

3 How many steps does it take to process an upgrade or downgrade?

Manually implementing pricing changes or processing a customer upgrade or downgrade is very complex and cumbersome. It means canceling one subscription, replacing it with another, then making the changes on the back end so your books reflect your revenue recognition rules. Managing this process manually is time-consuming and complex, making it extremely error prone. Ultimately, these challenges create a deterrent to promoting new subscription plans—which would improve customer choice, increase customer satisfaction and lead to increased revenue.

Being able to upgrade or downgrade easily through a subscription billing platform enables you to capitalize on every opportunity to maximize revenue and retain customers.

4   How long does it take to recognize revenue and close the books?

If your month-end close and revenue recognition processes consist of spreadsheets upon spreadsheets, your margin for error is uncomfortably high. But an ASC 606-compliant billing automation solution can automatically and accurately handle immediate, fixed-interval, or milestone revenue recognition without your team so much as lifting a finger, making month-end close a breeze.

5   Do you have access to real-time financial data for decision-making?

Today's line-of-business managers need real-time financial data to make smart decisions. Real-time and accurate financial data allows sales and marketing teams to capitalize on customer trends and allows customer success teams to head off problems with customers who may be at risk of churn. And because recurring billing software houses so much financial data, it can easily produce reports that enable team members across departments to be better at their jobs.

It's important to keep an eye on key subscription metrics, AKA important indicators of your business's health. You'll want to have a single pane that shows you how your business performed yesterday, last

week, last month or last year. You'll also benefit from insight into your customer base, so your platform should track churn and acquisition rates. This information will help you fine-tune your service offerings and maximize subscription revenue. Some important business health indicators might include:

- Total Customer Value (TCV)
- Monthly Recurring Revenue (MRR)
- Annual Recurring Revenue (ARR)
- Cash Flow
- Customer Churn
- Customer Lifetime Value (CLV)
- Customer Acquisition Cost (CAC)
- Product/Subscription Sales
- Earned vs. Deferred Revenues

6   Are you able to experiment with and measure the impact of your pricing strategies?

You'll want to see how different products and services are performing and easily switch your pricing up to find the best strategy possible.

Cohort reports give you the ability to group customers based on data such as geography or subscription price. Coupled with a flexible catalog, you can use this feature to test out different pricing strategies on small groups of customers before rolling out a larger-scale change.

Stax Bill believes the automation of billing and payments is a business superpower. Let's start your origin story.

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