

CHECKLIST

The Ultimate Checklist for choosing Subscription Billing Software

*Quote-to-cash | revenue recognition | cloud
accounting | SaaS metrics*



Subscription billing systems are not something you change until your scale demands it. As your SaaS company grows in size or complexity, you reach a point where manual processes drain your productivity, and you struggle to analyse your growing range of financial and operating data. At this point, you need a system that leverages the latest technology advancements.

At a minimum, a modern billing and accounting system for SaaS, software, or technology companies should automate and streamline core financial management functions such as Accounts Receivable, Accounts Payable, and the financial close. But you can hardly fuel your growth and need for accountability and transparency by simply automating the minimum. SaaS firms, in particular, have revenue recognition, subscription billing, and SaaS and investor reporting needs that require specialised functionality in their financial management systems.

How to use this checklist

To help you evaluate SaaS accounting software solutions and ensure you get the modern features you need in your new system, we've created this SaaS finance buyer's checklist. The checklist includes the 45 must-have features of a modern subscription billing system formatted in a way that makes it easy for you to do a head-to-head comparison of multiple software vendors. Simply use the blank column for vendor comparison.

Revenue recognition and subscription management

Fast-growing SaaS companies need to manage the customer across their lifetime. Understanding the complete revenue stream, across unbilled, billed, and paid; then the revenue recognition across that stream with deferred and recognised revenue, compliant with IFRS 15, is critical. Also, handling different billing requirements across user- and/or usage-based subscription billing powers the revenue model. These requirements are best met through a financial system that provides complete contract management, efficient operational processing, timely reporting, and a comprehensive audit trail. Below are the key things you should look for in this system:

	Sage	Intacct
Establish contract-based subscription billing		
Handle multiple pricing methods, such as fixed price, quantity based, usage pricing, discount tiers, overage, included units, and time & materials.	✓	○
Support different billing approaches, including one-time, in-advance, in-arrears, installments, or multiple invoices.	✓	○
Integrate via API with home-grown usage tracking systems to pull in statistical accounts for billing.	✓	○
Integration with payment systems, such as PayGate, to track credit card billing.	✓	○
Mix multiple billing models in a contract.	✓	○
Automated billing schedules – monthly, annually, custom, non-linear, or with every invoice – to ensure cash-flow.	✓	○
Automate renewals to not miss billings and reduce manual work.	✓	○
Copy existing contracts to speed new creations.	✓	○
Integrate systems for quote to cash	Sage	Intacct
Bi-directional native integration with Salesforce.com with common price book and sharing of collections status, renewal timing.	✓	○
Integration with Salesforce CPQ for synchronising contract information with the financial system.	✓	○
Build end-to-end revenue management	Sage	Intacct
Fully integrated contracts, billing, revenue recognition, and GL.	✓	○
Automatic alignment of billing and expense amortisation.	✓	○
Separate billing and revenue recognition schedules.	✓	○
Automatic re-evaluation for additional purchases and changes.	✓	○
Automatic calculation of multiple element arrangements based on standalone selling prices.	✓	○
Two sets of books to compare financial results before and after IFRS-15.	✓	○

Create forward-looking forecasting across revenue streams	Sage Intacct
Track billed, unbilled, and paid invoices across deferred and recognised revenue.	✓ <input type="radio"/>
Operating dimensions (e.g. customer, contract, location, etc.) that allow you to quickly get a holistic view of SaaS and revenue measures through statistical tracking and reporting.	✓ <input type="radio"/>
Native General Ledger	Sage Intacct
Simplify setup, transactions, and reporting through single, primary GL chart of accounts.	✓ <input type="radio"/>
Define, track, and report on every key organisational focus through unique, defined dimensions (e.g. customer, contract, division, region, locations, etc.).	✓ <input type="radio"/>
Use the same chart of accounts across multiple entities for quick and easy consolidations and reporting.	✓ <input type="radio"/>
Access to over 150 report templates for easy and timely reporting for board members and executive team members.	✓ <input type="radio"/>
Automatically schedule reports for timely, proactive analysis of key revenue and expense measures, including budget-to-actuals.	✓ <input type="radio"/>

Automated, Flexible Financial Processes

A modern general ledger is more than a standard chart of accounts. It lets you manage, analyse, and present your financial information the way you want, without adding complexity to your chart of accounts or using external reporting tools. Your system should easily let you manage:

Multiple entities	Sage Intacct
Drill down into detailed consolidating entries.	✓ <input type="radio"/>
Create multiple levels in your organisational hierarchy and various stakeholder structures.	✓ <input type="radio"/>
Choose consistent or different workflows, charts of accounts, period definitions, and lists across your multiple entities.	✓ <input type="radio"/>
Real-time GAAP, IFRS, FASB, regulatory, and compliance reports with over 150 included templates that give you the capability to drill down to the transaction level.	✓ <input type="radio"/>
Multiple ledgers (e.g. AR, AP, order management, and cash management ledgers) that can process transactions independently without degrading GL performance, and reduce the time it takes to close your books and report on financial results and outcome measures.	✓ <input type="radio"/>
Multiple books, such as simultaneously keeping books on an accrual and a cash basis, to allow you to easily report business results to multiple stakeholders based on their needs and report preferences.	✓ <input type="radio"/>
Utilise spend management to ensure commented expenses are captured in budget/expense comparisons.	✓ <input type="radio"/>
Custom workflows and system access, so you can maintain separation of duties, match an accounting workflow to your organisation's operational processes, or provide read-only access to stakeholders like executives and auditors.	✓ <input type="radio"/>

Financial Insight

A modern accounting system provides in-depth, real-time insight into the organisation, allowing you to capitalise on new opportunities or quickly recognise the need for corrective action. You benefit from having a thorough picture of the financial performance of your organisation, from high-level summaries down to the underlying transactions. To gain greater financial and operational insight, your system should deliver:

Multiple operating dimensions for all transactions that let you:	Sage Intacct	
Categorise each transaction by customer, division, contract, location, or more for a "clean GL" in order to avoid creating multiple separate GL accounts for each.	✓	○
Create reports and dashboards that automatically combine operating dimensions with financial data, so you can analyse results for each operating unit, location, project, product, and more.	✓	○
Slice and dice your financial and operational data the way you want without having to use external reporting tools or modifying your chart of accounts.	✓	○
Self-service reports and custom dashboards to reduce ad-hoc stakeholder reporting, while delivering real-time updates and drill down capabilities for visibility and insight into the numbers.	✓	○
A statistical book of measures, such as churn, CLTV, CMRR, or usage, not captured in a standard ledger, in order to provide greater insight into success metrics directly within your accounting system.	✓	○
Flexible and configurable reporting tools that allow your finance team to quickly and easily manage changing compliance requirements – like IFRS 15.	✓	○
Spend Management: balance cash inflows and outflows to avoid overspending and ensure budgets are followed.	✓	○

Cloud Architecture

A modern accounting system is cloud-based, so you can lower IT costs, reduce technology risks, and improve productivity. Using the cloud also gives you the flexibility to choose best-in-class solutions that focus on ease of integration with other leading software solutions to meet your needs in each focus area versus using a suite, which makes external integrations difficult. A best-in-class cloud accounting system delivers:

	Sage Intacct	
On-demand scalability and performance in the cloud, which dramatically reduces your total cost of ownership by decreasing your hardware and software costs as well as your IT time and expense for maintenance, upgrades, and support.	✓	○
Self-service reports and custom dashboards to reduce ad-hoc stakeholder reporting, while delivering real-time updates and drill-down capabilities for visibility and insight into the numbers.	✓	○
Productivity resulting from anytime, anywhere access on any device and operating system.	✓	○
Quarterly, automatic software updates that keep you current with the latest accounting standards and software features.	✓	○

Cloud Architecture (cont'd)

Convenient "point-and-click" integrations that don't require IT skills with commonly used applications such as:	Sage Intacct	
CRM	✓	○
Financial planning and analysis tools	✓	○
Home-grown usage tracking tools	✓	○
Expense management tools	✓	○
Human resources	✓	○
Inventory and fixed assets	✓	○
Project and programme management	✓	○
Payment processing	✓	○
Payroll and ACH	✓	○

The Right Company

Be sure to work with an organisation that is committed to providing you with a world-class accounting system, not just a suite of software and services that you may not need. Your modern accounting system should come from a company that meets the following criteria:

	Sage Intacct	
Provides a full subscription billing solution from quote/contract to billing to revenue to financials. Proven longevity, sustained growth, and financial strength.	✓	○
System and services focused on the software SaaS sector.	✓	○
Financial and organisational commitment to continued investment and support of the accounting system.	✓	○
Recognised for excellence by leading industry associations, such as the AICPA.	✓	○
Top ratings and reviews by customers from trusted third party sources like G2 Crowd and TrustRadius.	✓	○



Sage Intacct is the innovation and customer satisfaction leader in cloud financial management. With the powerful combination of Sage and Intacct, Sage Business Cloud offers the best capabilities of both companies. Bringing cloud computing to finance and accounting, Sage Intacct's innovative and award-winning applications are the preferred financial applications for AICPA Business Solutions.

In use by organisations from startups to public companies, Sage Intacct is designed to improve company performance and make finance more productive. Hundreds of leading accounting firms and value-added resellers also offer Sage Intacct to their clients.

The Sage Intacct system includes revenue recognition, subscription billing, contract management, accounting, cash management, purchasing, vendor management, financial consolidation, project accounting, inventory management, and financial reporting applications.

For more info, visit: www.sage.com/za/intacct or contact us at **0861 237 243**