UPGRADING FROM QUICKBOOKS

5 Essential Features

Every CFO Needs in their next Subscription Management Solution

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From managing your subscriptions, proving your revenue model, and keeping on top of churn, to updating your team with real-time reports and forecasting the future, these are the five essential software features every SaaS CFO needs for success

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The Role of CFO is changing, creating compelling new opportunities

Traditionally 80% of CFO jobs were tactical - with automation, CFOs can now spend 80% of their time on strategy

DECISION-MAKING 76%

76% of financial decision-makers play the lead role in their organization's adoption of digital transformation[1]

FACING NEW DEMANDS 46%

46% are faced with new demands to provide a higher level of business counsel and manage heightened expectations for improved insight[1]

DISCOVERY 90%

90% Believe that technology can help discover new opportunities and risks with better forecasting, automated period-end closes, stronger data governance, and an enhanced customer experience[1]

CFOs need data every day, not just after the close, in order to make strategic decisions on pricing, customer churn, revenue growth, hiring, investments, partnerships, and lead gen.

[1] CFO 3.0 –Digital Transformation Beyond Financial Management, Sage Intacct

Your board and investors need you to prove your revenue model is working

Once you've demonstrated product market fit, you need to show you can efficiently and consistently scale sales by:

1. Continuing to grow committed monthy recurring revenue
2. Acquiring new customers at a reasonable cost relative to customer lifetime value
3. Keeping customers from churning
4. Getting them to buy more from you as they grow

Investors look to CFOs to track and manage the health of their subscription business using SaaS Metrics - CMRR, customer acquisition costs, Churn, CLTV, and Cash Flow.

Don’t let Quickbooks hold you back

QuickBooks is a great bookkeeping solution for small, order-centric businesses. But when your subscription business has a variety of billing models or recurring revenue, you’ll start to feel growing pains as invoices and revenue schedules increase. Here are key signs you’ve outgrown Quickbooks:

Manual billing	“With 200 recurring invoices a month, we’re at the breaking point with manual billing”
Inflexible billing	“We need to innovate our pricing, but we can’t scale it”
Revenue in spreadsheets	“With 2,000 revenue schedules, my best team member spends all her time calculating revenue recognition in spreadsheets and manually updating our general ledger”
Delayed reporting	“I pulled an all-nighter (again!) putting together reports for investors”
Challenging forecasts	“We can’t efficiently predict our cash to manage operations and invest to drive growth and beat our competitors”

What to look for in your next subscription management solution

The 5 essential capabilities and features every SaaS CFO needs to lead their business

Integrated systems for quote-to-cash

Increase revenue per transaction

Flexible contract-based billing

Reduce gross revenue churn

End-to-end revenue management

Reduce the financial close

Real-time SaaS and GAAP dashboards

Higher valuation and investor confidence

Ability to forecast and plan the future

Speed quote-to-cash processing

1

Integrated **Quote to Cash**

What to look for:

The ability to integrate your CRM and Subscription Management Solution bi-directionally

What you are fixing:

Eliminating manual, time-consuming, error-prone processes between your CRM and Subscription Management Solution

- Inability to scale manual quote to cash process
- Spending too much time re-entering orders from SFDC to Quickbooks
- Re-entering contract changes and renewals
- Manually calculating usage billing
- Billing errors that impact days sales outstanding and cash flow
- Poor customer experience that can lead to churn
- Billing manually entered in to Quickbooks
- Constant need to refer to different sources of record

How integrated quote to cash helps:

A robust, pre-built, cloud-native integration between Salesforce and CPQ to your subscription management solution to create one system of record across quote to cash with the contract master

Key Benefits:

- A bi-directional integration between Sales and Finance platforms means less re-keying
- One system of record across the entire customer lifecycle
- A single contract between Sales and Finance that streamlines the initial sale as well as renewals and add-on business
- Accelerates QTC up to 75%
- Provides sales visibility into invoices and payments
- Converts Salesforce quotes into orders with a single click
- Advanced CRM Integration that is pre-built on the Salesforce platform

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2

Flexible contract-based billing

What to look for:

Automated, subscription-centric billing to see revenue, billings and financials in one spot – through the contract. Also, built-in support to handle more complex usage-based subscriptions as well as renewals, upgrades, downgrades, cancellations, hybrid models, services, maintenance and other common entries that make subscription billing difficult for order-based systems.

What you are fixing:

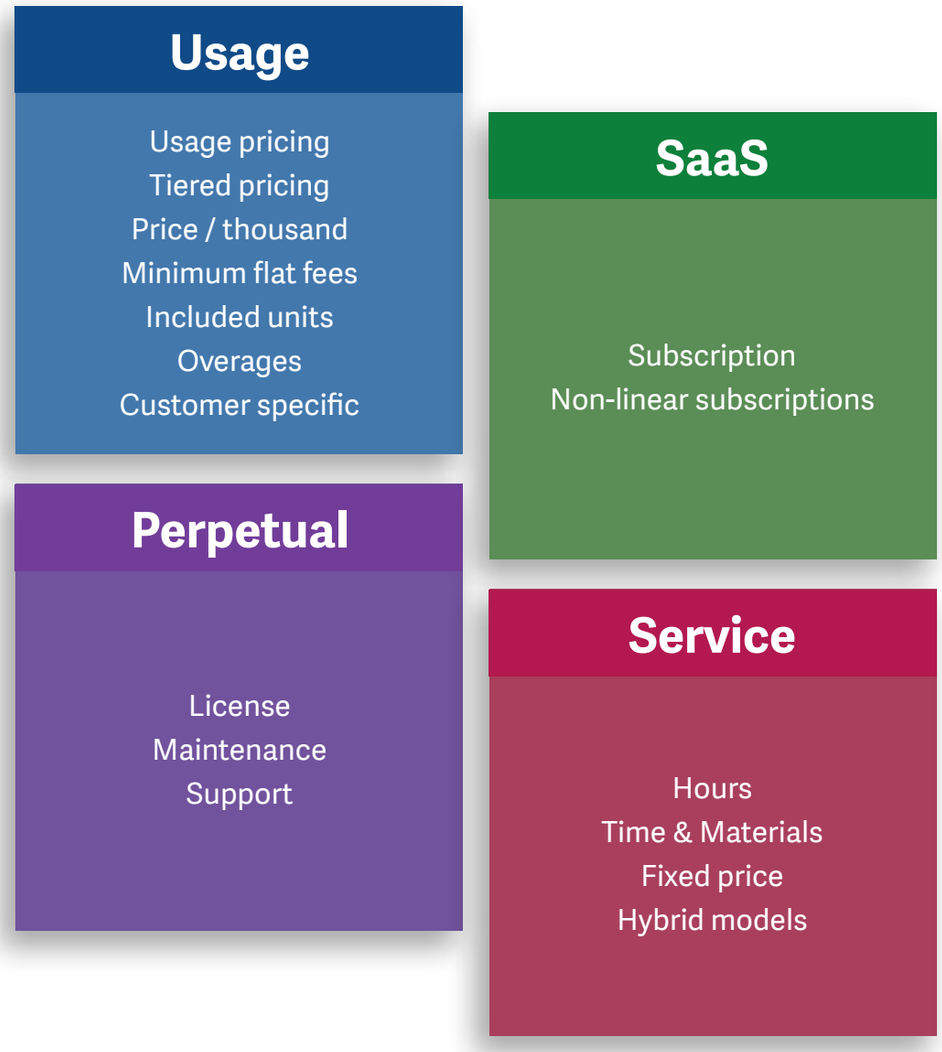
- Moves you off inflexible order-centric billing which prevents you from scaling recurring, usage-based, or complex billing
- Eliminates painful, tactical, non-strategic, error-prone manual work – including sales reps creating custom billing structures
- Improves trust and confidence in the data

How flexible contract-based billing helps:

Get bills out faster, decrease days sales outstanding, and free up cash to grow your business

Key Benefits:

- The ability to handle different types of revenue streams and billing provides more flexibility to innovate, differentiate and maximize CLTV
- Support a blend of models across subscription pricing, usage billing, professional services, and perpetual licensing
- Using the contract as the single source for revenue, billing and financials, you can manage a single revenue stream and automatically recognize revenue throughout the customer lifecycle, including renewals, upsells, downsells and holds



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End-to-end **revenue management**

What to look for:

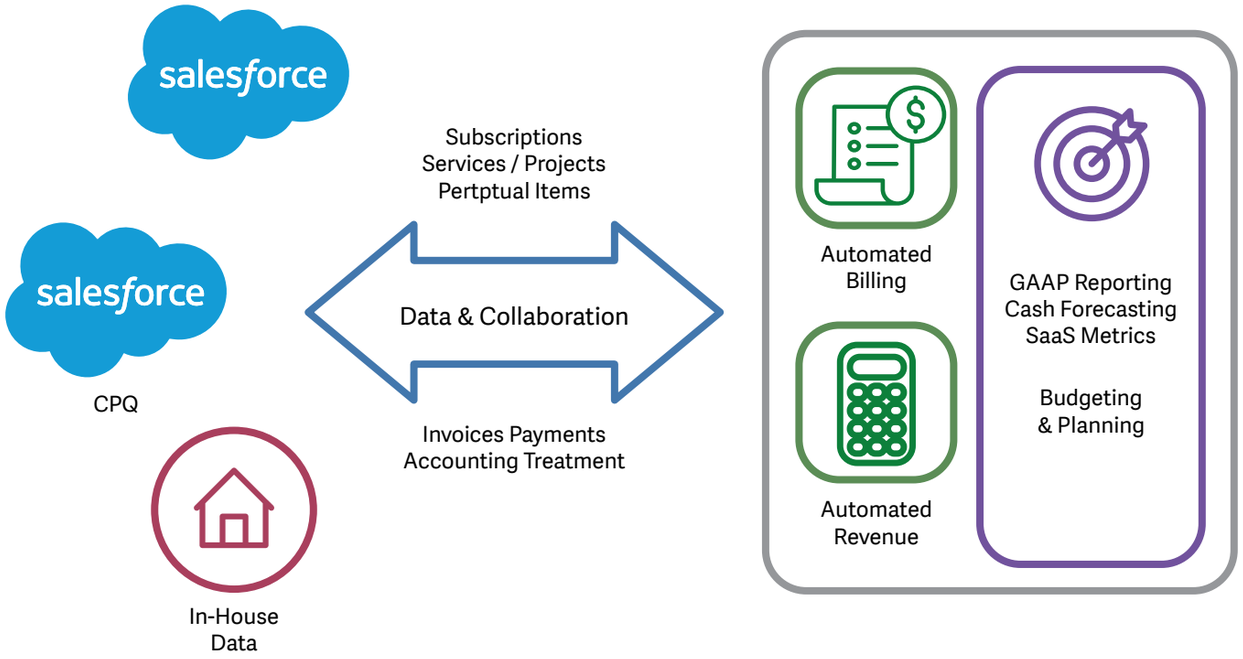
End-to-end subscription revenue management with ASC 606 compliant revenue recognition

What you are fixing:

- ASC 606 compliance including blended revenue models and multi-element arrangements
- Restating your financials due to errors in revenue recognition caused by error-prone, manual processes
- Calculating Rev Rec in spreadsheets that cause errors that risk ASC 606 compliance and delay the close
- Lack of visibility to when revenue will be recognized, what has been billed, and when cash will come in

Why automated end-to-end revenue management helps:

With a contract based solution, a single view of your revenue recognition across unbilled, billed, and paid comes from a single source, the subscription contract



Key Benefits:

- GAAP, ASC 606 and IFRS 15 compliance
- Automating compliance can save hundreds of hours of time and decrease risk of errors
- You can handle changes through configuration, not scripting - you don't need to depend on IT or consulting services
- Unlimited dimensions for detailed insights into product, region, segment, geography, and supporting data
- Generate investor confidence in financial reporting and the ability to deliver timely financials which translate to higher valuations and better access to credit

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4

Real-time **SaaS Metrics and GAAP dashboards**

What to look for:

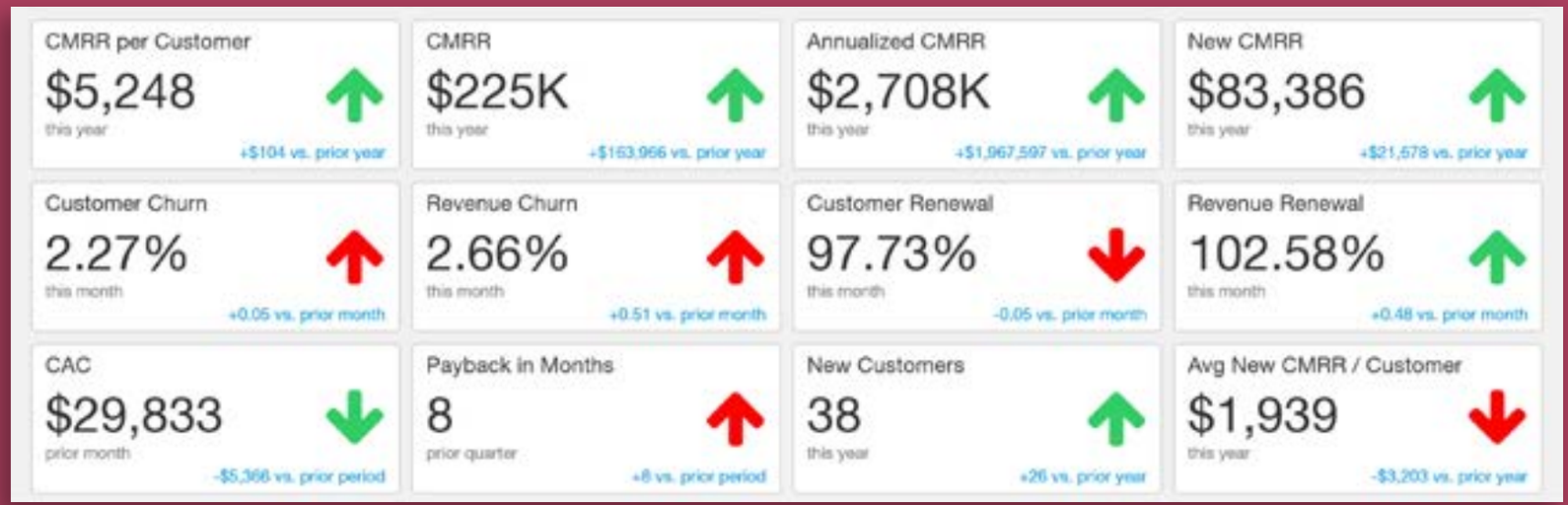
The ability to create and view SaaS Metrics and GAAP dashboards on-demand any time of the month, not just after the close, that provide a true measure of the health of your subscription business

What you are fixing:

- Too much time spent manually reviewing and updating spreadsheets (time not spent on strategic business activities)
- Manual, inaccurate, out-dated views of your business your execs, board and investors want to see
- Not getting your next round of funding (or getting a lower valuation) because you failed to convince investors your business is healthy and growing
- Inability to confidently present the 6 Cs of SaaS Metrics

How Integrated real-time SaaS Metrics and GAAP dashboards help:

Automatically connecting your contractual obligations to billing, revenue management, and the general ledger automates and simplifies the creation of SaaS and GAAP dashboards



Key Benefits:

- Track the Six Cs of SaaS Metrics - the fundamental numbers you should be delivering to your investors and board – CMRR, CAC, Churn, CLTV, Cash Flow and Customer Count
- Run your business more efficiently - grow revenue while keeping CAC manageable, reducing churn and increasing CLTV
- Higher valuation and investor trust / confidence - it's important to develop a compelling financial story
- Become a strategic leader - provide insight and advice on pricing, sales, product gaps and customer success
- Improve visibility into different drivers of your business—customers, products, projects, channels, and more—to perform cohort analysis to find opportunities for growth
- Build a strong understanding of your growth model, sales efficiency, and economics for FP&A and cash flow scenario planning

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5

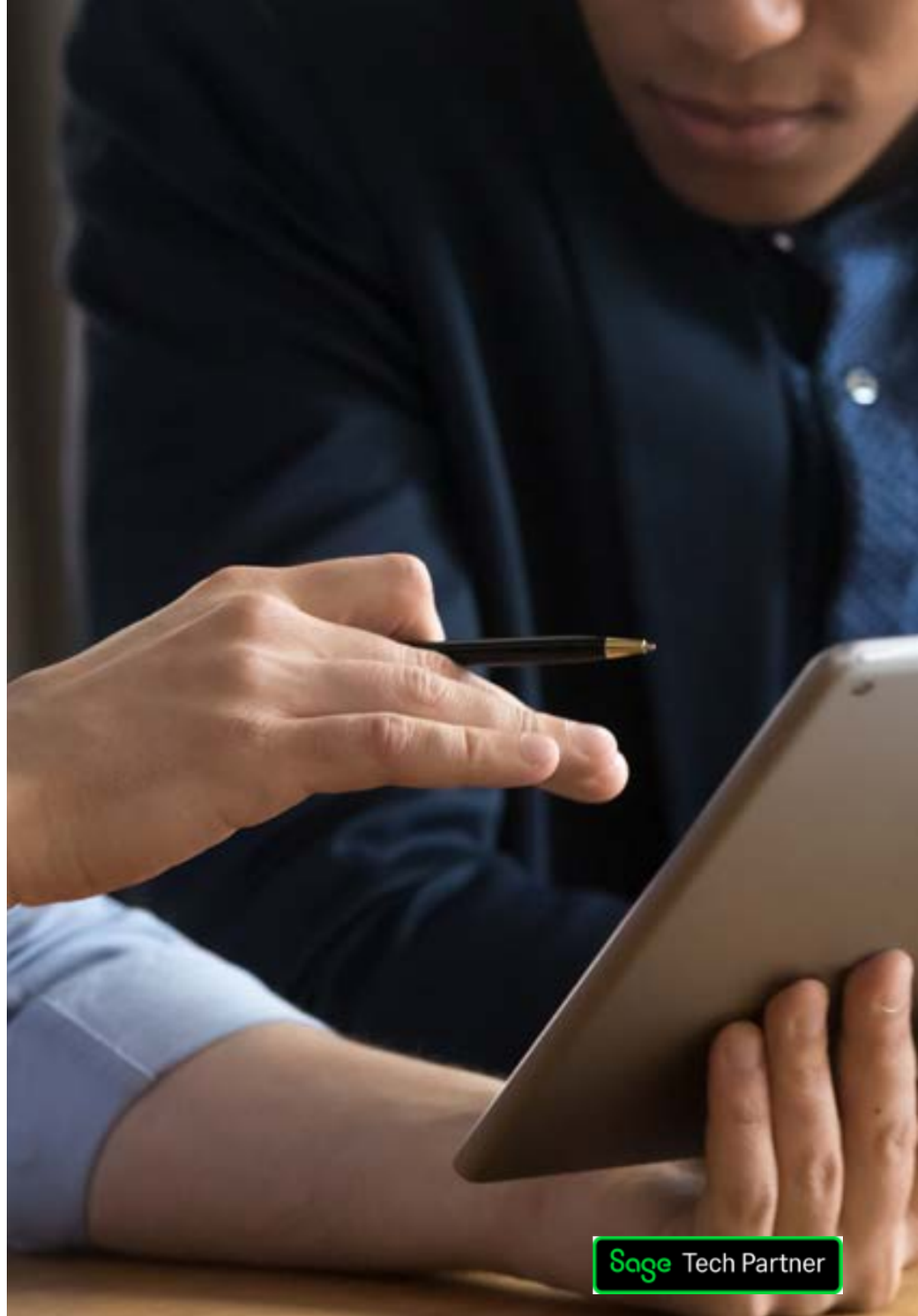
Ability to **Forecast and Plan the Future**

What to look for:

The ability to forecast the future accurately and on-demand with the click of a button across billing, pricing and revenue.

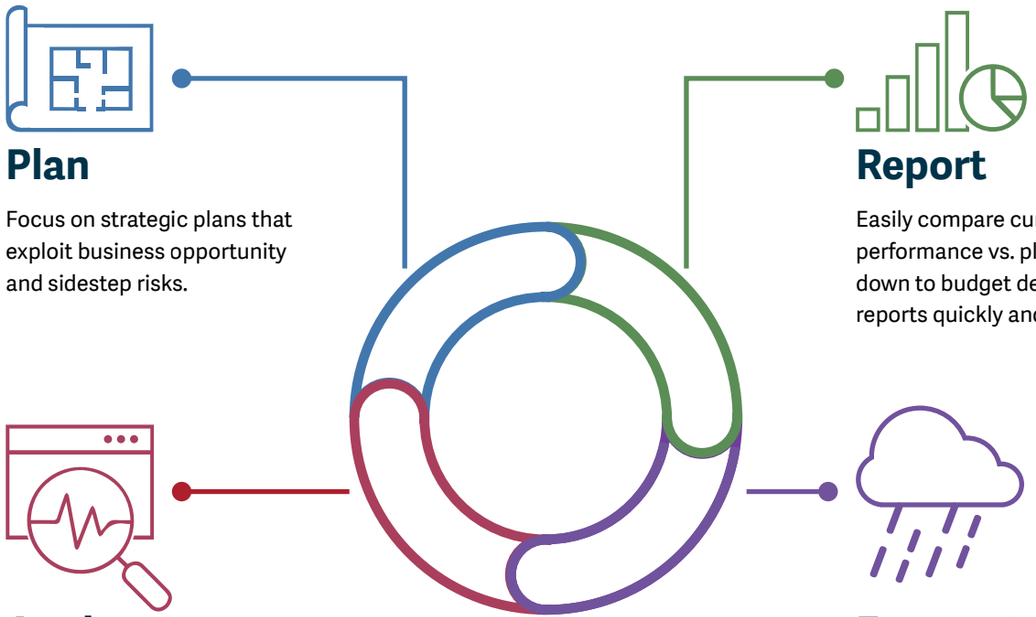
What you are fixing:

- The DIY approach - piecing together multiple systems and spreadsheets
- Inability to forecast recurring revenues over time with order-based solutions
- Not being able to efficiently predict cash to manage operations and invest in the business
- Forecasting that happens once a month or quarter instead of continuously anytime it's needed
- Lack of ability to create financial modeling, what-if scenarios, workforce planning and customizable dashboards



How forecasting and planning help:

Have a clear picture of your business's financial situation to help adapt to the rapidly changing environment, business loans, or investor funding



Plan

Focus on strategic plans that exploit business opportunity and sidestep risks.

Report

Easily compare current performance vs. plans and drill-down to budget details from your reports quickly and accurately.

Analyze

Easily model calculations–such as projected cash, sales, revenue recognition options, or headcount expenses–without spreadsheet errors. No more hidden formulas, broken links, or version-control issues.

Forecast

Import actuals directly from Sage Intacct Financials to quickly generate forecasts to influence and inform decisions by the board, senior management, and functional managers.

Key Benefits:

- Compare and model based on actuals. Create any number of scenarios to perform 'what-if' analysis
- Guide decisions that make your business a success—hiring, product investment, partnerships, acquisitions, and more. You can see asset mix, cash on hand and anything committed in the future
- When you're connected across CRM, CPQ, and financials via the contract, you can automatically generate forecasts. You get one view of your customers (vs. disparate orders) across billing, revenue recognition, and cash
- You shift from manually reporting the past in time-consuming, error-prone spreadsheets into accurate, real-time forecasts. You can't afford to lose the confidence of your board and investors with inaccurate data

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CASE STUDY:

Saleshood **Doubles CLTV** with Sage Intacct

Saleshood is a SaaS-based sales enablement platform. They were using Quickbooks desktop and were manually tracking orders in spreadsheets and Salesforce. Their reports were delayed and error prone, and they weren't able to forecast and make strategic decisions in a timely manner.

BUSINESS **RESULTS** AFTER SWITCHING TO SAGE INTACCT

With Sage Intacct	Impact
Automated subscription billing, upsells, and renewals with one subscription system of record	**Doubled CLTV over 2-year period**
Reduced close from 10 to 5 days	**CEO creates monthly board deck in 45 minutes, down from 1 full day** **Dual-book revenue recognition of ASC606/605**
Built 12 month rolling forecast on billings, revenue, and cash	**Track MRR, churn, and cash-flow in dashboard with trend analysis**

SALESHOOD

- SalesHood is a sales productivity platform that uses mobile, video, crowdsourcing and content creation to increase team productivity and revenue
- SalesHood is headquartered is in San Francisco, California

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“Up-leveling your financial system is an insurance policy to running a healthier business ...

Sage Intacct’s reporting and analytics gives me real-time cash flow visibility to confidently invest in growing the business 100%.”

Elay Cohen
CEO & Co-founder, Saleshood

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Sage Intacct is the only company to offer this unique solution specifically for SaaS startup CFOs

We're #1 in customer satisfaction in Accounting and ERP and #1 in Subscription Revenue Management on G2

We are the only solution that provides all of these in one platform:

- Offers one native quote-to-cash with Salesforce CPQ
- Is built from the ground up to support ASC 606 and endorsed by the AICPA
- Provides unlimited reporting dimensions
- Can deploy recurring billing across perpetual, usage, and professional services
- Delivers prebuilt, customizable GAAP and SaaS metrics dashboards
- Enables a view into the future with our forecasting tools

*G2 Crowd Grid Report for ERP Systems, Mid-market, Winter 2020
*G2 Crowd Grid Report for Accounting Systems, Mid-market, Winter 2020
*G2 Crowd Grid for Subscription Revenue Management, All Segment, Winter 2020

Now that you know what to look for in your next Subscription Management Solution, let us show you how we we can help.

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LBMC TECHNOLOGY SOLUTIONS

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