

# **SOFTRAX Revenue Management System for Billing Automation**

---

The world's most sophisticated support for subscription, consumption and usage, one-time, and milestone billing, providing a new level of automation, security, and controls to help companies maximize revenue and increase customer satisfaction.

---

# **SOFTTRAX REVENUE MANAGEMENT SYSTEM (RMS) BILLING FOR SIMPLE AND COMPLEX BILLING AUTOMATION**

Over the past years, bill models have become varied with subscription and consumption billing now as popular as milestone and one-time offerings. Subscription and usage-based or consumption bill models offer new revenue streams, opportunity to more flexibly match fees received with value delivered, and additional ways to engage the customer base. These models have known ramifications in terms of billing but often unknown complexities in terms of the associated recognition of revenue.

Income from renewal of contracts and subscriptions can comprise over 80% of a company's revenue. However, this process can become complicated in terms of ensuring contracts are renewed in a timely manner and at full value entitled, including appropriate upticks in renewal fees. Additionally, the renewal process can include the need to perform complex co-terminations, recast of bill schedules, and deferral of revenue according to ASC 606 & IFRS 15. Inefficiencies in this process lead to revenue leakage, late renewal impacting cash flow, and even catastrophic impact to customer satisfaction leading to higher levels of churn.

SOFTTRAX RMS is designed to handle Order Management, Billing (one-time, milestone, subscription, consumption), Subscription and Contract Renewal Management. SOFTTRAX RMS also handles the revenue accounting process, from orders through recognition of revenue, all in one platform.

## **AUTOMATION AND SUPPORT FOR ALL BILLING MODELS**

### **Order Management**

- The downstream processes of billing and revenue recognition begin with strong order management. Automating your order management and order-to-revenue process can be challenging.
- SOFTTRAX RMS accurately captures order information and uses it to manage downstream billing, contract renewal, and revenue recognition processes. SOFTTRAX RMS is designed from the ground up to enable billing and recognition of revenue to occur on separate schedules initiated by the order management process.
- Orders are created either completely via import of field data from upstream systems, via manual typing of order data into SOFTTRAX RMS order entry screens, or in a hybrid approach where core data is brought in from upstream systems and augmented by accountants (for example, to manually enter complex milestone schedules or subscription/consumption tiering and overage limits that may not be systematized in upstream systems).
- The order management functionality ensures proper creation of the invoice schedules for one-time, milestone, subscription and consumption bill schedules and proper preparation for recognition of revenue.

### **Subscription and Usage or Consumption-Based Billing**

Subscription and consumption billing have many benefits, including predictable revenue, customer retention and loyalty, increased customer lifetime value, and an improved customer experience. In addition, both models provide valuable data into customer behavior, preferences, and usage patterns, allowing businesses to optimize product development, marketing strategies, and new product roll outs.

These billing models come with enhanced customer interactions and offerings, including time-sensitive invoices; the consideration of consumption tiers, minimums, and overages; the need to perform ratings against consumption metrics; and the need to manage the contract for pause, resume, credit, upsell, or down sell.

SOFTTRAX RMS makes rolling out subscription and consumption billing easy by offering support for:

- Evergreen subscription billing
- Multi-tier pricing, including minimums and overages
- Aggregate, cumulative, and band-tiered price models
- Contract-to-date and current-to-date transaction accumulation
- Automated update of date-driven minimum pricing
- Consolidation of multiple charges onto a single bill
- Generation of multiple, customizable formats for bill presentation
- Management of corporate account hierarchies
- Management of global and account specific price books
- Cancellations, Service Level Agreement (SLA) charges, adjustments
- Easy creation and change of price structures for new and existing products
- Price model inheritance

## One-Time and Milestone Billing

Many companies continue to deploy transactional bill models, such as one-time and milestone either to support legacy clients or in billing for items outside of those offered on subscription. Milestone billing is commonly used in projects or contracts where payments are linked to specific contractual deliverables or stages of completion for the project. SOFTTRAX RMS offers capabilities to automatically construct the milestone bill schedule and automate the incorporation of due milestones in consolidated invoices with other elements to be billed. It offers both automated and human driven means of making modifications to schedules once instantiated and offers both automated and manual release of milestone invoices. SOFTTRAX RMS lets you comply with contractual requirements and recognize revenue from the milestone billing data.

## Contract and Subscription Renewal Management

Companies often attain 80% or greater of their revenue from the renewal of contracts and subscriptions. Any inefficiency or inaccuracy in this large renewal base can lead to revenue leakage, either through delayed or missed renewal activity, or through lack of attainment of the full renewal value, including negotiated upticks in contracted rate. Similarly, companies and clients benefit from co-termination of contracts to ensure a single renewal invoice. It becomes extremely important that these contracts are renewed in a timely manner, and for an appropriate revenue amount, including any agreed upon uptick in the renewal rate.

SOFTTRAX RMS accommodates the consolidation of charges within a billing cycle. This allows both identical recurring charges (e.g., quarterly subscription) to be combined with variable (e.g., monthly transaction charge), milestone, renewal, and other charges to be presented on the same bill, with the option of splitting the bill among multiple billing parties. Each service provided to a customer can have a completely distinct set of attributes, creating organizational flexibility when selling and delivering products. It also provides customers with a streamlined bill presentation of all services.

SOFTTRAX RMS includes a sophisticated subscription and contract renewal engine, capable of the following:

- Automatically generate lists and reports of contracts up for renewal
- Apply customized renewal rules by date, product, location, or customer
- Automate pricing based on product-level contractual terms and resetting of contract coverage dates
- Support co-termination with full contract history
- Automatically generate pro-forma invoices for renewal programs or send renewal data back to the Customer Relationship Management (CRM) system of record to generate a quote for renewal in CRM

SOFTTRAX RMS accommodates the consolidation of charges within a billing cycle. This allows both identical recurring charges (e.g., quarterly subscription) to be combined with variable (e.g., monthly transaction charge), milestone, renewal, and other charges to be presented on the same bill, with the option of splitting the bill among multiple billing parties. Each service provided to a customer can have a completely distinct set of attributes, creating organizational flexibility when selling and delivering products. It also provides customers with a streamlined bill presentation of all services.

SOFTTRAX RMS serves as a layer between Customer Relationship Management (CRM) or Configure Price Quote (CPQ) and Enterprise Resource Planning (ERP) systems providing enterprise-level functionality to handle one-time, milestone, consumption, subscription, and renewal billing. For companies looking to start or enhance their subscription or consumption billing offerings, SOFTTRAX has the depth of billing and revenue recognition experience that will help meet your sales goals, comply with standards such as ASC 606 / IFRS 15, and seamlessly connect your billing to revenue recognition. This is done in the context of a single, multi-tenant cloud application enabling consolidation of invoices and transparency across billing and revenue recognition. SOFTTRAX RMS helps companies, from SMB to enterprise, by streamlining financial processes, solving the toughest challenges, and realizing new revenue streams.

## **BILLING COMPLEXITIES AND ASC 606 / IFRS 15**

Many companies understand the billing complexities of a subscription or usage-based billing model, but they may not realize these billing models also have complicated revenue recognition. With complex revenue standards such as ASC 606 and IFRS 15, revenue is recognized according to a five-step model, and this model ties into the customer contract. For subscription and consumption billing, various parts of the standard can be triggered by different scenarios, making revenue recognition more difficult. For example, the common practice of bundling and discounting can trigger the need to perform proportional allocations based on Standalone Selling Price (SSP). In addition, ASC 606 and IFRS 15 can trigger the need to process Contract Modifications and Combinations as these subscriptions change over time. Consumption billing can often lead to a need to follow the Variable Consideration portion of the guidance. SOFTTRAX RMS can manage all complexities related to revenue recognition and ASC 606 and IFRS 15 compliance, drawing on SOFTTRAX's more than 20 years of experience.

## THE SOFTRAX ADVANTAGE

SOFTRAX RMS is designed to take in data related to billing from any number of upstream systems, including order, CRM, Configure Price Quote (CPQ), or change event data. The use of SOFTRAX's proprietary policy engine enables a touchless revenue accounting process for those clients seeking maximum efficiency and risk reduction.



## GET THE RIGHT RESULTS FOR YOUR INVESTMENT

For over two decades, SOFTRAX has helped our customers to successfully streamline business processes and increase efficiency through automation.

Our customers have seen:

- Recurring revenue increase by 5%
- Process efficiency ratings improve by 48%
- Team productivity improve by 16%
- A 15% to 65% reduction in days sales outstanding
- Easier, reliable compliance and reporting



# SOFTRAX

250 ROYALL STREET, CANTON, MA 02021

[WWW.SOFTRAX.COM](http://WWW.SOFTRAX.COM)

---

**Ready to Take Charge of Your Revenue  
Management Process?**

SOFTRAX solution specialists are always on call.  
Please reach out to [sales@softrax.com](mailto:sales@softrax.com)  
or call us at +1 (617) 778-7320.

---

Follow us on social media

