

E-book

Is Your Software Company Outgrowing QuickBooks?

5 Signs Its's time to move

Sage

DSD
BUSINESS SYSTEMS



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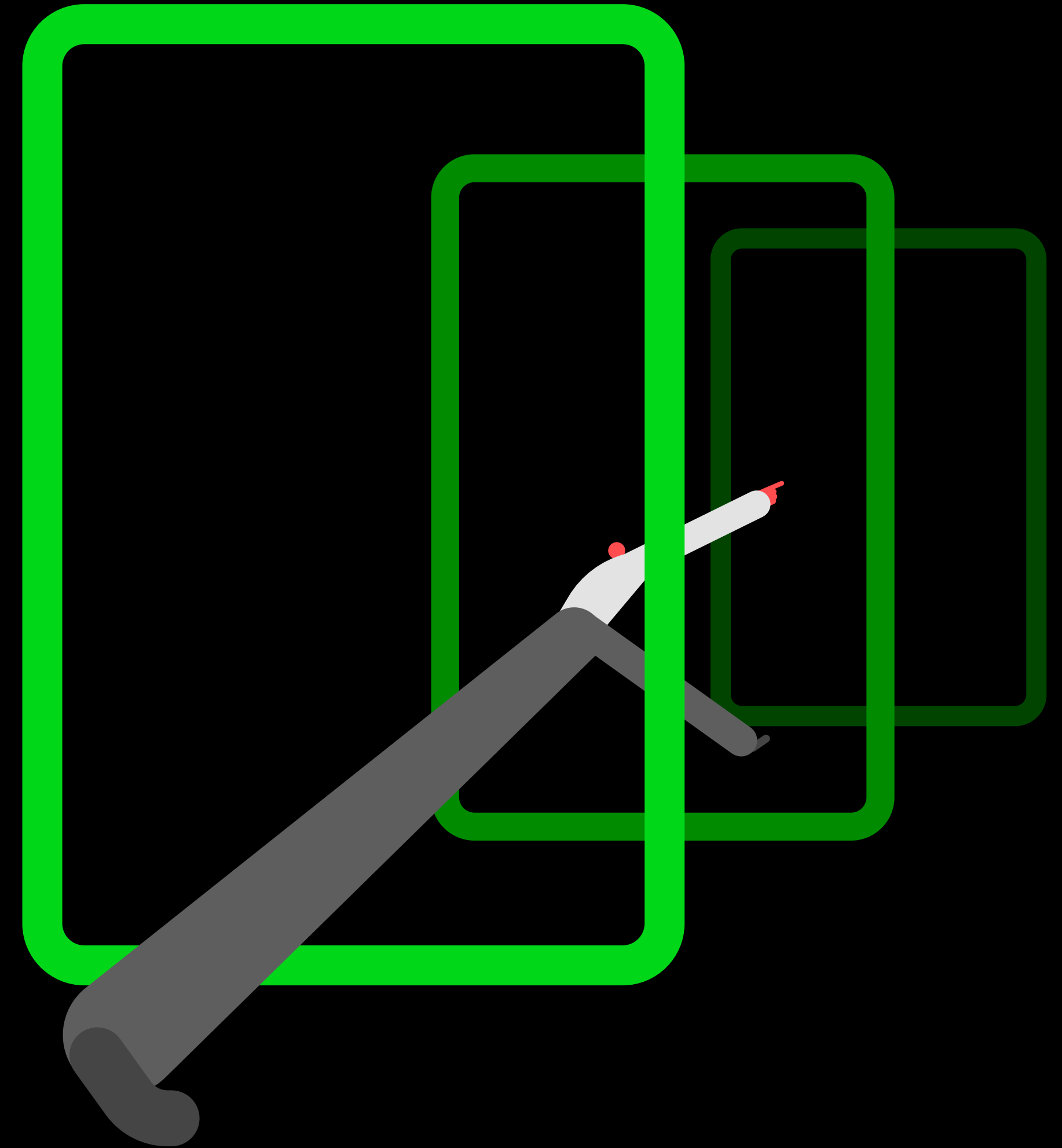
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Introduction

Are You Outgrowing QuickBooks for Subscription Billing?



QuickBooks is a great bookkeeping solution for very small, order centric businesses. But when your business has a variety of billing models or recurring revenue, you'll start to feel some growing pains as invoices and revenue schedules increase. You might be able to limp along with QuickBooks, but you'd be missing out on the benefits that automation could bring, including:

- Speeding quote-to-cash cycles by as much as 30 to 60%
- Freeing thousands to millions in cash for investment
- Shortening your close by as much as 30% to 75%
- Increasing your valuation with more accurate forecasting for making strategic decisions

Read on to learn the five clear signs that you're starting to outgrow QuickBooks.

5 Signs You're Outgrowing QuickBooks for Subscription Billing

1

Manual Billing

"With 200 recurring invoices a month, we're at the breaking point with manual billing"

2

Inflexible Billing

"We need to innovate our pricing, but we can't scale it"

3

Revenue 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"

4

Delayed Reporting

"I pulled an all-nighter (again!) putting together reports for investors"

5

Challenging Forecasts

"We can't efficiently predict our cash to manage operations and invest to drive growth and beat our competitors"

Sign 1. Your billing is manual

“With 200 recurring invoices a month, we’re at the breaking point with manual billing.”

Billing used to be easy. Products were billed once when they were sold or delivered. Now software companies have a blend of products—subscriptions, usage billing, services, training, and perpetual licenses. Some of it is billed once, and some of it is billed every month. QuickBooks wasn’t built to handle this complexity, and it can’t be easily integrated with Salesforce to automate your quote to cash process.

Without Salesforce integration you spend too much of your precious time:

- Re-entering orders from Salesforce into QuickBooks
- Re-entering contract changes and renewals
- Manually calculating usage billing



Challenges

Manual Salesforce quote-to-cash integration can't scale

If every new transaction, change, recurring charge, or usage volume requires manual effort, you need more staff to grow.

Billing errors impact DSO and cash flow

Error prone manual billing processes can cause delays in customer payments.

Delays of thousands to millions in cash flow

Heavy manual effort delays getting your bills out and cash flow that can be used for operations or invested in your business.

A poor customer experience can lead to higher churn

Billing errors take customer time to resolve, providing a negative experience

Solution: Integrate your quote-to-cash process

An integrated process across Salesforce CRM and CPQ, billing, and financials means that information flows seamlessly from quotes or contracts without rekeying information. The data is always up to date between Sales and Finance for more accurate billing and customer service. Best of all, you can invest the time you saved on higher value, strategic activities.

Companies that integrate their quote-to-cash often see their DSO decrease by as much as 30% to 75%, freeing up cash-flow to invest in hiring and acquisitions.

Acquia

-10%
DSO

**“We cut order-to-bill
by 50%.”**

~Brett Belcastro, WW Revenue Controller

Sign 2. Your billing is inflexible

“We need to innovate our pricing, but we can’t scale it”

Business is dynamic, and you need to be agile and flexible with your pricing. QuickBooks was built for traditional, order-centric businesses that don’t have a blend of different pricing models, such as usage-based or project based, or pricing changes. This inflexibility means that it’s difficult to scale recurring, usage-based, or complex billing. When you’re trying to keep your cash consumption low, you can’t keep adding more staff to address the problem

Challenges

Less customer value

You’re forced to forgo usage or tiered based pricing models that deliver more value to customers.

Lower conversions

You can’t price to be competitive, so you end up losing deals to the competition.

Lower CMRR

You miss opportunities for add-on sales because your customers aren’t seeing enough value.

Limited growth

Growth is limited because you can’t take advantage of new opportunities.



Solution: Enable flexible, contract-based billing

With flexible, agile billing that's automatic and driven directly from your contracts, you can iterate and innovate your pricing to deliver value to your customers and prospects and more easily take advantage of new opportunities.

Companies that can innovate their pricing can provide more value to customers, commonly resulting in:

- Increased CMRR by up to 15% to 30% with new billing models
- Increased add-on sales to increase customer lifetime value (CLTV) by as much as 15%
- Reduced churn by as much as 2%



**“To have kept doing it
the old way would have
been a staff-killer.”**

~Joel Meriwether, Director of Finance

Sign 3. You Calculate Revenue Recognition in Spreadsheets

“With 2,000 revenue schedules, my best team member spends all her time calculating revenue recognition in spreadsheets and manually transferring it to our general ledger”

ASC 606 has created a huge burden for revenue accounting. QuickBooks users like yourself are forced to manage revenue recognition and expense amortization in spreadsheets. If handling new contracts weren't enough, every time there's an upsell, down-sell, renewal, hold/resume, or extension, schedules need to be adjusted. Add in multi-element arrangements, and you take the complexity and manual calculations to a whole new level. And, at the end of every period, the data needs to get entered back into the QuickBooks general ledger (GL) and reconciled.

To comply with ASC 606, you need to know your contract assets and liabilities. Most companies we talk with find this overwhelming to do in spreadsheets on an ongoing basis. It's just not scalable.

Challenges

ASC 606 compliance

Calculating complex revenue recognition is error-prone and raises concerns about accuracy and audits.

Delayed close

Managing the calculations in outside spreadsheets with data that needs to be rekeyed into the GL slows down the close.

Inaccurate investor valuation

Lack of visibility and understanding of recognized revenue and cash positions negatively impacts your valuations.

Opportunity cost of high value staff

Your experienced staff could be better utilized—and happier—doing more strategic work.

Solution: Build End to End Revenue Management

Weltok®

-20%
Revenue
cycle time

+1576%
Growth
with 1 new
headcount

Automating a single revenue stream throughout the customer lifecycle saves you hours of painstaking calculations, accelerates your close and reporting, and improves accuracy and compliance. You have one source of truth—your financial system. And, it doesn't require another reconciliation!

Automating revenue recognition scales compliance with ASC 606. Coupled with the automation of other close processes, companies frequently:

- Reduce the close period by 50%
- Grow employees and revenue as much as 100% with 0% headcount growth in Finance
- Achieve less than 10% variation in revenue fore-casts to increase valuation in fund-raising

**“We are now ASC 606
compliant”**

~John Fowle, VP Corporate Control

Sage

Sign 4. Your reporting is delayed

“I pulled an all-nighter (again!) putting together reports for investors”

Since revenue is outside of QuickBooks and must be manually imported, it delays the close as well as GAAP reporting. If your close takes three weeks, which is typical for customers that we talk with, your reports are delayed by that much. But that’s not the worst part.

Your executives, board, and investors want SaaS metrics such as customer monthly recurring revenue (CMRR), customer acquisition cost (CAC), and churn. If it takes two weeks to crunch these numbers after the close, there’s often little time for analysis before you need to deliver the metrics.



Challenges

Can't move on opportunities

Reporting delays mean that decisions can't be made quickly, and opportunities may be missed.

Reports look backwards

To make better business decisions, you need to predict where the business is going, not where it's been.

No time for analysis

Too much manual prep means less time to analyze the data to understand the causes and impacts.

Opportunity cost of high value staff

Spending an additional two weeks after the close on report prep uses valuable resources that could be better utilized.

Solution: Accessing Real- time GAAP Reporting and SaaS Metrics

When contracts flow seamlessly from your CRM solution into your financial solution and your billing, revenue recognition and general ledger are unified, you can automate the end to end process. This means you have real-time GAAP reporting and SaaS metrics, saving weeks of report preparation with the click of a dashboard. Since all the data you need is in your financial solution, reports can be run at anytime—not just after close.

- Companies that have real-time metrics are more agile in their decision making and frequently:
Reduce budget variances to less than 10%
- Create monthly executive reporting packages in less than 10 days
- Reduce board report creation time to less than a week, creating more time to analyze and prepare

The logo for Elemica, featuring the word "Elemica" in a blue, sans-serif font on a white rectangular background.A green square with rounded corners containing the text "+10% EBITDA" in a smaller green font.

“We have always had a team staffed by skilled strategists. Now we have the time and the opportunity for the team to use those skills to grow the business.”

~Anthony Palladino, CFO

The Sage logo, featuring the word "Sage" in a green, sans-serif font.

Sign 5. Forecasting is challenging

“We can’t efficiently predict our cash to manage operations and invest in the business.”

In addition to challenging reporting, when you’re piecing together multiple systems and spreadsheets, you also impact your ability to forecast what’s happening in your business—when will revenue be recognized, what has been billed already, and when will the cash come in?

Forecasting happens once a month or once a quarter instead of happening continuously and on demand.

Challenges

Capital consumption

Not knowing your cash position means that you can overspend.

Less business agility

Investments get delayed or not made—decisions to invest more in your product, hire, acquire and more.

Slower business growth

Delaying investments delays business growth.

Losing to your competition

Slower decision making decreases your ability to outmaneuver and respond to the competition.



Solution: predict the future

When your quote to financial forecast process is connected and working from a single source of truth, forecasts on revenue, cash, and billings can be run with the click of button. No more waiting on the data to make those important decisions that impact cash consumption and growth.

Companies that can see several years into the future have an edge over the competition and can be more effective in getting funding or moving to IPO.



+\$3M
EBITDA

+40%
Customer
count

“With Sage Intacct, we are able to predict the future”

~Michael Mincieli, SVP, Finance, Verimat

Conclusion

How many signs do you see?

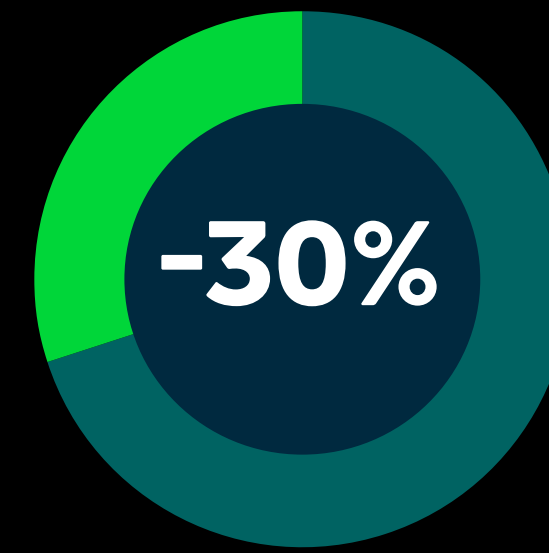
If you see one or more signs that you've outgrown QuickBooks, it may indicate a bumpy road ahead. You could likely benefit from an upgrade to a more robust solution that was built for nonprofit accounting.

- Sign 1: Your billing is manual
- Sign 2: Your billing is inflexible
- Sign 3: You calculate revenue recognition in spreadsheets
- Sign 4: Your reporting is delayed
- Sign 5: Forecasting is challenging



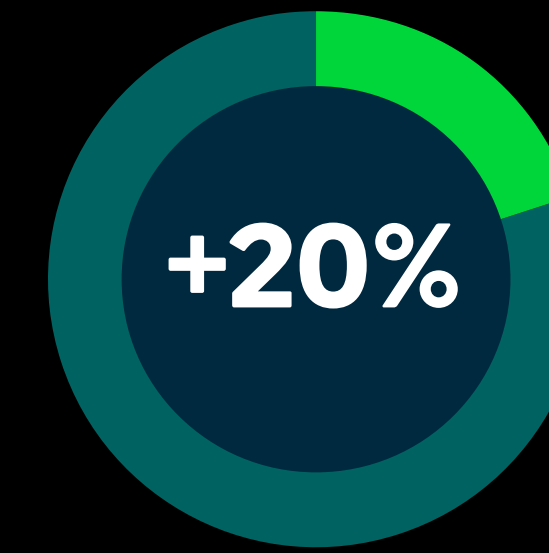
Sage Intacct can help you automate and scale your subscription business

Sage Intacct customers achieve significant benefits in their software businesses.



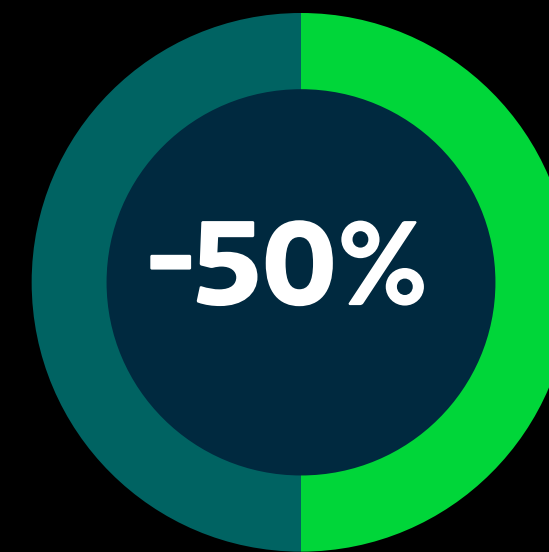
Speed quote-to-cash processing

Integrate systems for quote-to-cash



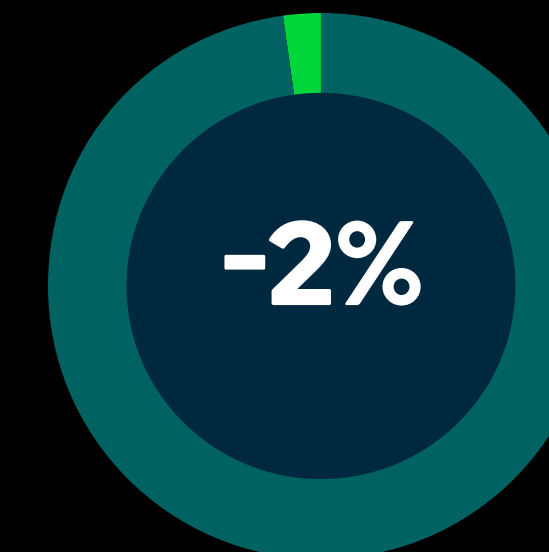
Increase cash flow

Establish flexible, contact-based billing



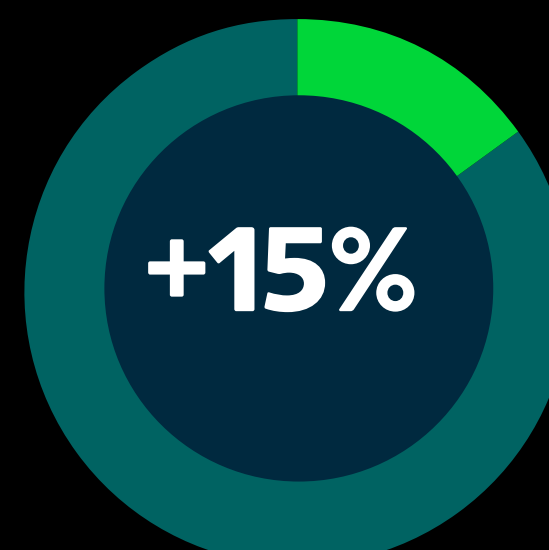
Reduce the financial close

Build end-to-end revenue management



Reduce gross revenue churn

Create real-time SaaS and GAAP dashboards



Increase revenue per transaction

Forecast and plan the future



Let's talk

Sage Intacct has helped thousands of companies like yours graduate from QuickBooks. Our customers commonly achieve:

- A reduction in quote-to-cash cycle time of 30%
- A 50% shorter close
- Increased cash flow of 20%

We'd like to help your business!



CASE STUDY

sage Intacct

Veterinary Hospital Network Saves 100 Hours a Month, Gains Scalability Amid Rapid Growth

Vets Pets

Challenges

Vets Pets Enhances Centralized Services Model with Sage Intacct

Vets Pets is growing rapidly with a highly successful cooperative business model that benefits wholly owned and joint venture/partnership veterinary practices, as well as pets and their owners. Founded in 2007, the North Carolina business has expanded from 21 practices in 2017 to 27 practices in 2020, with more planned for 2021. Vets Pets headquarters supports its practices with a range of centralized services and field support, from HR and IT to marketing, facilities

Company Overview

Vets Pets is a cooperative group of 27 veterinary hospitals in North Carolina with joint venture partnerships focused on people, pets, medicine, leadership and

Software Product Tour

[Watch now](#)

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Learn about Customer Successes

[Watch now](#)

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