Analyst Perspective

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BillingPlatform Bolsters the Rise of Subscription Services

Subscription management and billing services help organizations offer unique benefits and enhance delivery to customers. By making services more personalized, organizations can acquire – and retain – more customers.

Many business-to-business companies are shifting to a subscription business model to remain competitive, imposing new requirements on vendors to support pricing models that address individually negotiated contracts. The need for flexible and responsive monetization models and reduced billing errors is equally important, leading to improved customer retention and relationships. These benefits explain the growing interest in subscription management and billing systems. My view is that by 2023, one-fifth of B2B organizations will deploy a usage-based billing system with uniquely negotiated pricing to preserve competitiveness.

Less well known than other providers in this space, BillingPlatform is a cloud-based subscription management and billing platform that was founded in 2012. It provides a platform for communication between systems, customers and workers. In addition, BillingPlatform integrates with any type of external equipment interface, payment gateway or information system. It also offers products for configuring, pricing, quoting (CPQ), subscription and billing analytics, usage mediation and revenue recognition.

Platform Cloud is BillingPlatform's primary solution, with core billing and subscription management capabilities, augmented with the ability to create workflows for process orchestration as well as connectors and application programming interfaces (APIs)

> ### Subscription Management
> *Market Assertion*
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for integrating with third-party systems, security and audit, compliance needs, and internationalization and localization. The platform can be extended with no-code configuration and can automate the entire billing process.

Billing for subscription services has long been a complex and arduous task, often resulting in errors, which in turn can lead to dissatisfied customers and lost revenue. BillingPlatform's focus on billing automation eliminates manual tasks through a point-and-click configuration that automates any process – billing, invoicing, payments, collections, etc. Eliminating manual tasks greatly reduces errors in the system, increasing customer relationships and retention.

In addition, BillingPlatform's packaged and extensible rating forms are especially important for customers who need to price based on usage, where the actual price to be charged can only be computed on receipt of the necessary transactions and usage data. I discuss the importance and challenges of usage-based pricing in my analyst perspective addressing [Subscription and Usage Management Technology Needs for the Modern Economy](.).

Usage transactions typically come from disparate sources and often require normalization and aggregation of raw data before processing. In general, customers have options to utilize an in-house developed mediation system, a third-party specialist application, or, as in the case of BillingPlatform, a system integrated with the core platform. This has the added benefit of supporting "pass through" usage data, i.e., data that is not rated or priced, but nonetheless can be used for analytic purposes to better understand how products and services are being used.

Another area of interest to subscription service organizations is what I've called seamless billing. Since the only regular interaction between a customer and vendor is often billing and plan or order adjustment, the need to mask the integrations of multiple systems from the end customer is important to ensure a positive experience that results in renewal, expansion and upsell opportunities. My analyst perspective with more detail on this topic can be found [here](.).

Whereas BillingPlatform is strong in supporting usage business models, orchestrating multiple back-end processes, and insulating the customer from complex integrations, it is less convincing when it comes to subscription and billing analytics. This is often the case where analytic capabilities form part of a demonstration, but in reality, are better conducted using specialist analytics tools, potentially already in use within an organization.

BillingPlatform enables organizations to add subscription management and usage to current business models. The platform supports orchestration between existing systems, enabling traditional businesses to incorporate new subscription models while preserving existing investments in enterprise resource planning and customer relationship management systems. The net result is a continued positive customer experience important to preserving and building on an existing customer base.

Regards,

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To read more perspectives by Stephen, visit https://stephenhurrell.ventanaresearch.com

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Stephen Hurrell is responsible for the overall research direction for the Office of Sales at Ventana Research, including the areas of digital commerce, price and revenue management, product information management, sales enablement, sales performance management and subscription management.