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IS YOUR SOFTWARE COMPANY OUTGROWING QUICKBOOKS?

5 Signs It's Time to Move

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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.

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5 Signs You're Outgrowing QuickBooks for Subscription Billing

01 Manual Billing

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

02 Inflexible Billing

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

03 Revenue in Spreadsheets

"My best team member spends all her time calculating revenue recognition in spreadsheets and manually updating our general ledger"

04 Delayed Reporting

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

05 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.

"We cut order-to-bill by 50%."

– WW Revenue Controller at cloud platform provider for building, delivering, and optimizaing digitial experiences.

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."

– Director of Finance at a patient communication and engagement platform

Sign 3: You Calculate Revenue Recognition in Spreadsheets

"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 in spreadsheets. If handling new subscriptions wasn't enough, every time there's an upsell, down-sell, renewal, hold/resume, or extension, revenue schedules need to be adjusted. 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

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 forecasts to increase valuation in fund-raising

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 many QuickBooks 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.

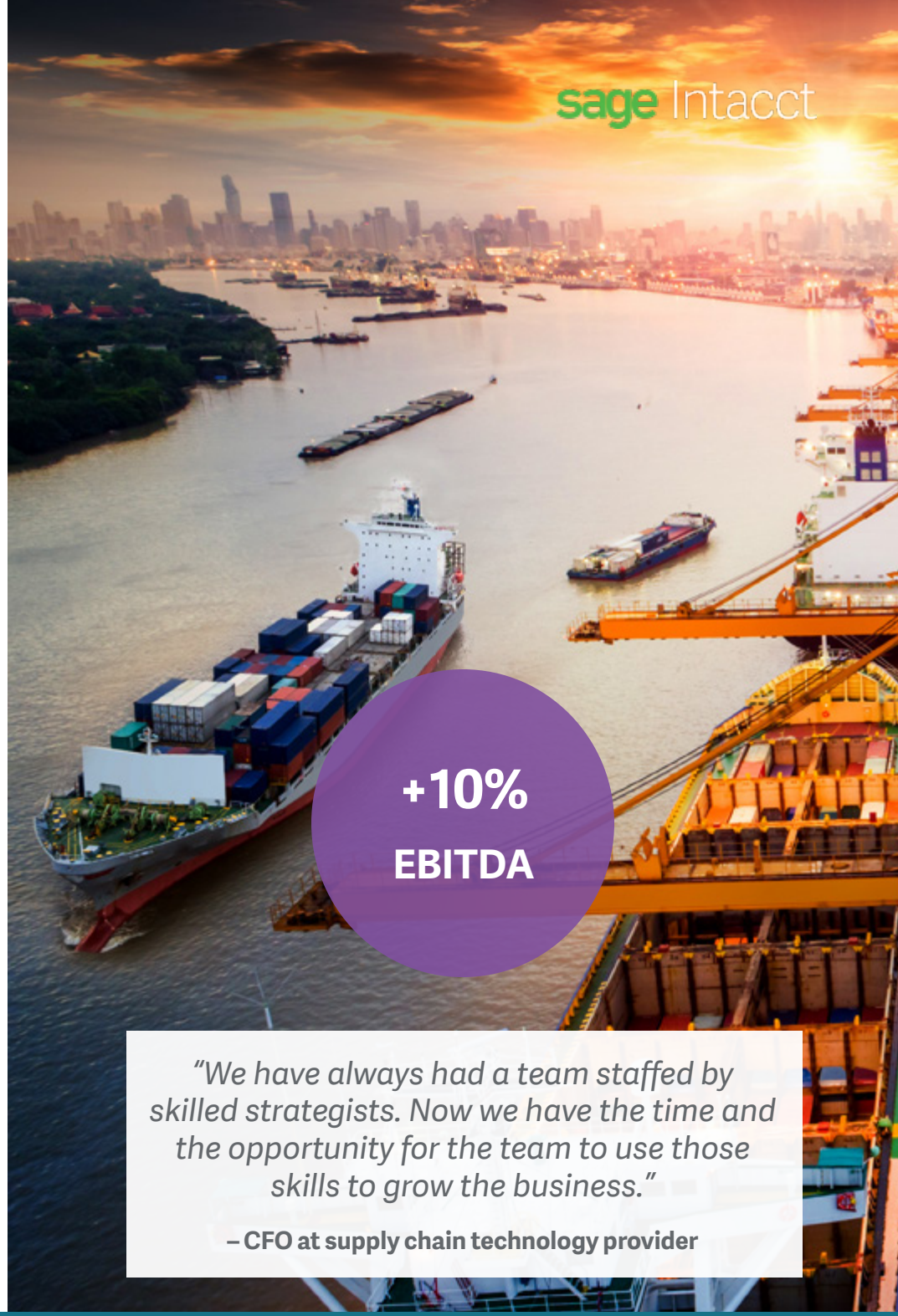
Opportunity cost of high value staff
Spending an additional two weeks after the close on report prep uses valuable resources that could be better utilized.

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



"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."

– CFO at supply chain technology provider

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.

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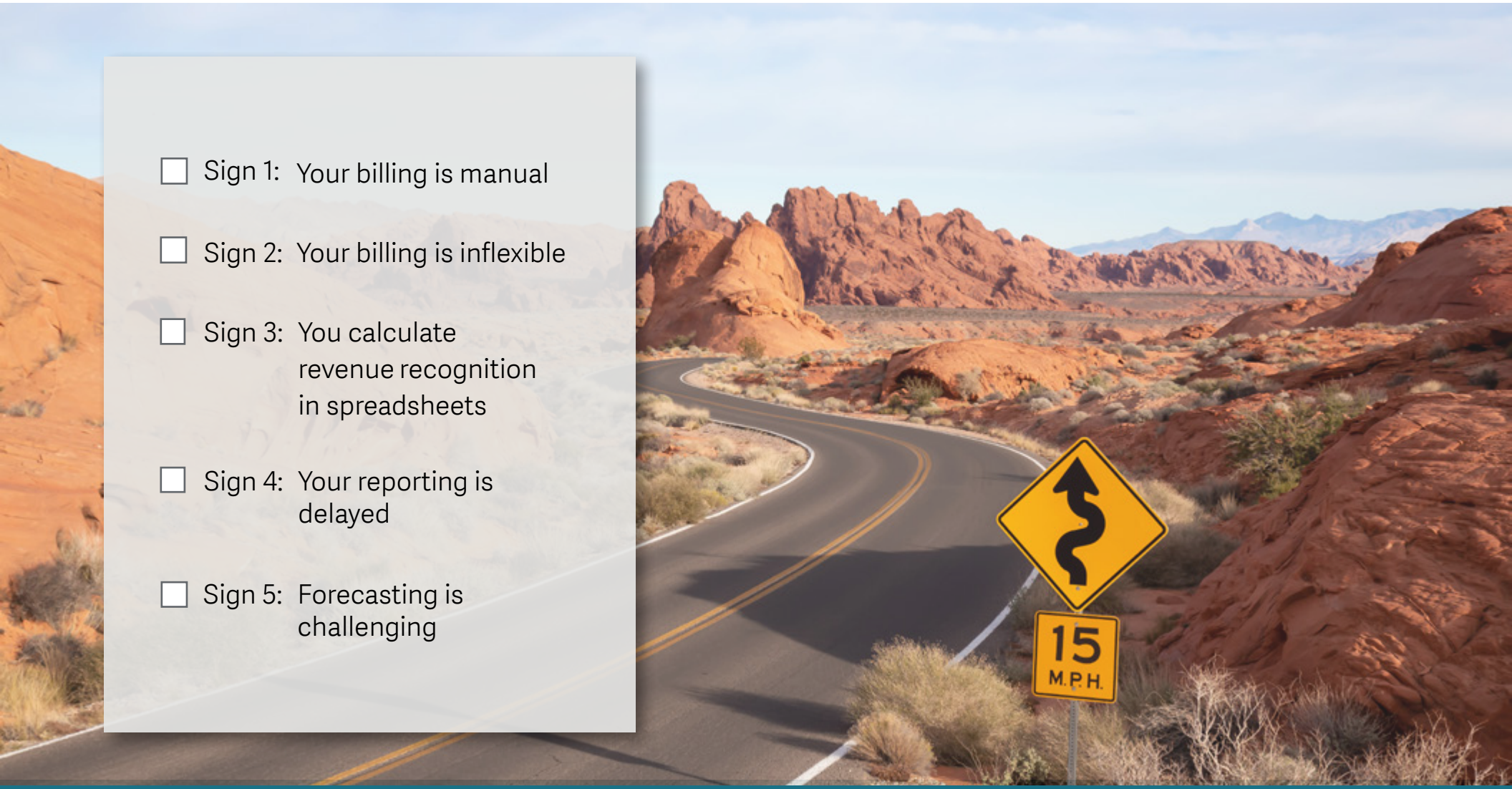
How Many Signs Do You See?

If you see one or more signs that you're outgrowing QuickBooks, it may indicate a rocky road ahead. You could likely benefit from a solution that was built for subscription billing and ASC 606 compliance.



- ☐ 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

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Sage Intacct customers achieve significant benefits in their software businesses.

Speed quote-to-cash processing	Increase cash flow	Reduce the financial close	Reduce gross revenue churn	Increase revenue per transaction
-30%	**+20%**	**-50%**	**-2%**	**+15%**
Integrate systems for quote-to-cash	Establish flexible, contract-based billing	Build end-to end revenue management	Created real-time SaaS and GAAP dashboards	Forecast and plan the future

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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!

Watch a Software Product Tour
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