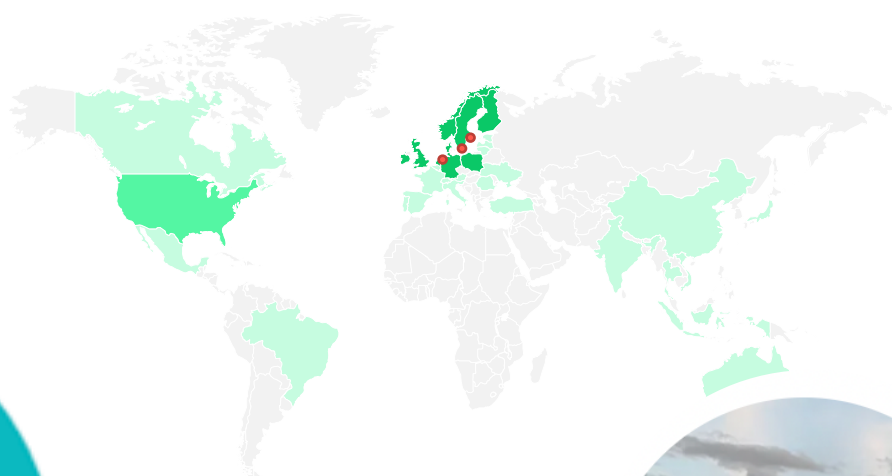


# **THE BIGGEST CHALLENGES WHEN TRANSFORMING FROM CONTRACT PRICING ONTO A MODERN SUBSCRIPTION MODEL**



# YOUNIUM



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Trusted by



# AGENDA MAY 17th

- Contract pricing and common subscription price models
- Traditional vs Subscription Billing Models
- The 4 category choices when choosing subscription management solution
- Streamlined vs Advanced Subscriptions and the Subscription Management space
- The reality for many B2B companies
- Improve the subscription business: benefits for Financials, tech stack around subscription management
- Key Takeaways



Buyer/ seller  
relation

- Structuring your contract price and payment framework
- Kick-back framework

Contracts that  
include multiple  
variables

- Fixed price contracts vs. price changes or increases
- Unit pricing contracts
- Milestone-based contracts

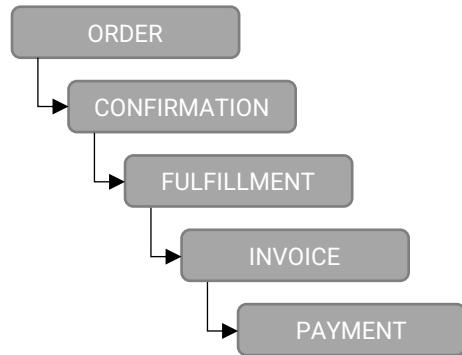


# The most common Subscription price models

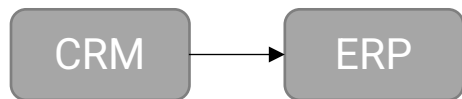
- One-off fee's
- Usage based fee's
  - Invoiced in arrears
  - Based on previous M/Q/A consumption
- Recurring fee's
  - Flat recurring – one size fits all
  - Seat based – price based per quantity
  - Volume
  - Tiered

# Traditional vs Subscription Billing Models

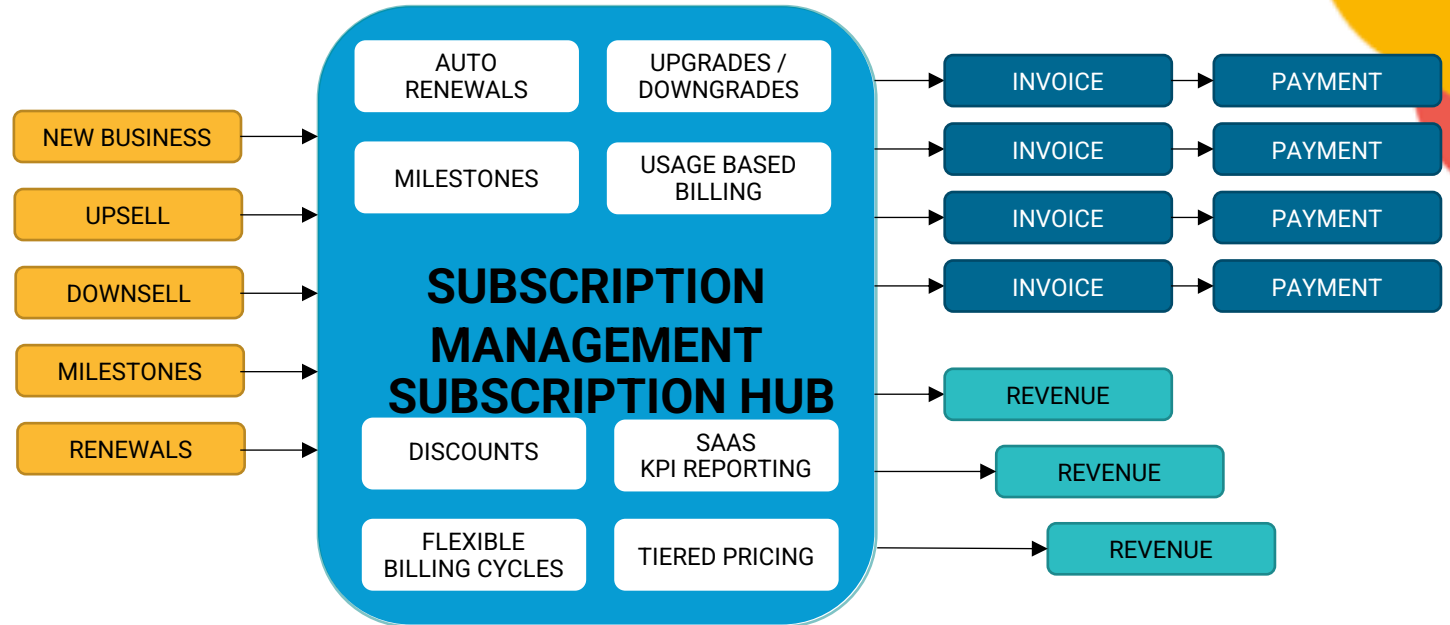
## TRADITIONAL SALES ORDER



## CLASSIC SOLUTION



## SUBSCRIPTIONS



NEED FOR SOMETHING PURPOSE BUILT

# The 4 category choices when choosing subscription management solution

Most systems don't handle non-linear subscriptions

## Linear systems

- CRM
- ERP
- Financial systems

## Forces many companies into

- Spreadsheet mania
- Costly customizations in non-linear systems
- Custom systems

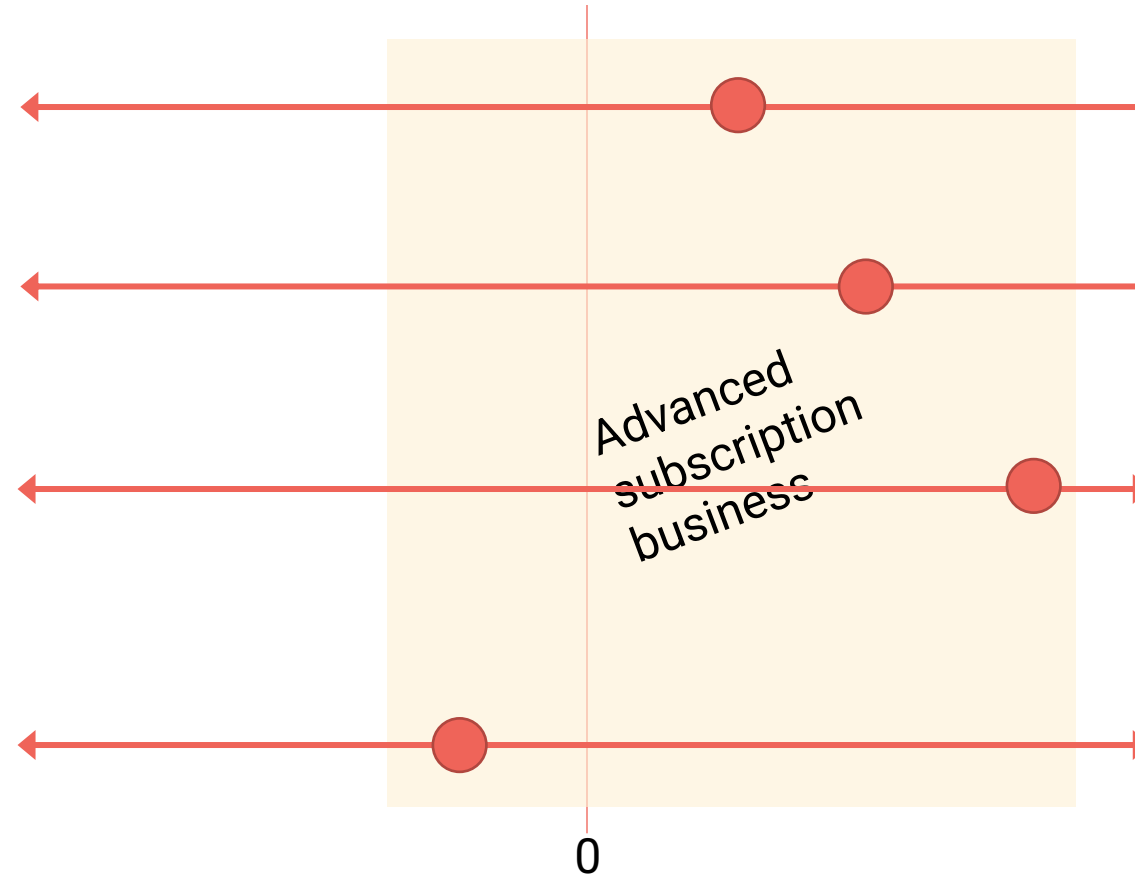
# Streamlined vs Advanced Subscriptions

All customers have the **same** price and terms

Subscriptions **never** change

The user is the buyer

We sell one service that never change



All customers have **unique** prices and terms

Subscriptions **often** change

Buyer is often a company, a company in a group and there are multiple users

We have different products, modules, add-ons, variants

# Common scenarios

1

## Metrics and KPIs

Up to date and rule based KPIs and metrics.

2

## Unify quote to cash

Enable data and communication flow between sales and finance

3

## Shorten billing lead times

Meet closing deadlines and improve cash situation.

4

## Control

One truth for all subscription data.

5

## Pricing/Monetization

Enable and optimize pricing models

6

## Replace legacy systems

Use a best of breed system and focus internal resources on core activities.

7

## Self service

Enable customers to review and adjust their subscription

8

## Provisioning

Use contracted terms as basis for provisioning systems, features and users.

9

## Internationalization

Enable entering new geographies with a scalable back-office function

10

## Organization changes

Use aligned and agreed upon processes across units

11

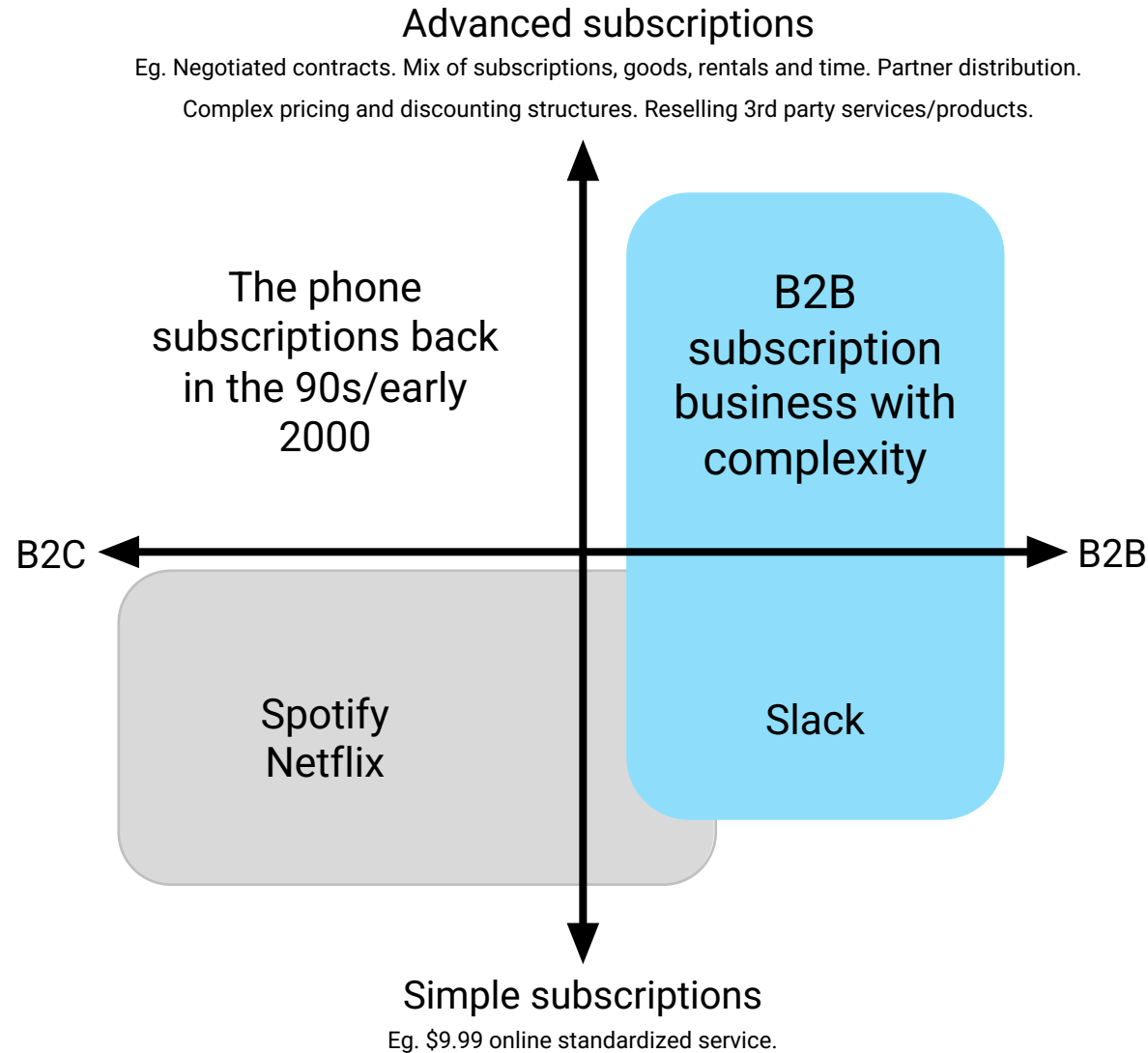
## Replace tacit knowledge

Reduce dependency of single individuals

?

## Other

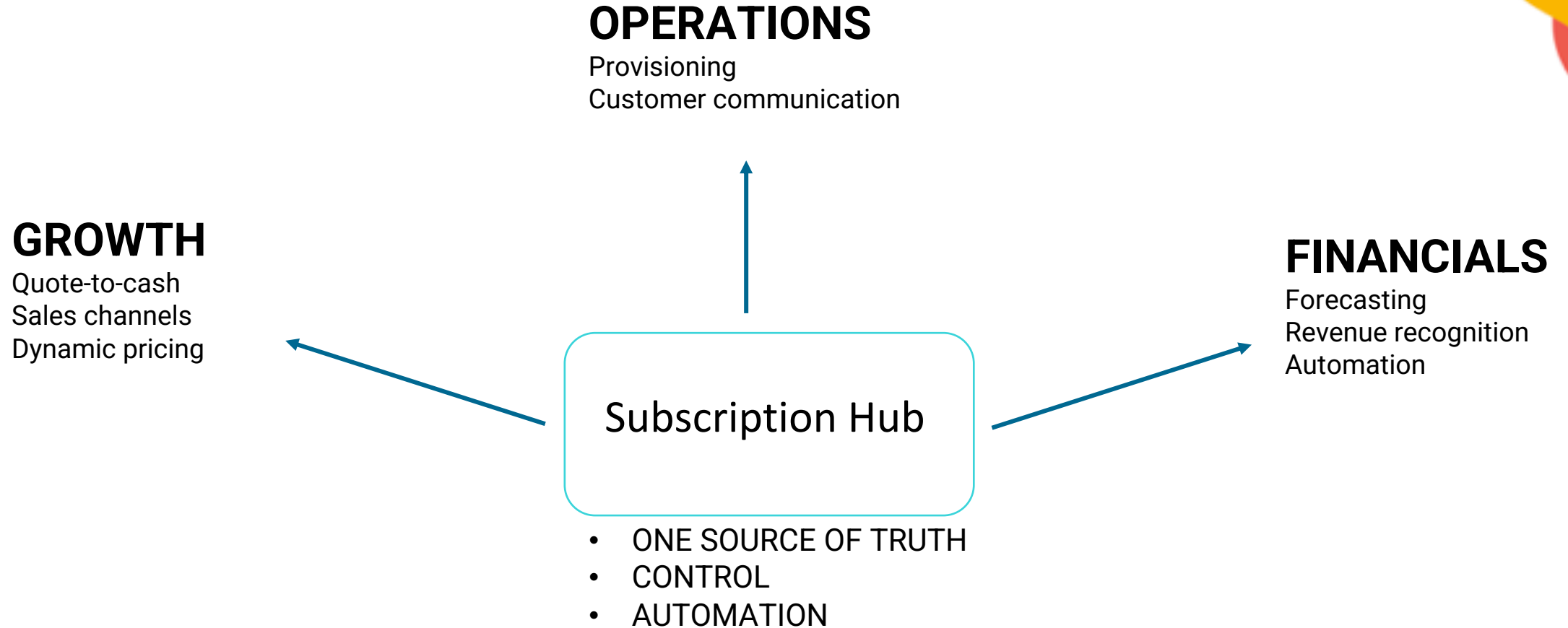
# The Subscription Management space



# The reality for many B2B companies

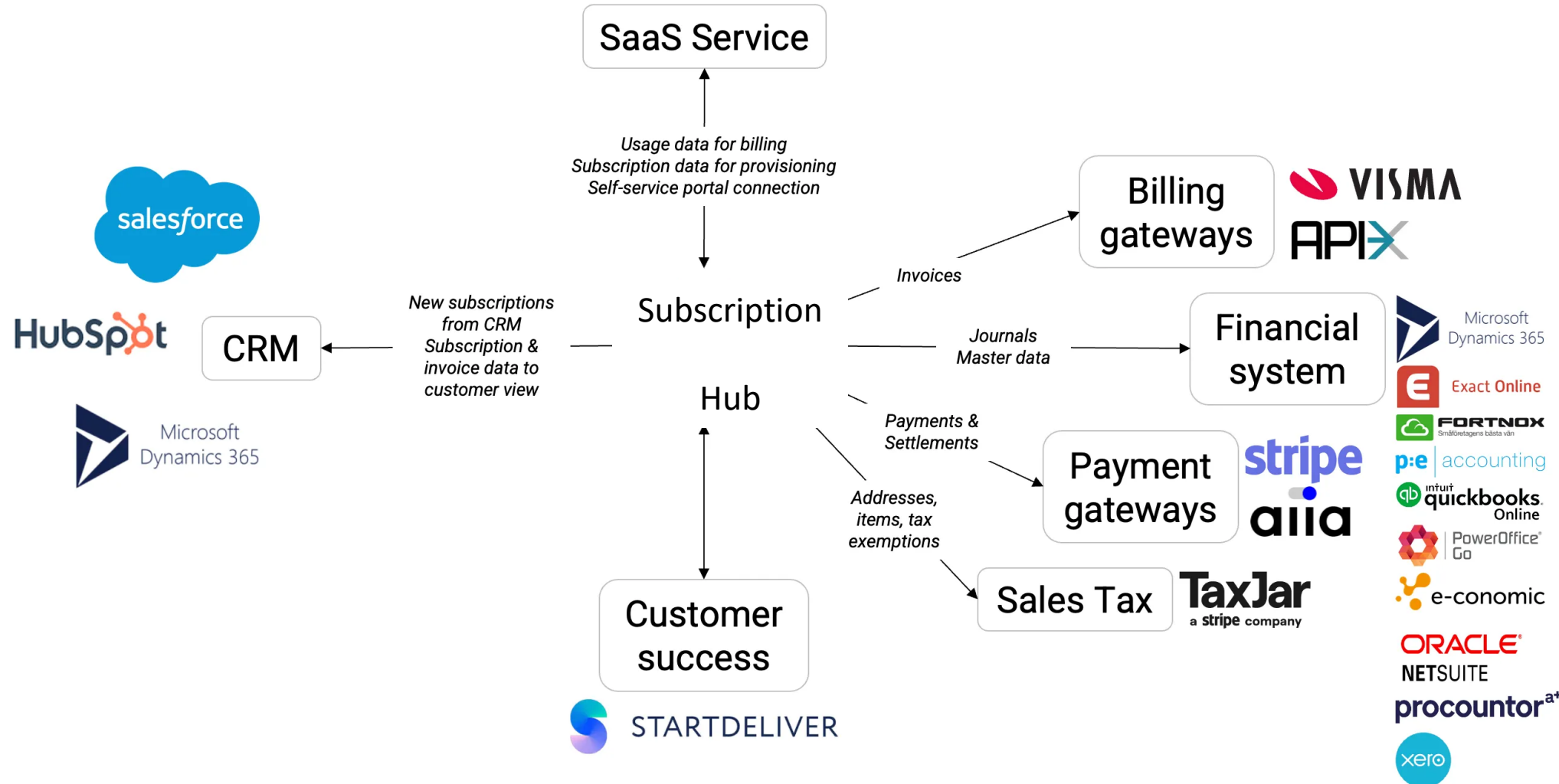
- Not all customers wants credit card payment
- Our sales reps negotiates terms and discounts with opportunities
- We also have partners selling our service
- We have customers on the current plans and pricing.... But also on legacy plans and pricing
- Our service is not just one. We have a portfolio of offerings

# Improve the subscription business





# Tech stack around Subscription Hub



# Key Takeaways

1. SELECT A PLATFORM THAT MATCHES YOUR BUSINESS
2. ONE SOURCE OF TRUTH IS A MUST
3. LOOK AT POSSIBILITIES TO EXPAND SALES CHANNELS
4. AUTOMATE PROVISIONING
5. STREAMLINE FINANCIAL OPERATIONS AND GAIN CONTROL

# Thank you!

We are always thrilled to talk all areas of subscription management, reach out and let's have a chat!



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