

The Transition from Perpetual License to Subscription Billing For Software Companies



4 Reasons to make the change from perpetual license to subscription billing



Smooth out revenues from lumpy end of quarter deals to consistent monthly subscriptions



Move your customer's expenses from CapEx to OpEx, making their budgeting easier



Able to sign longer term contracts to have more predictable revenue



Offer multiple pricing models and options to your customers

5 Impacts of the change from perpetual license to subscription billing



Revenue Recognition
A change from up-front to ratable revenue recognition may adjust revenue significantly during the transition period



Close Process
Be prepared to manage the close process during the transition to ensure timely and accurate reporting



P&L Management
P&L management will be affected by the adjustments in timing between revenue and expenses under the SaaS business model



Cash Management
Treasury managers will need to prepare for the new misalignment of inflows and outflows, cash controls, and other risks related to liquidity.



Guidance and Forecasting
The finance team must be prepared to provide guidance to investors both during and after the transaction around subscription adoption and achievement of SaaS milestones compared to the forecasting that was done with the on-premise products.

1 Consolidated SaaS and GAAP dashboard



Achieve scale through automation, control, and integration

Best-in-class cloud financial management solutions provider:

- Automated subscription billing
- Full-picture of invoicing, cash, and collections
- Track operational and financial data in one place
- Self-service dashboards for everyone

Your best choice for cloud financial management solutions- but don't take our word for it.



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