Subscription Management
Value Index

2023 Vendor and Product Assessment

VENDOR REPORT

Bend, Oregon

April 2023

Ventana Research performed this research and analysis independently. Our goals were to determine the Value Index for subscription management and to evaluate vendors and products in accordance with the Ventana Research methodology and blueprint. We charged no fees for this research and invited to participate all vendors that are delivering relevant subscription management applications. This report includes products generally available as of March 31st, 2023.

Our purpose in conducting this research was to evaluate the maturity of software vendors and products and their value for enterprise use in subscription management. Nothing in this report of our research is intended to imply that one vendor or product is the right choice for any particular organization. Rather, it provides a baseline of knowledge that organizations can use to evaluate vendors and products to manage and improve subscription management and subscriber experience processes. Unlike IT analyst firm reports that use subjective factors to rate vendors, our findings are drawn from thorough, research-based analysis of customer assurance and product categories that best represent how an organization should evaluate its technology supplier.

The complete Value Index report with detailed analysis is available for purchase. We can provide additional insights on this Value Index and advice on its relevance to an organization through the Ventana On-Demand research and advisory service. Assessment services based on this research also are available.

We certify that Ventana Research performed the research to the best of our ability, that the analysis is a faithful representation of our knowledge of vendors and products, and that the analysis and scoring are our own.

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Subscription Management

The era of subscriptions has transformed the way businesses operate and consumers engage with services across every industry. Organizations are increasingly adopting a digital approach to selling goods and services, wherein customers have the option to purchase through periodic subscription pricing or based on consumption, rather than traditional one-time ownership. Add to this an increasing desire for customers to purchase when, how and where they want, whether via digital commerce, self-service portals by and by voice and text and the landscape looks very different from even just five years ago.

Subscriptions themselves are not new. Newspapers and magazines were early in this process many decades ago, while Netflix started out mailing DVDs paid for via a flat monthly fee. Now, subscriptions are regularly used to pay for any number of products or services over a duration established by the provider. Digital products and services such as software as a service (SaaS) and mobile applications were at the forefront of the adoption of subscription pricing. HBO, Netflix, Spotify and iTunes are examples of subscriptions in the business to consumer (B2C) market.

> **For the vendor, subscription revenue can create a more predictable revenue stream the subscribers pay on a predetermined periodic basis over the lifetime of the engagement or contract.**

We have all become familiar with the subscription model in our everyday lives, both as individual consumers and at work. This has created an acceptance of and an appetite for subscriptions as a pricing model. Subscriptions enable consumers to spread the expense over time rather than making a one-time upfront payment. In business, extending cost across the lifetime of product usage shifts risk more evenly between buyer and seller. For the vendor, subscriptions enable a more predictable revenue stream paid on a predetermined basis over the course of an engagement or contract.

For organizations that started with or for whom the majority of their business is subscription based, and for those primarily involved with B2C business, the predominate technology and process challenge is to provide a direct method for customers to initiate and modify service plans and orders. Complexity in these cases is most often the need to scale the number of subscribers. Contrast that with B2B organizations where there are typically far fewer customers, but more complex, multiple product and service orders with individually negotiated prices.

With organizations for whom subscription pricing is new, and in addition to a predominately one-time sale, it is important to ensure that new subscription models are incorporated in such a way that it appears seamless to the subscriber avoiding duplicate bills and payments, or different ways to purchase depending on the product or service.

Subscription management is the process for a subscriber as an existing or new customer to be engaged with a seamless experience from the selection, configuration, order, contract, billing, payments and fulfillment. It supports an organizational need for managing subscription revenue and the recognition of the subscription, but also the operations and life cycle including the automation and workflow, analytics and reporting, integration with other systems, management of the data, loyalty and incentives and the pricing of those programs.

Effective subscription management needs to support a variety of business models and use cases, either with functional capabilities of their own or with the ability to integrate with

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existing systems, or additional third-party providers. For organizations who are not digitally native (those organizations that started or have been using subscription pricing for much of their existence) existing ERP and CRM systems will have been implemented to handle the existing one-time sales transaction. Inclusion of subscription models will require additional systems and processes that must work in conjunction with the current systems. The complexity of the underlying systems should not be seen by the customer who expects a seamless subscriber experience. This requires the ability to interoperate with existing systems, whether a new system becomes the consolidated subscription management or billing system, or whether that system generates the necessary information for an existing system to handle the process. This extends to customer and product master data that is either synchronized against an external system or managed within the new system.

One-time sales models change relatively infrequently, especially when it comes to the price to be charged. Likewise, product lists and listings are somewhat static. However, the subscription model and digital products lend themselves to frequent changes in price and to product and services, especially around combination bundles requiring subscription catalogues that need flexibility and simplicity in how they are managed.

Effective subscription pricing changes must go beyond the traditional repeating flat fee model, and also consider incorporating usage- or consumption-based pricing for optimal subscription management. In this model, the eventual cost charged is dependent on how much was consumed in the preceding period. The price is decided using a formula for whatever is being measured, such as the number of transactions, to derive what will be billed for that period. Depending on the product or service being purchased, this pricing model can further redress the balance of risk between buyer and seller, with the buyer only paying for what was used.

Pricing formulas for usage models can be quite complex dealing with pricing tiers that are invoked when certain volume levels are reached, either incrementally or on the accumulated total. In addition, multiple attribute pricing can consider a number of different factors associated with the transaction; for example, what time of year, month, week or day, what geographic location, characteristics of the buyer or what combination of products and services.

Usage pricing may appear to be the most consumer friendly, but neither the buyer nor the seller knows what the charges for a particular period will be. The usage charges themselves

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could be transactions from an IoT sensor, a credit card swipe or a cloud data storage device. Traditionally, telecom providers have been some of the most onerous users of usage charging, with every call and leg of a call recorded and priced. It is one reason why many telecom providers in the U.S. moved to unlimited minutes or block pricing models, though the calls and legs are still recorded; they are visible on a bill, and they may be used to calculate third-party carrier cross charges.

For usage transactions, data mediation is needed. Raw usage data comes from a variety of sources and in potentially different formats. As part of the mediation process, data is normalized and aggregated to the required level to price. When volumes are large, it may make sense to pre-aggregate and price on a rolling basis, then be ready to reprice if the formula is based on different pricing levels dependent on a periodic or cumulative threshold having been met. It is also sometimes necessary to pre-price outside of the system and tag the usage transactions to not be priced at all. All variations are use cases seen in real life.

Usage pricing also puts an added onus on the ability to project or forecast usage to give some idea to both consumer and provider as to what future charges may be. Unlike a flat fee repeating each period, usage pricing is variable. A needed feature, though not often offered as part of most subscription management systems, is the capability to forecast usage. This usage projection has multiple uses: as part of revenue forecasting, used to validate whether periodic invoices are similar to the expected amount or not and therefore need auditing, as part of customer churn predictions, and as part of customers being able to track expense against budget, especially the cumulative trend.

One often unrecognized need when adopting subscription management is a way to effectively account for revenue that is owed to partners who are either providing a complementary service or product as part of the overall subscribed offering. Historically, partnerships have described a reseller arrangement, but for a growing number of industries, there is a trend for organizations to develop deeper partnerships within a partner ecosystem. These partner ecosystems can take different forms, but organizations are recognizing that to compete for and to retain customers, offering complementary products and services can enable smaller companies to compete with larger ones, or larger companies to bundle products and services without having to necessarily build or buy every aspect. The mantra "build or buy" is now extended to "build, buy or partner."

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In addition to the examples of resellers originating orders with a commission or mark up from cost, partner ecosystems can also result in bundles that include products and services or offers of complementary products and services that originate from third parties. In the consumer world, this could be a nutrition service or vitamin products to go alongside a gym membership. Or it could be a rental car company that doesn't own all its cars and leases them from a third party. That same rental car company pays out commissions on rental reservations originated from partners such as airlines, hotels and travel sites. For many, their existing processes for accounting for third-party relationships are thought of as an accounts payable or back-office function. But as third-party partnerships and ecosystem deepen, more complex formulas for revenue allocation will be developed and will need to be linked to the same complex pricing models that are used to calculate customer charges.

For a more efficient approach and one that lends itself to a better understanding of performance and profitability, revenue allocations to third parties should be treated as the other side of payments received. To handle this, the system should have the concept of contracts that not only describe the terms of the purchase of products and services but also the terms of any revenues to be allocated to a third party. This accommodates any business where there are royalties or other payments due from third-party licensing arrangements.

Contract management is an important component of subscription management. Whether the contract life cycle is managed within the system or, more likely, is digitally represented within, any changes to orders, subscription plans or contract terms should be seamlessly executed so that proration, adjustments or refunds are processed when the change occurs.

The impact subscription-based pricing has on revenue recognition is significant as most of the revenue occurs in the future and is not realized until a qualifying event occurs. This could be upon delivery, when a payment is made or in the event of services when delivery milestones are met. Although it is feasible to deal with this entire process as part of typical ERP financial accounting, the events that drive recognition are more closely linked to those that are captured and managed in a subscription management system. More advanced applications have the capabilities to compute the accounting adjustments from data and events, utilizing a sub ledger to generate the necessary journal adjustments to be transferred to the primary general ledger.

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As can be seen from much of the discussion above, modern subscription management applications require extensive capabilities to integrate data and processes with existing customer systems. Master data for customers, products, pricing and vendors, if not managed within the application, needs to be synchronized with minimum latency. This also applies to contract and order information to ensure that customer amendments are reflected in the billing process within the billing period that the changes occurred. Any entries need to be integrated to accounts receivables, payables and the general ledger for revenue recognition purposes. Bill presentment, payment processing and collections are areas that also require integration. And integration should be intelligent, with notification and alerts made available for any errors or issues that may

occur and with functionality that supports remote manual remediation if automatic remediation is not possible. Integration and automation go hand in hand, with the aim of as much through processing as possible to remove the need for manual intervention, the result of which is routine processes that can run remotely, affording subscribers a frictionless experience.

While the aim is to automate future processes as much as possible, reporting what has already happened is still useful for auditing purposes. When thinking of reporting needs for

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organizations there are two distinct types: operational and analytical. We see operational reporting as at the detail- and transaction-level and is used for the purpose of validation and audit rather than analytics. Most commonly, reporting comes directly from the stored data with limited filtering or aggregation. Reports can be scheduled with delivery either to be printed or as a .CSV (comma-separated values) file to view via a spreadsheet or other personal productivity tool. On the other hand, analytic reporting is for the purpose of understanding customer behavior and staff performance. Filtered, aggregated and cross tabbed, this data is either presented as dashboards or drillable tables from within the application or through common business intelligence tools via a customer's own data warehouse or a third-party cloud-based analytic data warehouse offering.

Vendors in the subscription management market space are now including more advanced analytic and predictive capabilities that utilize artificial intelligence (AI) techniques such as machine learning (ML). Suggested collection strategies for overdue and delinquent accounts or detection of passive churn events such as an out-of-date credit card on file or invalid address are examples of these capabilities. Vendors have been slow to roll out value-added offerings that can recommend additional monetization opportunities such as pricing optimization or plan and bundle options.

Overall, vendors have embraced the need for many non-digitally native companies to be able to supplement their core one-time sales business with additional pricing and revenue models such as subscription and usage with complementary products and services. Even some digitally native customers are investigating adding physical goods to complement their digital products.

While subscription management is used in the title of this survey and report, for most organizations it is no longer just about subscription management. Instead, organizations are considering all the different types of modern pricing and revenue strategies available beyond flat-fee subscriptions. For many industries, this is more about developing additional ways to monetize and generate revenue streams that complement their core business. A current example is a well-known German car manufacturer's recent announcement offering heated seats on a subscription basis; the capability exists in every seat, and a consumer chooses when they wish to take advantage of it via a monthly payment. In our view, the real focus is on mixed pricing and revenue models. With organizations for whom this is new, support for these endeavors is in the context of existing business and systems. Organizations have the option to use current billing systems that are typically part of their accounting and finance tech stack, their customer relationship management system (CRM), homegrown systems, a mixture of manual process and personal productivity tools, or they can look to the vendors covered in this report.

Although our methodology is to look only at vendors' current products and roadmap, as the buyer, organizations should ensure that any application being considered is capable of not just satisfying the needs for today but for the future as well. How the new subscription system integrates with existing systems and processes is key as it is essential to have a unified subscriber experience across the subscription, order, selection and billing processes. Regardless of how product lines are internally organized, the process should never be visible to the subscriber. As such, it may be beneficial to continue utilizing existing invoicing and payment collections while feeding in additional billing lines from new pricing models. Over time, as the proportion of overall business represented by newer pricing shifts grows, this can be reversed. Most modern systems can efficiently deal with all types of pricing and revenue models at scale, unlike typical finance and accounting systems.

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Organizations should also consider whether the business could benefit from deepening partner relationships to offer additional and complementary products and services to customers that encourage more sustained engagement. If this is the case, ensure the

applications being investigated have these capabilities as part of their standard offering and not as a work around.

When it comes to data and analytics, organizations should understand how a vendor is providing capabilities to not just modernize and automate, but also how they use the data generated from these processes to better identify how an organization can improve and enhance the customer experience. Look to see whether they offer any advanced techniques to aid in predicting churn and projecting revenue, including usage, and how these capabilities are presented. And do they have capabilities to help organizations test new products and services, and for those that are successfully test marketed, to then easily operationalize and incorporate them for a broader market.

The right application that fits not just early forays into new revenue models but also scales with an organization's ambitions will enable that organization to continually meet customer expectations while ensuring financial integrity and compliance, and to continue to build and grow a sustained, profitable business.

This Value Index report evaluates the following vendors that offer products that address key elements of subscription management as we define it: Aria Systems, BillingPlatform, Chargebee, CloudSense, Conga, FastSpring, FinancialForce, Gotransverse, LogiSense, Maxio, NetSuite, OneBill, Oracle, Ordway, Vindicia, Recurly, RecVue, Salesforce, SAP, Zoho, and Zuora.

Value Index Overview

For almost two decades, Ventana Research has conducted market research in a spectrum of related areas across business and technology areas. We have also led the establishment of subscription management products to ensure effective operations and relationships with subscribers. The findings of these research undertakings contribute to our comprehensive approach.

This market report on the Subscription Management Value Index is the distillation of over a year of market and product research efforts by Ventana Research. It is an assessment of how well vendors' offerings will address buyers' requirements for subscription management software. The index is structured to replicate an RFI/RFP process by incorporating all criteria needed to evaluate, select, utilize and maintain technology, and maintain relationships with vendors.

> **Ventana Research has designed the Value Index to provide a balanced perspective of vendors and products that is rooted in an understanding of business drivers and needs.**

In this Value Index, Ventana Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership and Return on Investment (TCO/ROI). To assess functionality, one of the components of capability, we applied the Ventana Research Value Index methodology and blueprint, which links the personas and processes for subscription management to an organization's requirements.

Unlike many IT analyst firms that rank vendors from an IT-only perspective or consider futures or vision over what is available in the products today, Ventana Research has designed the Value Index to provide a balanced perspective of vendors and products that is rooted in an understanding of business drivers and needs. This approach not only reduces cost and time but also minimizes the risk of making a decision that is bad for the business. Using the Value Index will enable your organization to use subscription management to achieve the levels of organizational efficiency and effectiveness needed for engaging digital experiences to meet your buyer, consumer, customer and partner needs.

We use our research-based analytics and methodology to generate the Value Index ratings. We then build them into a set of indicators that we present in both analytic and graphic form, each depicting the value of a specific vendor's offering to your needs.

> **The Value Index is not an abstraction; we use a carefully crafted best practices-based methodology to represent how organizations assess vendors and products.**

The Value Index is not an abstraction; we use a carefully crafted best practices-based methodology to represent how organizations assess vendors and products. The Value Index is designed to ensure that it provides objective research and guidance to organizations looking to assess and evaluate their applications for business and IT needs.

The structure of the Value Index reflects our understanding that the effective evaluation of vendors and products involves far more than just examining product features, potential revenue or customers generated from marketing and sales. We believe it is important to take this comprehensive research-based approach, since making the wrong choice of a subscription management technology can raise the total cost of ownership, lower the return on investment and hamper an organization's ability to reach its performance potential. In addition, this approach can reduce the project's development and deployment time, and eliminate the risk of relying on a short list of vendors that does not represent the best fit for your organization.

To ensure the accuracy of the information we collected, we asked participating vendors to provide product and company information across the seven categories that taken together reflect the concerns of a well-crafted RFP. Ventana Research then validated the information, first independently through our database of product information and extensive web-based research, and then in consultation with the vendors. Most selected vendors also participated in one-on-one consultative sessions, after which we requested them to provide additional documentation to support any new input.

Ventana Research believes that an objective review of vendors and products is a critical business strategy for the adoption and implementation of subscription management software and applications. An organization's review should include a thorough analysis of both what is possible and what is relevant. We urge organizations to do a thorough job of evaluating subscription management systems and tools and offer this Value Index as both the results of our in-depth analysis of these vendors and as an evaluation methodology.

How To Use This Value Index

Evaluating Vendors: The Process

In our view, business improvement efforts should be based on best practices that research indicates deliver value quickly. Our Value Index evaluates subscription management systems and tools in accordance with that belief.

We advocate using the Value Index as part of a structured approach that begins by incorporating these steps into a program document that will both summarize and detail your initiative or project. Then consult the Value Index to ensure you make choices that will yield the results you want.

The steps listed below provide a framework for a technology-driven business improvement project.

1. Define the business case and goals.
    Develop the business case for investment. Define the mission of the business project: What is the purpose, why is it important, what outcome do you want to achieve and how will you measure the project's success? The goals should be grounded in your organization's strategy and plans and should make clear the expected outcomes.
2. Specify the project's business requirements.
    What must be done to achieve these goals? Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.
    Identify the individuals required for the project at every level of the organization from executives to front line workers, and determine what each will contribute.
4. Outline the project's critical path.
    What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Develop the technology approach.
    Determine the technology approach that most closely aligns to your organization's requirements. Then develop a comprehensive list of potential vendors and products that best fit your needs.
6. Establish technology evaluation criteria.
    Define the business and technology criteria that you will use to evaluate vendors. We recommend using the criteria we have developed based on our Benchmark Research and use to build the Value Index: Adaptability, Capability, Manageability, Reliability,

TCO/ROI, Usability and Validation. This step will provide the tools necessary to move from a long list to a short list of vendors and products that you will then evaluate for final selection.

7. <u>Evaluate and select the technology properly.</u>
Weight the seven categories of technology evaluation criteria to reflect the organization's priorities. Then evaluate the short list of vendors and products based on your business case, requirements and the technology evaluation criteria for your project.

8. <u>Establish the business initiative team to start the project.</u>
Identify who will lead the project and the members of the team needed to plan and execute it. Have them begin by establishing a timeline and allocating resources.

In addition to evaluating existing suppliers, the Value Index can be used to provide evaluation criteria for new projects. Applying our research can shorten the cycle time when creating an RFP.

Products Evaluated

Vendor	Product Names	Version	Release Month	Release Year
Aria Systems	Aria Billing Cloud	48	February	2023
BillingPlatform	BillingPlatform, CPQ, Collections, Customer & Payment Portal, Revenue Recognition	v2023.03	March	2023
Chargebee	Chargebee	n/a	March	2023
CloudSense	CloudSense	n/a	March	2023
Conga	Conga CPQ, Billing Management	14.2038.3, 8.299.1	Feb	2023
FastSpring	FastSpring Subscription Management	n/a	March	2023
FinancialForce	Professional Services Cloud	Winter '23	December	2022
Gotransverse	Gotransverse platform	n/a	March	2023
LogiSense	LogiSense	10.5.0	March	2023
Maxio	Maxio Platform	n/a	March	2023
NetSuite	NetSuite Billing	n/a	March	2023
OneBill	OneBill Subscription Management	n/a	March	2023
Oracle	Oracle Subscription Management, CPQ, Cloud ERP, Order Management, Fusion Financials	23B	March	2023
Ordway	Ordway Billing and Revenue Automation	Winter'23	March	2023
Vindicia	Vindicia Subscribe, Retain	n/a	Jan & Feb	2023
Recurly	Recurly Subscriber Management	n/a	March	2023

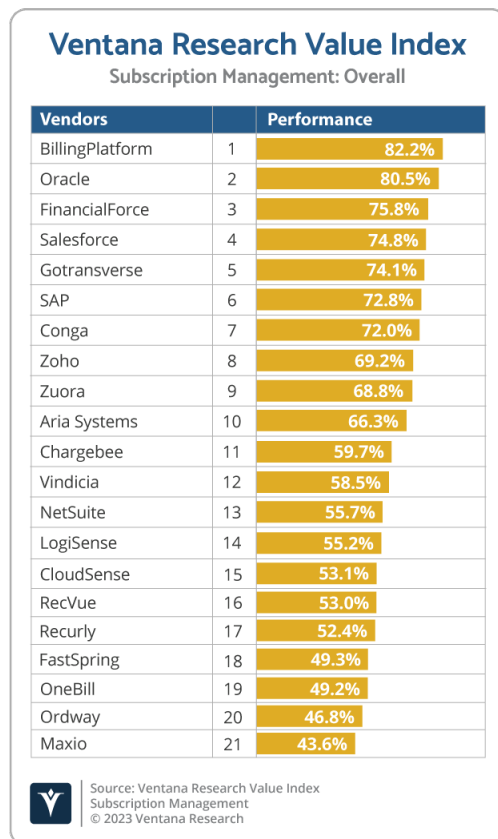|				
RecVue	RecVue Billing & Invoicing	n/a	March	2023
Salesforce	Salesforce Revenue Cloud	240.4	November	2022
SAP	SAP Subscription Billing	n/a	March	2023
Zoho	Zoho Subscriptions	3/24/2023	March	2023
Zuora	Zuora Billing	n/a	March	2023

The Findings

The products we evaluated are feature-rich, but not all the capabilities they offer are equally valuable to users or support everything needed across the entire life cycle. Moreover, the existence of too many capabilities may be a negative factor for an organization if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of functions is a plus, especially if some of them match your organization's established practices or support an initiative that is driving the purchase of new software.

Factors beyond features and functions or vendor assessments may become a deciding factor. For example, an organization may face budget constraints such that the TCO evaluation can tip the balance to one vendor or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of vendors and products to your specific needs.

## Overall Scoring of Vendors Across Categories

The 2023 Ventana Research Subscription Management Value Index finds BillingPlatform first on the list with Oracle in second place and FinancialForce in third. Companies that

place in the top three in any category earn the designation Value Index Leader. Oracle and BillingPlatform have done so in five of the seven categories, Conga in four, FinancialForce in three, Salesforce in two, and SAP and Zuora in one category each.

The overall representation of the Value Index below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the vendors. Those vendors whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines their placement on the vertical axis. In short, vendors that placed closer to the upper-right on this chart performed better than those closer to the lower-left.

Ventana Research Value Index
Subscription Management: Overall

Vendors		Performance
BillingPlatform	1	82.2%
Oracle	2	80.5%
FinancialForce	3	75.8%
Salesforce	4	74.8%
Gotransverse	5	74.1%
SAP	6	72.8%
Conga	7	72.0%
Zoho	8	69.2%
Zuora	9	68.8%
Aria Systems	10	66.3%
Chargebee	11	59.7%
Vindicia	12	58.5%
NetSuite	13	55.7%
LogiSense	14	55.2%
CloudSense	15	53.1%
RecVue	16	53.0%
Recurly	17	52.4%
FastSpring	18	49.3%
OneBill	19	49.2%
Ordway	20	46.8%
Maxio	21	43.6%

Source: Ventana Research Value Index
Subscription Management
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The research places vendors into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies vendors' overall weighted performance.
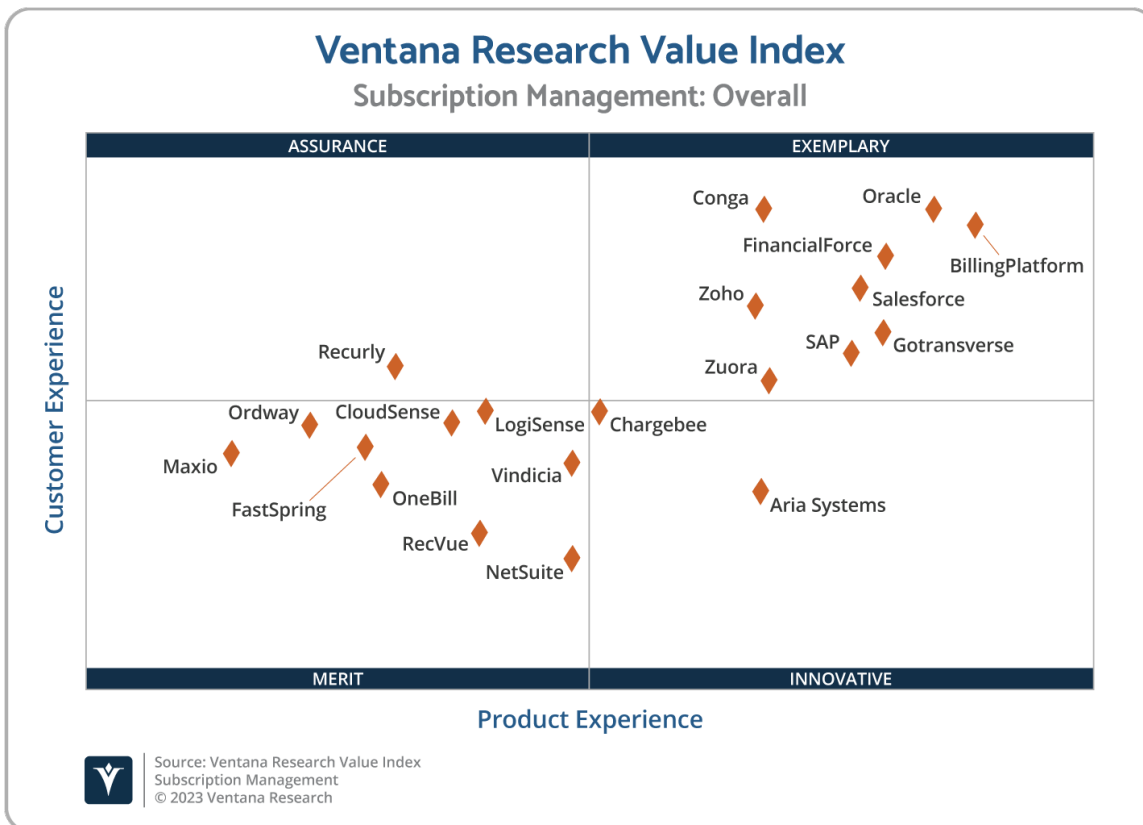
Exemplary: The categorization and placement of vendors in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The vendors awarded Exemplary are: BillingPlatform, Conga, FinancialForce, Gotransverse, Oracle, Salesforce, SAP, Zoho and Zuora.

Innovative: The categorization and placement of vendors in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements, but did not achieve the highest levels of requirements in Customer Experience. The vendors awarded Innovative are: Aria Systems and Chargebee.

Assurance: The categorization and placement of vendors in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements, but did not achieve the highest levels of Product Experience. The vendor awarded Assurance is: Recurly.

Merit: The categorization for vendors in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The vendors awarded Merit

are: CloudSense, FastSpring, LogiSense, Maxio, NetSuite, OneBill, Ordway, RecVue and Vindicia.

We warn that close vendor placement should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every organization or for a specific process. Although there is a high degree of commonality in how organizations handle subscription management, there are many idiosyncrasies and differences in how they do these functions that can make one vendor's offering a better fit than another's for a particular organization's needs.

Occasionally, vendors elect not to participate in our Value Index process even though they meet our criteria for inclusion and are actively marketing their offering to the focus of the Value Index. We assess the vendor and products based on publicly available information, briefings we have received from that vendor, and our direct experience or experience of our clients with the vendor's offering.

We explicitly indicate if a vendor has not participated because a lack of information could have a negative impact on our evaluation and therefore the vendor's Value Index rating and classification. With respect to the adequacy of publicly available information to do a thorough evaluation, vendors that limit information about their company and products on their website and through other easily accessible means limit our ability to have the depth otherwise found through active participation. The impact of a vendor not participating hinders organizations' ability to do their own assessment.

We advise organizations to assess and evaluate vendors based on their requirements and use this research as a reference to their own evaluation of a vendor and products.

Product Experience

The process of researching products to address an organization's needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an organization's life cycle of onboarding, configuration, operations, usage and maintenance. Too often vendors are not evaluated for the entirety of the products; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an organization's requirements but how the vendor operates. As more vendors establish a Chief Products Officer role, it is essential for them to be more engaged in the product experience that they and their organization represent.

The Subscription Management Value Index, based on the methodology of expertise and research, identified the weighting of Product Experience at 80% of the total evaluation. Importance was placed on the categories as follows: Usability (15%), Capability (20%), Reliability (10%), Adaptability (20%) and Manageability (15%). This weighting impacted vendor rankings in Product Experience and the resulting overall rankings in this Value Index. The ranking of the vendors, with BillingPlatform, Oracle and FinancialForce being Value Index Leaders, is a result of their commitment to subscription management technology. Gotransverse, Salesforce and SAP were found to meet a broader range of enterprise subscription management requirements, while Oracle and BillingPlatform placed higher in Adaptability, Manageability and Reliability with their focus to govern, connect and process product information across the traditional enterprise and cloud computing environments.

Ventana Research Value Index
Subscription Management: Product Experience

Vendors		Performance
BillingPlatform	1	65.7%
Oracle	2	63.9%
FinancialForce	3	60.2%
Gotransverse	4	59.9%
Salesforce	5	59.6%
SAP	6	58.9%
Zuora	7	55.5%
Conga	8	55.3%
Aria Systems	9	55.1%
Zoho	10	54.6%
Chargebee	11	46.9%
Vindicia	12	46.4%
NetSuite	13	46.2%
RecVue	14	42.6%
LogiSense	15	42.4%
CloudSense	16	40.5%
Recurly	17	38.9%
OneBill	18	37.5%
FastSpring	19	37.1%
Ordway	20	34.3%
Maxio	21	31.5%

Source: Ventana Research Value Index
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Many organizations will only evaluate capabilities for those in IT or administration, but the Value Index identified the criticality of Usability (15% weighting) across a broader set of usage personas that should also participate in subscription management.
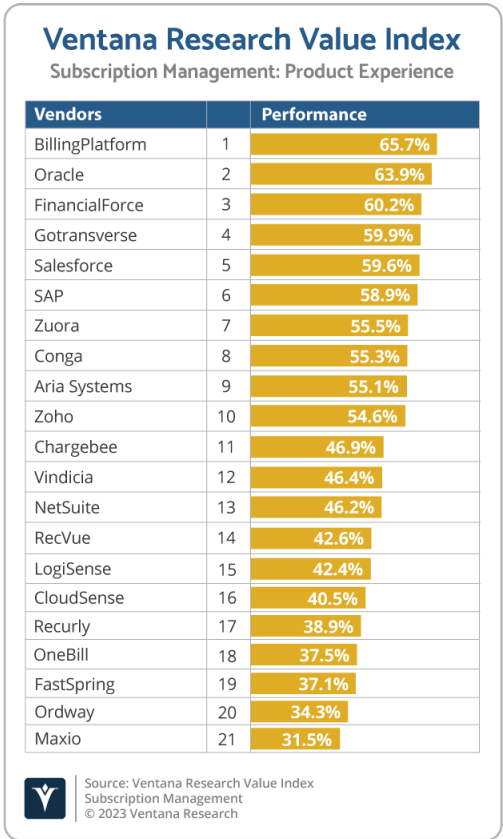
Customer Experience

The importance of a customer relationship with a vendor is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entirety of the journey an organization has with its vendor is critical for ensuring inevitable satisfaction in working with a vendor. Thus, a vendor's offering is not just about technology and should be evaluated using a lens that ensures the proper assessment and selection of a vendor. Technology providers that have Chief Customer Officers are most likely to have greater investments in the customer relationship and the focus on their success. These leaders also need to take responsibility for ensuring the marketing of their commitment is made abundantly clear on website and in the buying process and customer journey. Our Value Index methodology examines Customer Experience to 20% and represents the framework of commitment and value to the relationship. The two evaluation categories are Validation (10%) and TCO/ROI (10%) and are weighted to represent their importance to the overall Value Index, balanced with the Product Experience.

The vendors that rank the highest overall in the aggregated and weighted Customer Experience categories are Value Index Leaders Conga, Oracle and BillingPlatform. The

category leaders in Customer Experience provided an impressive level of information to communicate their commitment to customer needs for subscription management. Vendors such as FinancialForce and Salesforce were not Overall Leaders but have a high level of commitment to Customer Experience.

There were many vendors that have not made this a priority and provide little to no information on their website, in presentations or during our evaluation. Many have customer case studies to promote their success but lacked the depth on how they support an organizations' journey to subscription management. This makes it increasingly difficult for organizations to evaluate vendors on the merits of their commitment to customer success. As a result, many of the vendors did not rank as well in Customer Experience, though it does not mean their products will not provide subscription management. As the commitment to a

Ventana Research Value Index
Subscription Management: Customer Experience

Vendors		Performance
Conga	1	16.7%
Oracle	2	16.6%
BillingPlatform	3	16.5%
FinancialForce	4	15.6%
Salesforce	5	15.2%
Zoho	6	14.6%
Gotransverse	7	14.3%
SAP	8	13.9%
Recurly	9	13.5%
Zuora	10	13.3%
LogiSense	11	12.8%
Chargebee	12	12.8%
CloudSense	13	12.6%
Ordway	14	12.5%
FastSpring	15	12.2%
Vindicia	16	12.2%
Maxio	17	12.1%
OneBill	18	11.6%
Aria Systems	19	11.2%
RecVue	20	10.3%
NetSuite	21	9.6%

Source: Ventana Research Value Index
Subscription Management
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vendor is a continuous investment, the importance of supporting customer experience in a holistic evaluation should be included and not underestimated.
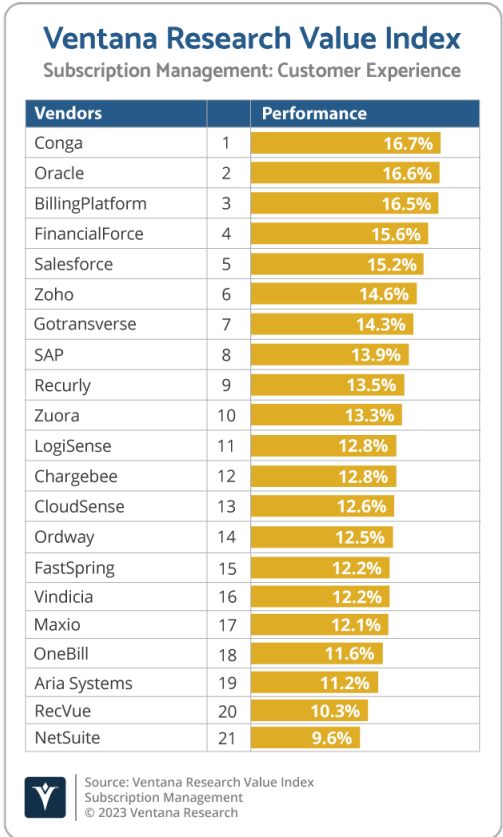
Capability of the Product

The Capability criteria is designed to assess the products and features across a broad range of subscription management capabilities that support the requirements of enterprises, growth companies and small and medium businesses (SMB) for both business-to-business and business-to-consumer markets. In addition, this category recognizes the needs of organizations who are adopting subscription pricing to supplement their existing business, as well as organizations that have always been primarily subscription-based and digitally native. Ventana Research evaluates hundreds of function points in 18 sections to assess the full scope of subscription management capabilities. The support for management, manager, analyst, administrative and IT personas was examined, as was vendor investment in resources and improvements.

The Subscription Management Value Index weights Capability at 20% of the overall rating. In this category, BillingPlatform, SAP and Zuora are Value Index Leaders. This group of 21 vendors showcases the diverse nature of subscription management capabilities. The upper half of the list displays strength within the enterprise space while the lower half may be targeting the less complex needs of SMB. However, many of these lower-ranking vendors are now adding additional capabilities to address some of the more complex customer requirements.

Ventana Research's significant, in-depth capability evaluation framework for subscription management provides a substantive challenge for many vendors. Vendors that have more breadth and depth and support the entire set of needs fared better than those with fewer comprehensive offerings. Vendors who primarily specialize in subscription management with lesser support for more complex pricing models did not perform as well. The Value Index largely focuses on how vendors support subscription management as a pivotal set of functions that enable organizations to innovate in search of additional revenue streams, whether from their own products or in conjunction with partners.

Ventana Research Value Index
Subscription Management: Capability

Vendors		Performance
BillingPlatform	1	82.0%
SAP	2	75.4%
Zuora	3	75.3%
Oracle	4	75.2%
Aria Systems	5	73.2%
Gotransverse	6	72.0%
FinancialForce	7	71.4%
Salesforce	8	66.4%
Zoho	9	62.1%
Conga	10	61.7%
Chargebee	11	54.8%
RecVue	12	54.3%
LogiSense	13	52.6%
NetSuite	14	50.4%
Vindicia	15	47.4%
OneBill	16	45.4%
Recurly	17	43.2%
Ordway	18	42.7%
FastSpring	19	37.9%
CloudSense	20	36.2%
Maxio	21	34.6%

Source: Ventana Research Value Index
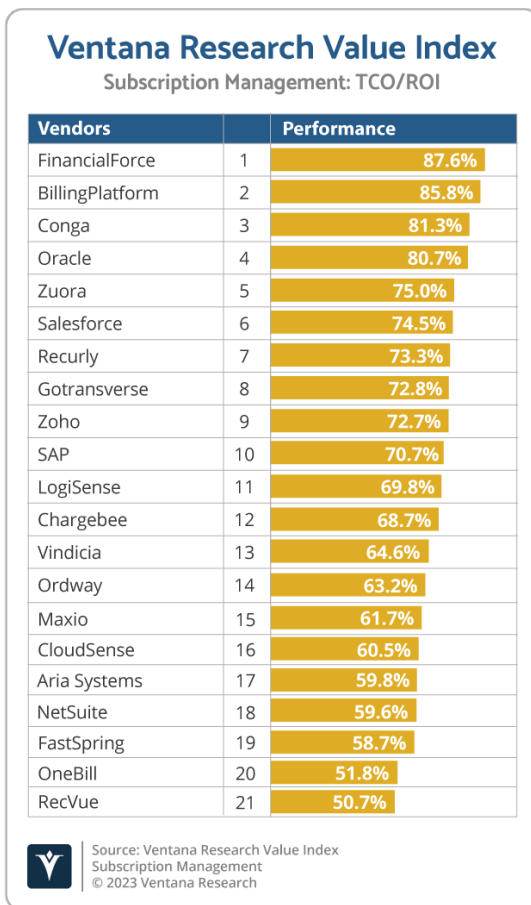Subscription Management
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TCO/ROI of the Vendor

The TCO/ROI category applies evaluation criteria designed to assess how effective the vendor is in demonstrating the business case, including the products strategic value, total cost of ownership and total benefit of ownership. The criteria also include an evaluation of the tools and documentation it provides to enable customer evaluation of TCO and ROI, and what the vendor cites as its investment and services to support it. It also examines the investment by the vendor in resources and improvements.

The Subscription Management Value Index weights TCO/ROI at 10% of the overall rating. Financial Force, BillingPlatform and Conga are Value Index Leaders in this category.

A smaller number of vendors evaluated well in this category, providing buyers and customers with comprehensive TCO/ROI-related support so they, in turn, can effectively build a business case and get funding for subscription management investment. However, our analysis also found that the majority of vendors struggle to make available tools and documented information to aid organizations in making sound buying decisions. In general, vendors in the Value Index have limited information on their website related to TCO/ROI that buyers would find helpful in evaluating and selecting a vendor for subscription management.

Ventana Research Value Index
Subscription Management: TCO/ROI

Vendors		Performance
FinancialForce	1	87.6%
BillingPlatform	2	85.8%
Conga	3	81.3%
Oracle	4	80.7%
Zuora	5	75.0%
Salesforce	6	74.5%
Recurly	7	73.3%
Gotransverse	8	72.8%
Zoho	9	72.7%
SAP	10	70.7%
LogiSense	11	69.8%
Chargebee	12	68.7%
Vindicia	13	64.6%
Ordway	14	63.2%
Maxio	15	61.7%
CloudSense	16	60.5%
Aria Systems	17	59.8%
NetSuite	18	59.6%
FastSpring	19	58.7%
OneBill	20	51.8%
RecVue	21	50.7%

Source: Ventana Research Value Index
Subscription Management
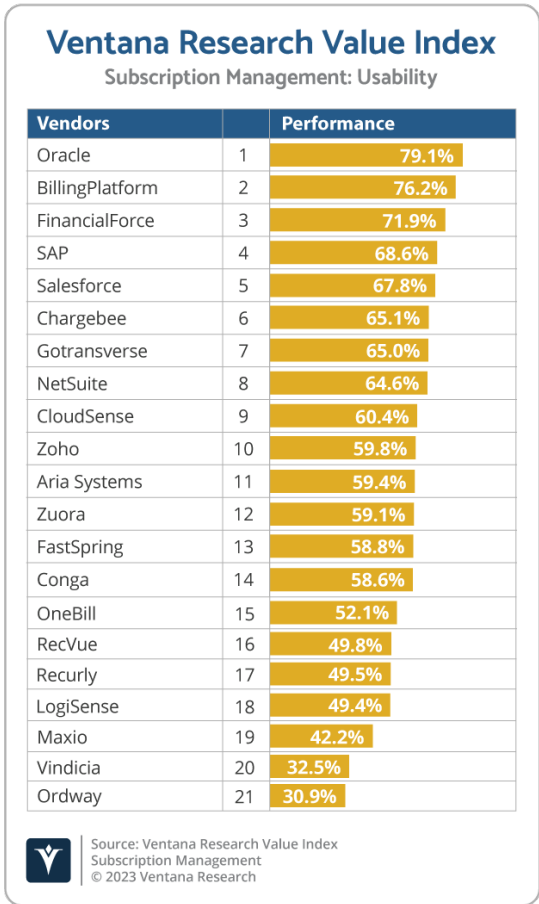© 2023 Ventana Research

Usability of the Product

Usability is necessary for meeting the varying business needs of executives, management, workers, analysts, along with IT, and others involved in the subscription management processes. Products are evaluated across the user experience spectrum supporting the diverse competencies of an organization's workers including the use of AI/ML. Usability criteria also include the sophistication of the product's support of mobile and web technologies, and the extent to which the product design enables its use by workers of varied skill levels, including conversational experiences using chat and voice. It also examines the investment by the vendor in resources and improvements.

The Subscription Management Value Index weights Usability at 15% of the overall rating. Value Index Leaders Oracle, BillingPlatform and Financial Force are the top three vendors in this category.

The importance of usability and digital experience in software utilization has been increasing and is evident in our market research over the last decade. The requirements to meet a broad set of roles and responsibilities across an organization's personas should be a priority for all vendors. Many technological advancements in applying ML and natural language processing (NLP) are available to provide a universal, intuitive experience of being able to hear, read and talk to systems. Most vendors are not fully embracing the value of usability as a critical element in product experience, and as a result, they did not perform as well in our assessment. Many vendors have not fully addressed usability across all roles and personas and have not invested in the areas that support human challenges and skills.

Ventana Research Value Index
Subscription Management: Usability

Vendors		Performance
Oracle	1	79.1%
BillingPlatform	2	76.2%
FinancialForce	3	71.9%
SAP	4	68.6%
Salesforce	5	67.8%
Chargebee	6	65.1%
Gotransverse	7	65.0%
NetSuite	8	64.6%
CloudSense	9	60.4%
Zoho	10	59.8%
Aria Systems	11	59.4%
Zuora	12	59.1%
FastSpring	13	58.8%
Conga	14	58.6%
OneBill	15	52.1%
RecVue	16	49.8%
Recurly	17	49.5%
LogiSense	18	49.4%
Maxio	19	42.2%
Vindicia	20	32.5%
Ordway	21	30.9%

Source: Ventana Research Value Index
Subscription Management
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BillingPlatform

Company and Product Profile

"BillingPlatform's agile revenue management platform gives innovative enterprises the freedom to effectively monetize and deliver products and services that result in growth and competitive differentiation. Our industry-leading, cloud-based platform adapts to every unique business model and pricing structure. BillingPlatform processes billions of transactions and dollars every year, enabling enterprises to grow revenue, reduce costs and improve overall customer experience."

"BillingPlatform provides enterprises with full quote-to-cash lifecycle support of the billing and monetization process – from product setup, quoting, billing and invoicing, revenue recognition, through payment and collections – all on a secure, next-generation cloud platform."

Ventana Research Evaluation

BillingPlatform was categorized as an Exemplary Vendor and was the overall leader in this Value Index evaluation. It ranked first in Product Experience where it was designated a Value Index Leader in Usability, Reliability and Capability. It ranked third in Customer Experience and was a Value Index leader in both TCO/ROI and Validation.

When compared to all vendors in this Value Index, our assessment finds that BillingPlatform, like most vendors, could perform better in Usability where additional factors such as voice interaction and AI-assisted navigation would improve the user experience. In Capability, BillingPlatform could examine automation and error handling to offer more advanced capabilities in anomaly detection and reporting.

BillingPlatform could perform better overall in this evaluation by addressing its Usability performance of 76.2% with added visibility into the accessibility of the application for organizations and subscribers.

BillingPlatform's strong performance in TCO/ROI with an 85.8% where it did well articulating strategic value, business case and costs of its offering as a provider.

Ventana Research Value Index
Subscription Management: BillingPlatform

Category	Performance
Overall	82.2%
Product	82.1%
Customer	82.4%
Usability	76.2%
Manageability	83.9%
Reliability	87.0%
Capability	82.0%
Adaptability	82.1%
Validation	79.0%
TCO/ROI	85.8%

Source: Ventana Research Value Index
Subscription Management
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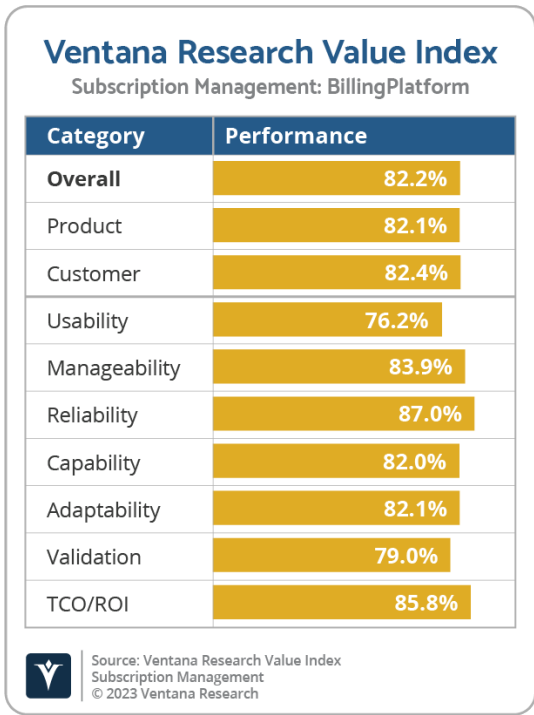
Appendix: Vendor Inclusion

All vendors that offer relevant subscription management products and meet the inclusion requirements were invited to actively participate in the Value Index evaluation process at no cost to them. If a vendor did not respond to or declined the invitation, a determination was made whether to include it in our analysis based on our inclusion criteria. These criteria are designed to ensure we include all vendors with geographic operations, customer base and revenue, as well as all relevant aspects of the products' fit for the particular category being evaluated.

For inclusion in the Ventana Research Subscription Management Value Index for 2023, a vendor must be in good standing financially and ethically, have at least $5 million in annual or projected revenue (as verified using independent sources such as ZoomInfo), sell products and provide support on at least two continents, and have at least 10 customers. The principal source of the relevant business unit's revenue must be software-related and there must have been at least one major software release in the last 18 months. In addition, a vendor must have the following characteristics:

- at a minimum, subscription and usage pricing and subscriber billing support
- individual pricing per contract
- B2B, or B2B and B2C support

If a vendor is actively marketing, selling and developing a unified product for general market availability as reflected on its website that is within the scope of the Value Index, it is automatically evaluated for inclusion. We have adopted this approach because we view it as our responsibility to assess all relevant vendors whether or not they choose to actively participate.

Six of the 21 vendors responded positively to our requests for information and provided completed questionnaires and demonstrations to help in our evaluation of their subscription management products. These vendors were BillingPlatform, Conga, FinancialForce, Oracle, Salesforce and Zoho. Gotransverse provided a demonstration and a briefing. The following vendors declined to fully participate or did not respond to our invitation: Aria Systems, Chargebee, CloudSense, FastSpring, LogiSense, Maxio, NetSuite, OneBill, Ordway, Recurly, RecVue, SAP, Vindicia and Zuora. We were unable to contact LogiSense, so they did not decline, but nor did they actively participate. For all vendors, we collected and considered all information available from briefings, documentation, presentations, release notes, videos and websites for the analysis.

Vendors that meet our inclusion criteria but did not actively participate in our Value Index were assessed solely on that publicly available information. As this could have significant impact on their Value Index classification and rating, we recommend additional scrutiny when evaluating those vendors.

Vendors of Note

We did not include vendors that, as a result of our research and analysis, did not satisfy the criteria for inclusion in the Value Index, or were not included because they have not actively engaged with our firm on the topic of the Value Index. These are listed below as "Vendors of Note" so organizations utilizing this assessment guide can be assured of our exhaustive review. Inclusion criteria validation was completed to the best of our ability using information publicly available or through our research.

Vendor	Product	$5 million revenue	Subscription and usage pricing and bill lines derivation	Individual pricing per contract	B2B and B2C
Amdocs	Digital Brands Suite	N/A	No	Yes	Yes
Amdocs	Freestyle Billing	N/A	Yes	Yes	Yes
CSG	Ascendon	N/A	Yes	Yes	Yes
Microsoft	Dynamics 365	Yes	No	Yes	Yes
Paddle	Paddle	Yes	No	No	Yes
Sage	Sage Platform	Yes	No	Yes	Yes

About Ventana Research

Ventana Research is the most authoritative and respected benchmark business technology research and advisory services firm. We provide insight and expert guidance on mainstream and disruptive technologies through a unique set of research-based offerings including Benchmark Research and technology evaluation assessments, education workshops and our research and advisory services, Ventana On-Demand. Our unparalleled understanding of the role of technology in optimizing business processes and performance and our best practices guidance are rooted in our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions in every industry. This Benchmark Research plus our market coverage and in-depth knowledge of hundreds of technology providers means we can deliver education and expertise to our clients to increase the value they derive from technology investments while reducing time, cost and risk.

Ventana Research provides the most comprehensive analyst and research coverage in the industry; business and IT professionals worldwide are members of our community and benefit from Ventana Research's insights, as do highly regarded media and association partners around the globe. Our views and analyses are distributed daily through blogs and social media channels including Twitter, Facebook and LinkedIn.

To learn how Ventana Research advances the maturity of organizations' use of information and technology through benchmark research, education and advisory services, visit www.ventanaresearch.com.

What We Offer

Ventana Research provides a variety of customizable services to meet your specific needs including workshops, assessments and advisory services. Our education service, led by analysts with more than 20 years of experience, provides a great starting point to learn about important business and technology topics from compliance to BI to building a strategy and driving adoption of best practices. We also offer tailored Value Index Assessment Services to help you define your strategy, build a business case and connect the business and technology phases of your project. And we provide Ventana On-Demand (VOD) access to our analysts on an as-needed basis to help you keep up with market trends, technologies and best practices.

Everything at Ventana Research begins with our focused research, of which this Value Index is a part. We work with thousands of organizations worldwide, conducting research and analyzing market trends, best practices and technologies to help our clients improve the efficiency and effectiveness of their organizations. Through the Ventana Research community we also provide opportunities for professionals to share challenges, best practices and methodologies. Sign up for Individual membership at https://www.ventanaresearch.com/ to gain access to our weekly insights and learn about upcoming educational and collaboration events, including webinars, conferences and opportunities for social collaboration on the Internet.

We offer the following membership levels for business and IT professionals:

Individual membership: For business and IT professionals interested in full access to our website and analysts for themselves. The membership includes access to our library of hundreds of white papers and research notes, briefings, and telephone or email consulting sessions to provide input and feedback.

Team membership: For business and IT professionals interested in full access to our website and analysts for a five-member team. The membership includes access to our library of hundreds of white papers and research notes, briefings, telephone or email consulting sessions to provide input and feedback, and use of Ventana Research materials for business purposes.

Business membership: For business and IT professionals interested in full access to our website and analysts for their larger team or small business unit. The membership includes access to our library of hundreds of white papers and research notes, briefings, telephone or email consulting sessions to provide input and feedback, use of Ventana Research materials for business purposes, and additional analyst availability.

Business Plus membership: For business and IT professionals interested in full access to our website and analysts for larger numbers of company employees. The membership includes access to our library of hundreds of white papers and research notes, briefings, telephone or email consulting sessions to provide input and feedback, quotes and validation for media, use of Ventana Research materials for business purposes, additional analyst availability, and access to our team for scheduled strategy consulting sessions.

Additional services are available for solution providers, software vendors, consultants and systems integrators.

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