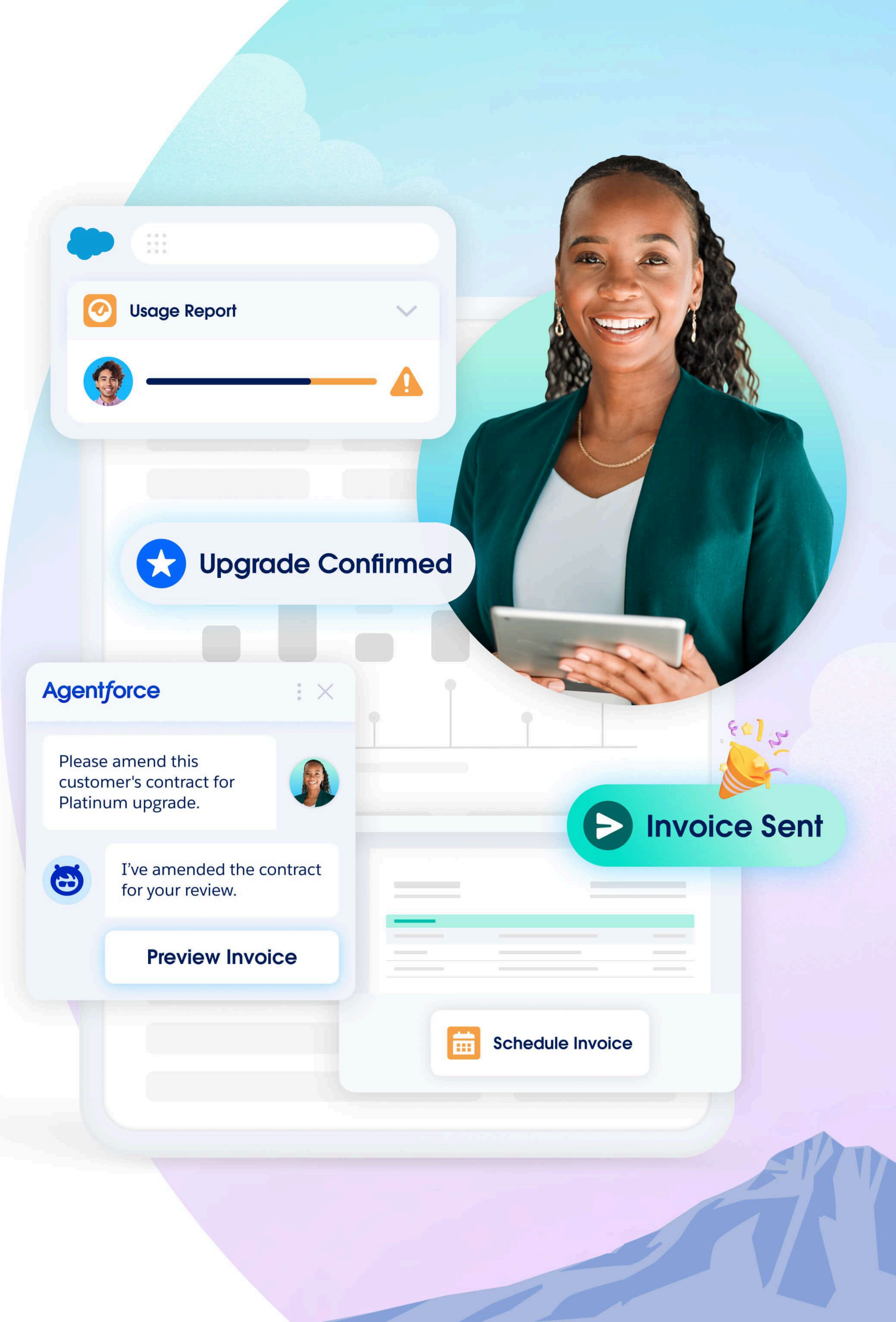
salesforce

The Easy Way to Bill for Consumption and Subscription Pricing

How to support new pricing models by billing inside your CRM.



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Why pricing innovation needs billing innovation.

Recurring revenue has overtaken one-time sales as the top source of growth, according to sales leaders. This shift began a few decades ago with subscription pricing, and now, consumption pricing is making waves.

Consider the rise of autonomous sales and billing agents, which use AI to take on work and help human teams scale. These agents are priced by consumption (for example, based on the number of human-machine interactions).

Customers love consumption and subscription pricing because they can choose how much they use and dial their commitment up and down. But finance leaders wince. Your enterprise resource planning (ERP) system was built for one-off transactions. It will draw a blank when you ask it to measure usage or to contemplate new subscription transaction types it's never even heard of. ("Proration what? Amendment who?" the ERP might ask.)

You might try to make the ERP understand new pricing models with workarounds, integrations, and customizations. But these are Band-Aids. Stop us if you've heard this one before: Bills go out with errors, customers get angry, manual intervention is a fact of life, and new pricing models go stale in the fridge before you can launch them.

The truth is that billing for consumption and subscription pricing has to begin with a mindset shift. It calls on you to reconsider your expectations of what your ERP can and cannot do. In this guide, we'll show you a better way to bill, using the same platform where you manage every other customer interaction – your CRM.

When your billing process delays innovation, it's time to reimagine the role of your ERP.

Pricing Innovation	Billing Roadblock
You want to launch a new pricing model that charges based on consumption to beat a competitor's offer.	Your ERP can't amend agreements, so you delay to develop a customization.
You want to automatically send upgrade offers to longtime customers in good standing.	Your ERP can't see customer interactions such as products they own and past service issues. So you export a list and manually cross-check it with your CRM.
You want to launch a website to allow customers to renew on their own.	Your ERP can't transmit billing data to your website. You stall to implement an integration.

Start your journey by mapping out how you bill today.

A CRM with billing means you can stop shoveling data back and forth to an ERP. At the same time, we know how important ERPs are to a lot of finance teams. The solution is to choose a CRM that can integrate with your ERP when it makes sense and handle billing when it doesn't. This flexibility also allows you to grow into a single CRM for billing over time.

But first, let's take a look at your starting point. How are you billing for consumption or subscription pricing today? Begin by identifying a product that will use a new pricing model.

Product	Pricing model	Reason for pricing change
Ex: Consumption add-on.	Ex: Pay as you go.	Ex: Beat competitor's feature upgrade.

Fill it out for yourself!

Next, partner with your IT team to map out the flow of data in this new pricing model. How will it flow between your CRM and ERP, and where are the customer touchpoints?

	Quote	Order	Bill	Pay	Amend/Renew
CRM	Ex: Quote created for consumption add-on.	Ex: Provision consumption access.	Ex: Rate the overage.	Ex: Customer pays bill.	Ex: Customer renews.
ERP	Ex: Update contract.	Ex: Measure usage.	Ex: Send invoice.	Ex: Collect payment.	Ex: Increase contract period.

Find the data bottlenecks that halt pricing innovation.

Now, for every handoff between your CRM and ERP, determine where there are data bottlenecks because of functionality gaps between systems. Then, work with IT to determine the development needed to transmit that data.

As this table shows, when you bill for consumption and subscription products using your ERP, every new product launch sends you into a tailspin for a new development cycle, increasing upkeep and costs.

You're left with two options. Keep teaching your ERP how to manage transactions it wasn't built for. Or bring your billing process into your CRM and manage the quote-to-cash process on one platform. Here's how.

	Functionality gap	Development needed
Quote	Ex: The ERP cannot manage contract amendments so can't add a consumption add-on.	Ex: Add third-party solution and integrate with it to manage amendments.
Bill	Ex: The ERP cannot track how much the customers are using the product.	Ex: Add integration to measure usage.
Pay	Ex: ERP does not integrate with self-service payment portal.	Ex: Build custom payment portal.
Amend/Renew	Ex: ERP cannot send alerts advising when customers lack the financial standing for automatic renewals.	Ex: Manually export list of delinquent customers to cross-check with renewals.

Fill it out for yourself!

Identify the features you need in a CRM for billing.

When it comes to billing for consumption pricing, the CRM has an unfair advantage over your ERP. The CRM was built to manage all your customer data in one place, and it's evolved to also give you visibility into rating and metering – by tracking how much of the product the customer uses. So, when you bring billing inside a CRM, you can eliminate the endless development cycle needed to transmit data between systems, saving time and money and supporting pricing innovation.

But not all CRMs are created equal. If your CRM stops at quoting, it may be time to re-evaluate with billing top of mind. To ensure you're picking a CRM that supports all of your sales and service efforts, plus billing, look for these features:

Choose features to fill urgent gaps.

Single platform: Unify data so sales and finance can work together to reduce errors and speed up cash flow. Give customers a consistent experience as they order and pay.

Billing for any revenue model: Give customers the ability to monitor their usage and rated totals. Bill for new transaction types like amendments and prorations.

Automated invoices and tax: Pull together data from the quote and order to create invoices automatically. Then, simplify tax calculations using integrations with external tax engines.

Accounting: Use a built-in accounting foundation to drive journal entries and closing periods. Synchronize billing data to your ERP, or use the CRM as a subledger.

Payments: Automate payment processes across electronic methods and gateways based on customer preferences.

Collections: Automate follow-up for overdue accounts, and harness AI to recommend next best actions based on customer history.

AI agents: Use agents to automate routine billing tasks, from handling self-service inquiries to following up on outstanding invoices.

Ready to halt the endless development cycle and bring billing to your CRM? Keep reading for key considerations.

Pick your approach — and transition from ERP to CRM.

Billing inside your CRM is a transformation, but transformation doesn't need to be disruptive. You can take it one step at a time. There are three approaches you can take, based on where you're starting from and where you want to go.

Start fresh for your entire business.

This is a business transformation where you migrate data to your CRM and deploy for your core product.

Best if you have a lot of legacy tools and want to consolidate them.

Deploy for a new product, channel, or business unit.

Keep your existing billing solution live but deploy a CRM for billing to a new area of the business, such as product line or geography.

Best if you need to launch a new product quickly.

Deploy in phases.

Bring some order-to-cash activities inside the CRM while keeping others in your ERP, allowing you to speed up time-to-value.

Best if your current solution meets immediate needs but not your future roadmap.

Keep these best practices in mind:

Define your starting and end points.

Examine your current pains and your roadmap for rolling out new pricing models. Choose a CRM that has the flexibility to charge for them all.

Use the architecture that fits your business.

For example, you may continue processing financial transactions in your ERP and synchronize payments in your CRM. Or, you may want to continue sending invoices from your ERP because of other business lines, and use your CRM for the entire process up to invoice presentation.

Balance development with maintenance.

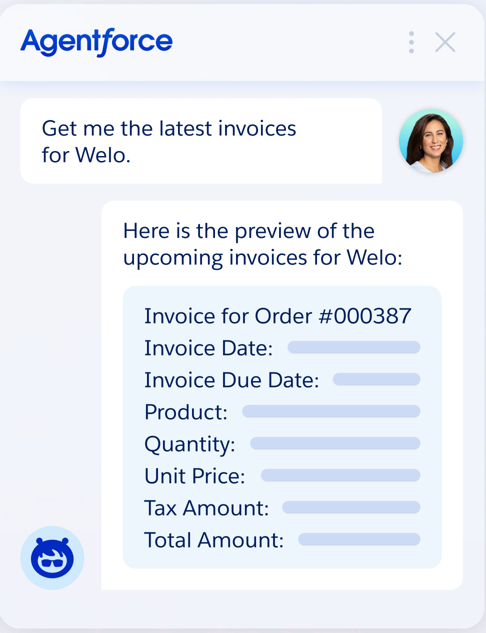
It may be helpful to implement your new billing solution using two teams, one responsible for making new changes, and another responsible for running and maintaining those changes.

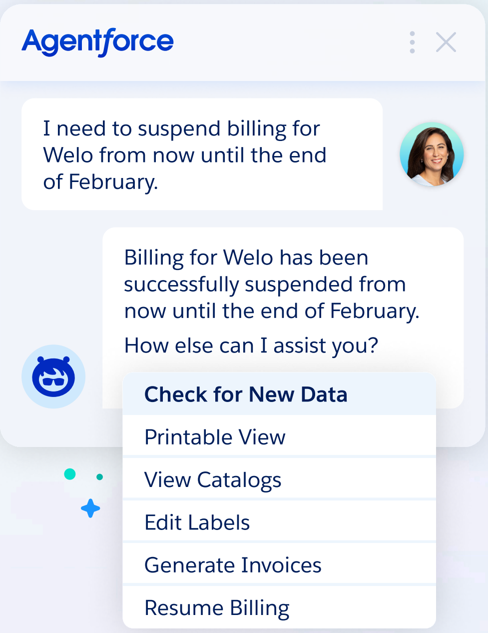
Transform your billing with help from AI agents.

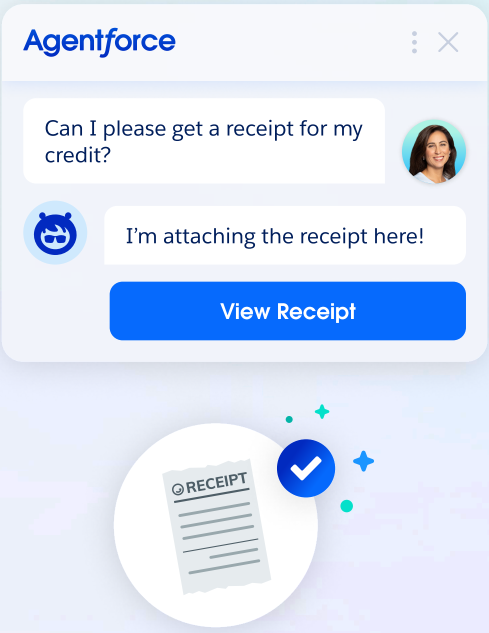
Now that you've unlocked a stream of unified revenue data from quote-to-cash, use this data to fuel AI – including autonomous billing agents that can perform work on your behalf. But before you can trust an agent to handle your financial data and take on billing work, you need to be utterly confident in its data security and privacy.

Our approach at Agentforce is to bring company and external data together to create profiles of every customer – protected by the Einstein Trust Layer. You can use prebuilt agents for the tasks below, or easily build your own to handle new use cases.

Examples of billing agents in action:







Preview invoices and send them out:

Example:
You want to preview a customer's invoices, so you ask Agentforce to send you a report. You cross-check these invoices with the customer's purchase history, and ask Agentforce to email them to the customer.

Suspend billing for an account:

Example:
You receive an alert that a customer is delinquent on their billing. You open Agentforce from the customer detail page and ask the agent to suspend their billing for the next two months.

Resolve customer billing inquiries:

Example:
A customer downgrades in the middle of their billing cycle and hasn't received a credit yet. They ask an agent for help. Agentforce emails them a receipt for the credit memo. Case closed.

Reimagine the revenue lifecycle on one platform.

Say yes to new pricing innovations when you unify billing and orders on one platform. Dive into the resources below to discover how to easily bill for any revenue model to grow, create great customer experiences wherever they buy and pay, and get help from AI agents at every step.

Discover how Revenue Cloud Billing supports any revenue model.

Learn more

See how to unify selling and finance on a single platform.

Watch the webinar

Collect cash fast with the #1 AI CRM for sales.

Watch demo