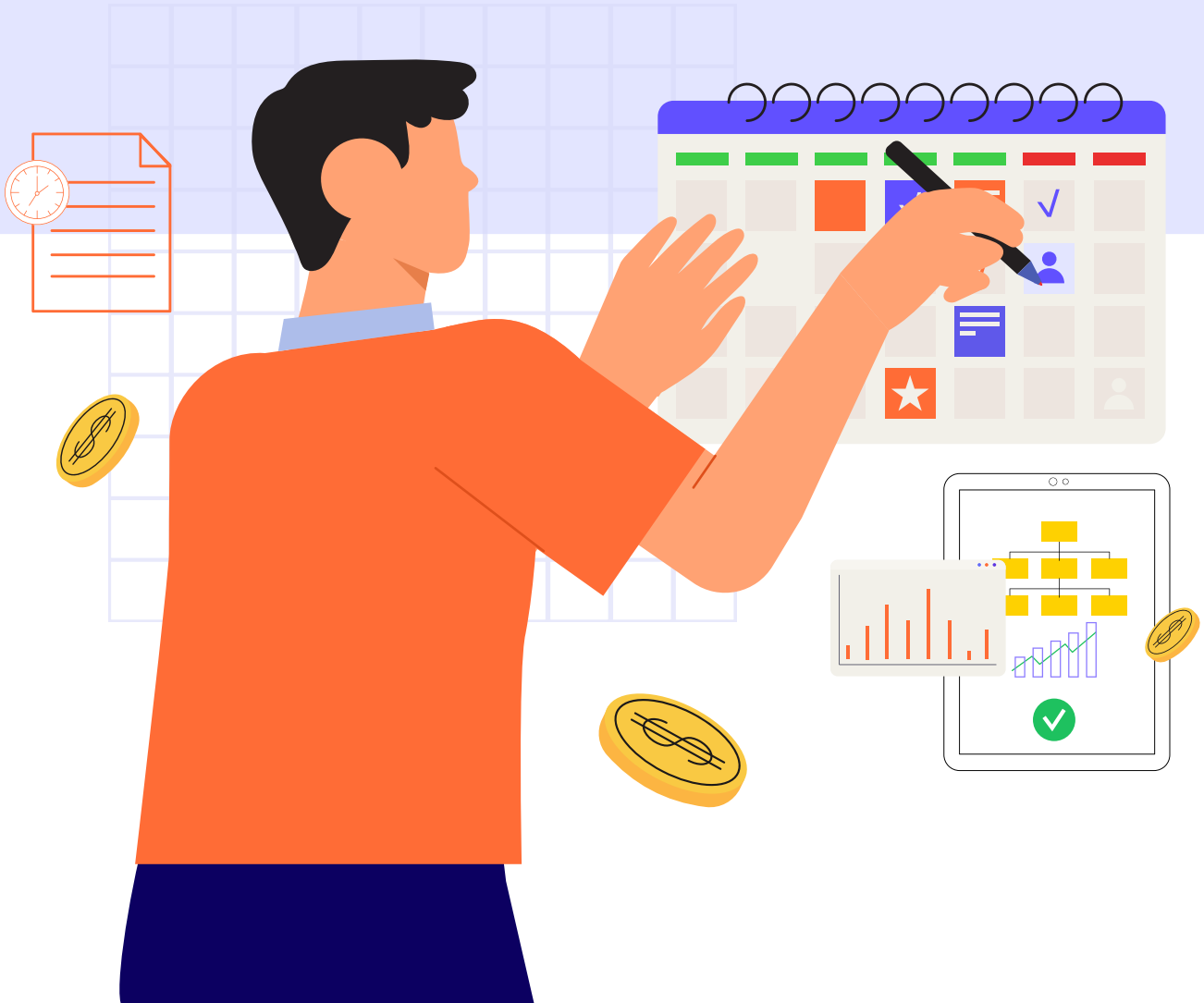
Chargebee

The Ultimate Feature Checklist for Evaluating a Subscription Billing Software



Billing for subscription businesses, by definition, is a recurring activity. A billing engine operates ceaselessly to keep the recurring revenue flowing into your business.

It is quite literally the 'engine' that keeps your business running.

Soon enough, you realize that the few lines of code on top of Stripe will no longer hold the fort. It's the difference between building a product and managing a business. The product team wants pricing experiments, sales want coupons, the leadership team needs metrics, and your customers want calendar billing.

Subscription billing can seem deceptively simple, but it has many moving parts. As your subscriptions evolve and grow, your billing infrastructure must be flexible enough to keep up with it.

This eBook will list comprehensive must-have features you need to look at when zeroing in on a subscription billing software, why they're critical, and how they would influence your revenue growth.

Build vs. Buy: The inevitable dilemma for subscription billing

The businesses that opt to build their billing system often fail to account for the 'subscription' part of the 'subscription billing.' Billing is easy; subscription billing is where the real complexity comes into play.

Let's explore a typical scenario.

Derek has three subscriptions that need to be billed on the 1st of every month; he signed up for all these at different times last year. He got a six-month Christmas deal, so he gets 35% off on two of the three subscriptions. **He lives in Australia, so the amount he's charged should include tax, and the invoice must lay out the breakup of the final amount as clearly as possible.**

Now imagine billing for 1000s of Dereks, spread out worldwide. Phew.

It becomes effort-intensive and time-consuming to code for all the possible edge cases. Dealing with new requirements on the go isn't a practical solution either. For every new payment gateway or tax integration, your developers need to develop a knowledge base of thesubscription use cases and the tool's workings and become subject matter experts. That's a big ask and not a fair one.

While you're putting out fires and catching up with technical debt, a third-party solution can solve your immediate needs and then some more. If you're gunning for hypergrowth, your billing solution should be able to handle the complexities that arise with scale

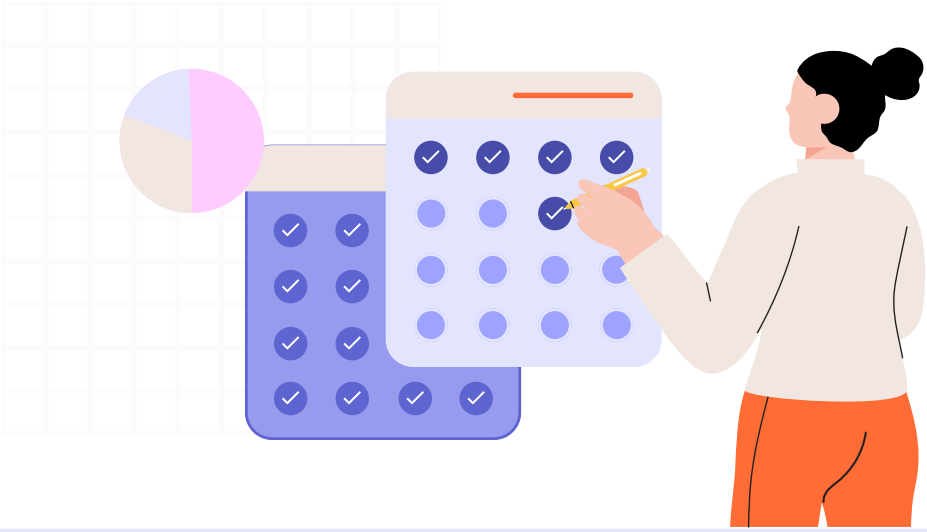
So what does an ideal subscription billing solution look like? Don't worry; we have a checklist.



The ultimate checklist for evaluating a subscription billing software

A subscription billing software impacts several different functions within your organization - Product, Growth, Finance, and Customer Support, to name a few. Each department's usage and expectations from the tool are different.

In this checklist, we've covered eight must-have needs any good subscription billing software must satisfy, how each can enable your revenue growth, and the features that would make it an ideal tool for a hypergrowth business.



1. Subscription Management

Your billing software must enable you to handle subscriptions seamlessly, nurture your customers, and provide metrics to optimize your customer lifecycle from one platform.

Questions	Chargebee	Tool X
Do you support customized pricing for subscriptions?	✓	
Do you support grandfathering of prices for existing subscriptions?	✓	
Do you support automatic price increases on renewals?	✓	
Do you support the ability to create and process promotional codes for special pricing?	✓	
Do you support paid trials? Is it possible to collect card payment information for subscriptions on trial?	✓	
Do you provide the ability to accommodate prorations, coupons, discounts, and credit notes for a given period?	✓	
Is it possible to pause subscriptions?	✓	
What out of the box reports are included? For eg. churn reports, cash flow reports	✓	
How customizable are these reports?	✓	
Would customers have access to an out of the box self-serve portal?	✓	
Can you send a quote to a customer which they can review before signing up?	✓	

2. Product Catalog

A robust product catalog enables you to easily manage all your products and plans from one place and bundle products and addons into product families. It helps you go to market significantly faster.

Questions	Chargebee	Tool X
Can you support flat-fee, per-unit, tiered and volume based pricing models?	✓	
Can multiple currencies be set up for a product?	✓	
Can the trial period defined for a product differ based on the billing frequencies?	✓	
Can products be grouped to a product family?	✓	
Can tax be automated for each product?	✓	
Can addons be attached to a product and is there an option to support recurring and one-time addons?	✓	
Is the IT or development team's participation required to roll out a new product or offer?	✓	
Can offerings/options be created once and re-used?	✓	
Is price revision for existing products available?	✓	
Can daily/weekly/monthly/yearly frequencies be set up for products and addons?	✓	

3. Payments

If someone wants to pay you for your product, you better be ready to accept the payment in the method or gateway of their choice. Something as small as not offering the preferred payment method can make people drop off in the high-stakes payment process.

Questions	Chargebee	Tool X
Is direct debit payments for ACH,SEPA,BACS,AUTOGIRO available?	✓	
Is wallet payment for Paypal, Apple Pay, Google Pay, Amazon Pay available?	✓	
Can the product integrate with gateways across the globe?	✓	
Can the product support 3DS workflow for accepting payments?	✓	
Can partial payments be recorded against an unpaid Invoice?	✓	
Do you support Net D terms?	✓	
Can default payment terms be defined in your product?	✓	
Can customers have multiple forms of payment (multiple credit cards, multiple bank accounts, etc)?	✓	

4. Checkout

Have you ever gone as far as the checkout page and then gone, 'Nah, let me come back to this'? You probably never went back. This scenario could also be valid for your customers. You've worked very hard to get your customers to this stage, don't lose them in the last mile.

Questions	Chargebee	Tool X
Does the checkout page allow localization and customized branding (Logos, Names, Color pallette, etc)?	✓	
Can coupons and addons be added during checkout?	✓	
Do you support 3DS checkout and is it allowed linking a legal contract or T&Cs to the checkout page?	✓	
Will taxes be displayed during checkout?	✓	
Can customers checkout without entering card details for trial products?	✓	
Do you support mobile SDK?	✓	
Does the checkout page provide avenues for cross-selling?	✓	
Do you provide the option to gift a subscription?	✓	
Can your solution provide the details of customers who don't complete the checkout process and drop mid-way?	✓	

5. Dunning & Revenue Recovery

According to a Profitwell study, 20-40% of your churn comes from credit card payment failures. Your billing tool must proactively prevent payment failures and remove the pain of your collection efforts.

Questions	Chargebee	Tool X
Do you provide automatic payment retry attempts for direct debit/ACH, online payments-cards and e-wallets, offline payments such as cash, cheque etc?	✓	
Does the platform support automated reminders for account/ subscription payment arrears?	✓	
Can dunning notifications be segmented by customer accounts and/or products?	✓	
Can an automated email notification be triggered when an issue with the payment method is encountered?	✓	
Can the dunning period be defined in your product?	✓	
When dunning ends and the invoice is unpaid, is it possible to define what happens to the subscription and invoice?	✓	
Can dunning be defined for subscriptions which are in trial or have not been active?	✓	
Does your product provide any out of the box report for invoices in dunning and AR aging?	✓	

6. Taxes and Compliance

Tax laws and compliance standards are critical to running a business, whether sending someone a simple invoice or targeting new markets in a different continent. Compliance lends your brand trustworthiness, and non-compliance brings an expensive fine.

Questions	Chargebee	Tool X
Does your system support a native tax module that can support different geographic regions at the local jurisdiction level (e.g., city/county/state)?	✓	
Do you collect, store, and pass on a customer's VAT or GST number?	✓	
Does the system support specialized tax calculations like tax exemptions?	✓	
Is the product audited and certified for PCI/PA-DSS?	✓	
Is your platform SSAE 16 SOC1 and SOC 2 certified?	✓	
Is your platform compliant with frameworks like ASC 606 and HIPAA etc.?	✓	
Do you have an ISMS framework in place?	✓	
Is your platform certified for EU-U.S. and Swiss-U.S. Privacy Shield?	✓	
Is the product protected against Cross-Site Scripting (XSS) attacks ?	✓	
Does the product support single-sign on (SSO) / SAML 2.0 for authentication back to the client's system?	✓	
Do you have a Written Information Security Program, or WISP?	✓	

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7. Integrations

A billing tool of a subscription business needs to work closely with several other software like an accounting tool, a marketing referral tool, or a tax automation software. The ideal billing tool must have out-of-the-box integrations with products in your ecosystem and be API-first in case you need to build your own.

Questions	Chargebee	Tool X
Do you support bulk fetching of resources via APIs?	✓	
Does the product support API access restrictions by user/user group?	✓	
Is your product eligible for IP whitelisting for API access?	✓	
Does your solution provide REST APIs for integration?	✓	
Does the solution have APIs to expose the data to external data lakes/cloud systems?	✓	
Can your product integrate with Salesforce, Hubspot, Pipedrive, Zoho CRM?	✓	
Can your product integrate with Netsuite, QuickBooks Online, Xero, Intacct?	✓	
Can your product integrate with any tool for revenue recognition requirements?	✓	
Do you support integration with Avalara for the communications segment?	✓	
Does your system integrate with Klaviyo, Mailchimp, ActiveCampaign, Zapier?	✓	

8. Support

Subscription billing sits at the heart of your business, so you can't afford any slip-ups. When evaluating a third-party billing tool, you must consider their support capabilities and whether they can work as smoothly as your extended team.

Questions	Chargebee	Tool X
Do you provide 24X7 global technical support?	✓	
Do you have a regular release schedule?	✓	
Do you have a standard method for communications on downtime, patches, and scheduled maintenance?	✓	
Do you provide self help documents or articles that can be referred to for troubleshooting?	✓	
On average how long does it take to implement your software?	✓	

Experiencing hypergrowth with Chargebee

Your subscription billing software can be more than a billing solution. A robust subscription management tool like Chargebee can supercharge your revenue growth, enable your subscriptions to evolve and grow and help you solve tomorrow's needs.

If you're looking to research more on evaluating a subscription billing solution and how it can directly benefit your growth journey, here's our guide on choosing a subscription billing software that helps you scale from $0 - $100M+.

Supercharge your revenue growth with Chargebee

4500+ Customers **$5 Billion+** Revenue Processed

Schedule a demo