

# Challenges in Recurring Revenue

Observations from the  
Companies Utilizing  
Recurring Revenue – A Study



# Overview

- Gatepoint Research invited selected business services, telecom, high tech, and retail executives to participate in this survey.
- Candidates from companies with a recurring billing model were invited via email and 103 executives have participated to date.
- Respondents are predominantly employed in product, operations, and finance functions. 45% hold the title of Manager; 51% are Directors and 4% are VPs or CxOs.
- Of the companies represented by survey participants, 72% have annual revenues of less than \$250 million; 8% between \$250 and \$500 million; 10% between \$500 million and \$1.5 billion, and 10% greater than \$1.5 billion.
- 100% of respondents participated voluntarily; none were engaged using telemarketing.

## Summary Results • August 2013

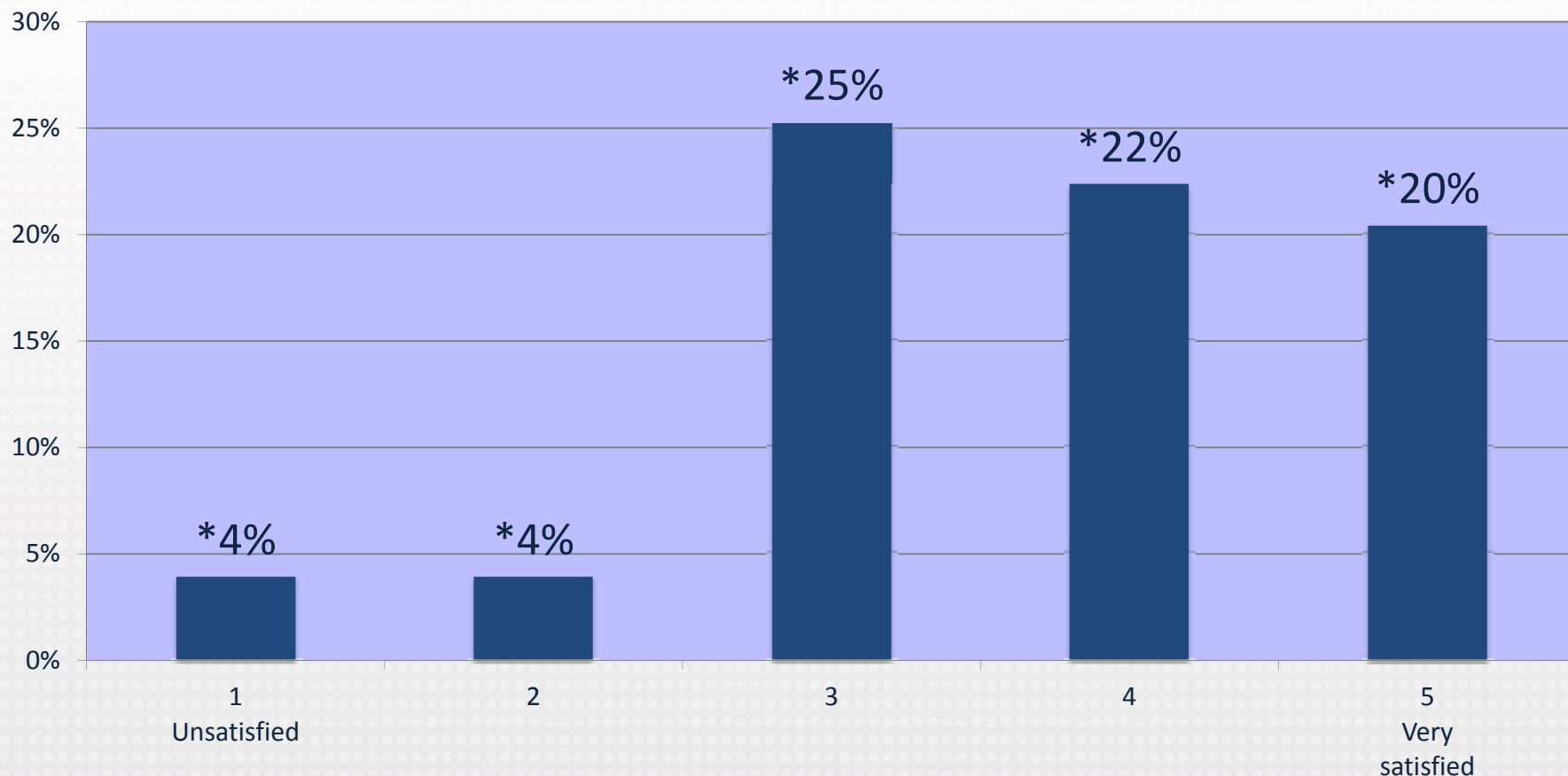
# Observations and Conclusions

- 42% of respondents use homegrown billing systems in their organizations. Of those, 40% had low levels of satisfaction with their system (3 or below on a 5 point scale).
- 34% manage more than 10,000 subscribers.
- 67% of respondents invoice using a flat subscription model.
- Most companies manage their recurring billing systems through their Finance or IT departments.
- Respondents most value , tiered usage models (52%), a flexible product catalogue (47%), and channel/reseller management (43%), all features Aria offers.
- 80% of respondents use, or plan to use, SaaS or cloud-based billing solution services. 31% consider themselves “mature users” of SaaS.
- Of those who have not yet moved to the cloud, 35% report being unhappy with their current solution (3 or below on a 5 point scale).

## Summary Results • August 2013

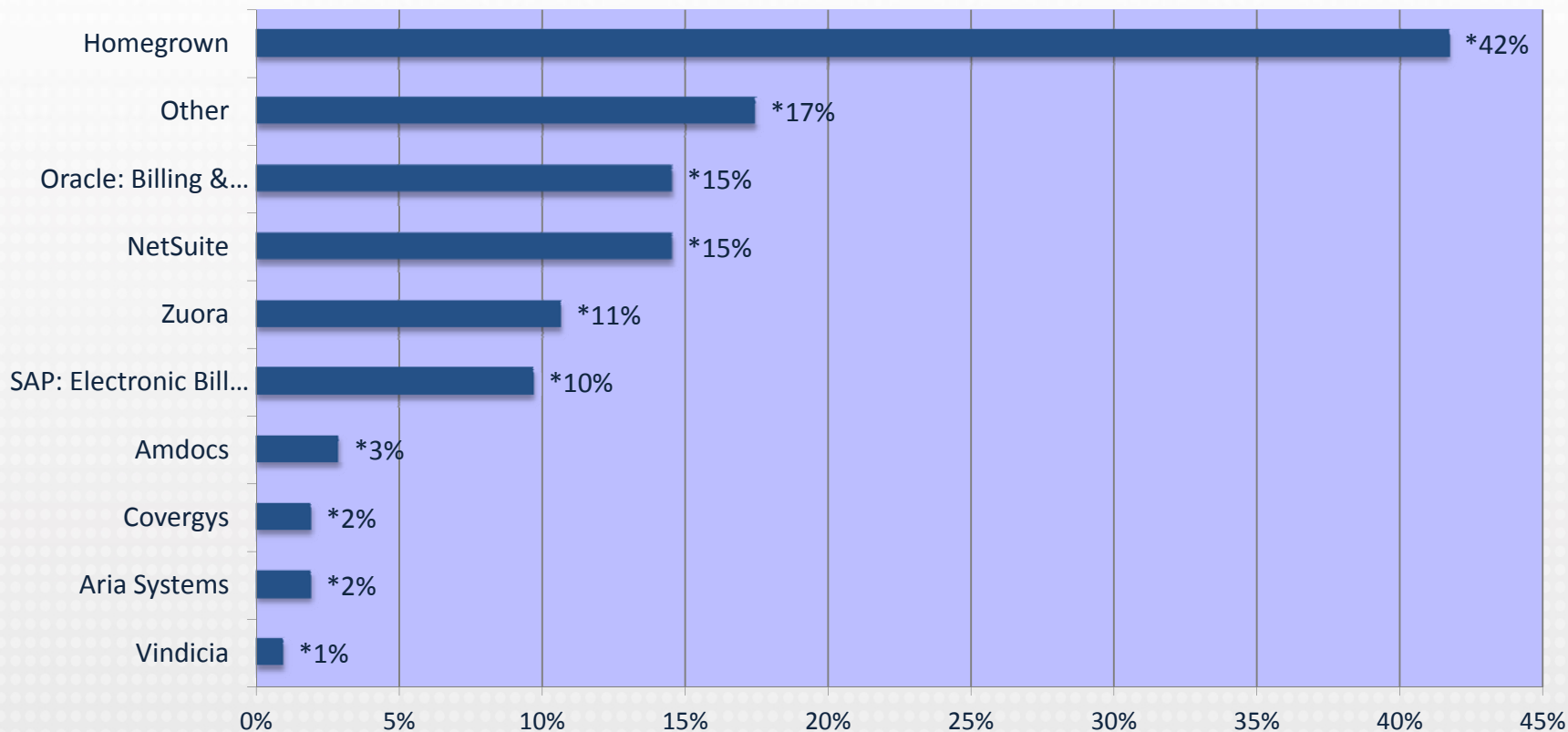
# *In general, how satisfied are you with your current recurring billing system?*

(Rate 1 to 5, 1 = unsatisfied, 5 = very satisfied)



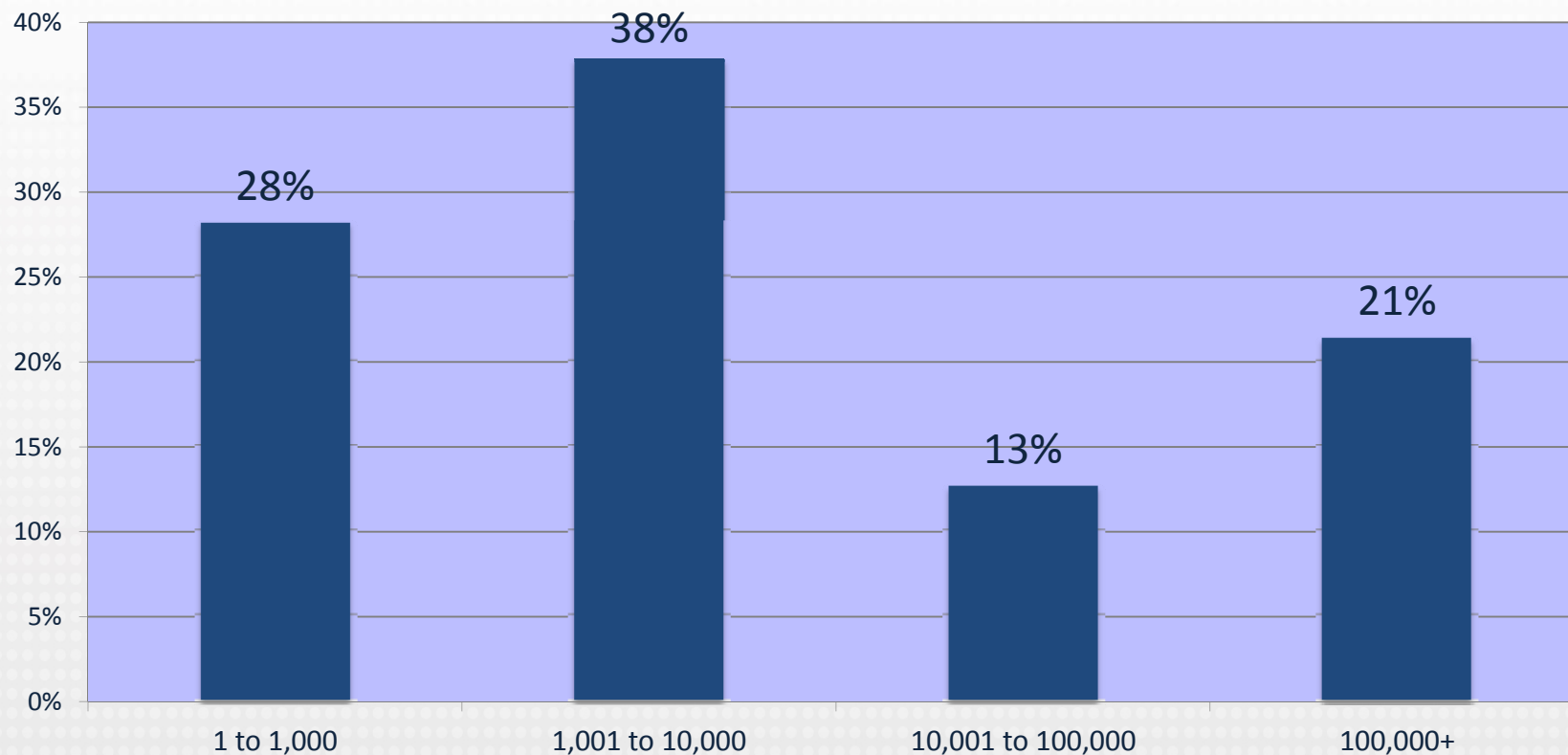
*33% report to being barely or less than satisfied with their current recurring billing system. \* 25% of those queried did not answer*

## Which of the following billing systems are present in your organization?



*42% of respondents use homegrown billing systems in their organizations.  
No one vendor dominates in the rest of the market. \* Respondents chose one or more answers*

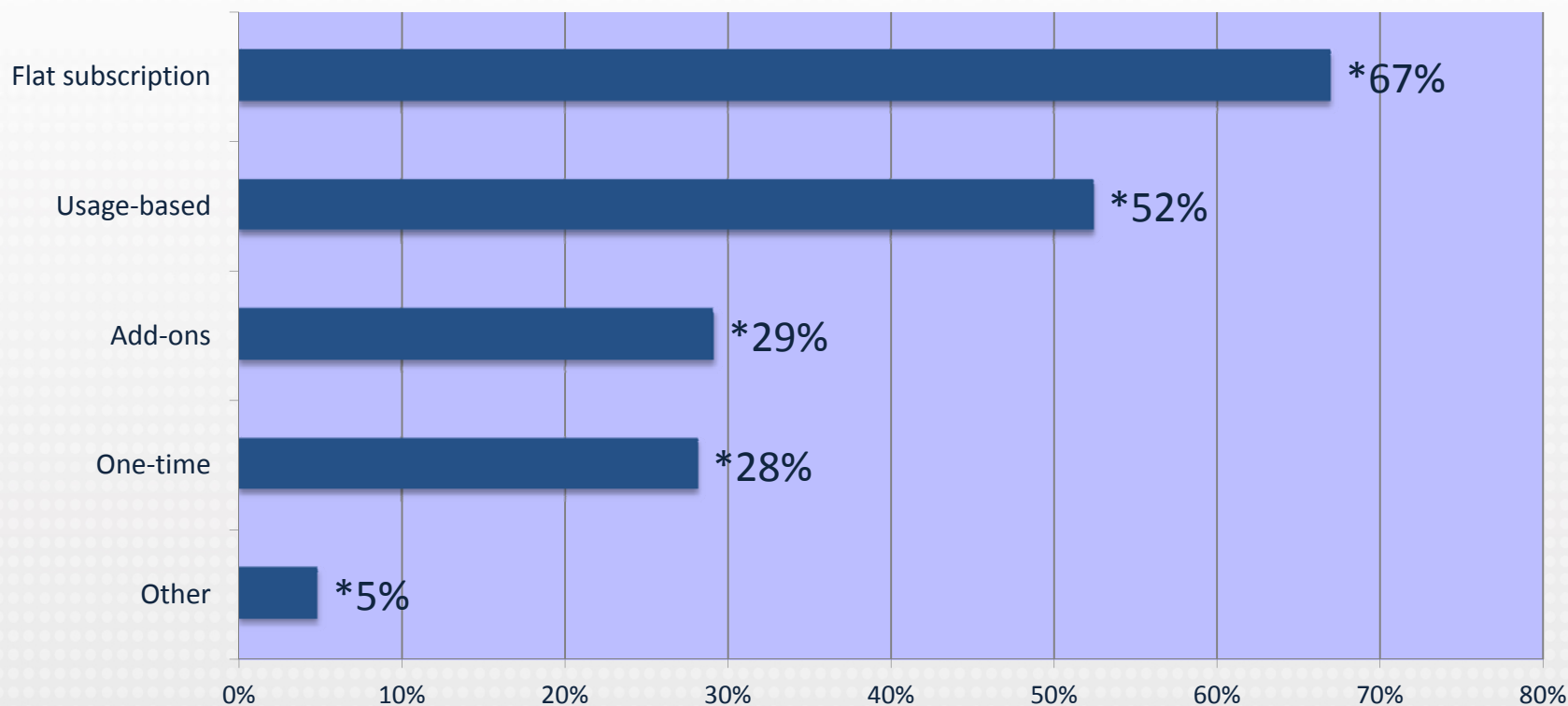
## *How many subscribers do your systems currently manage annually?*



*34% manage more than 10,000 subscribers.*

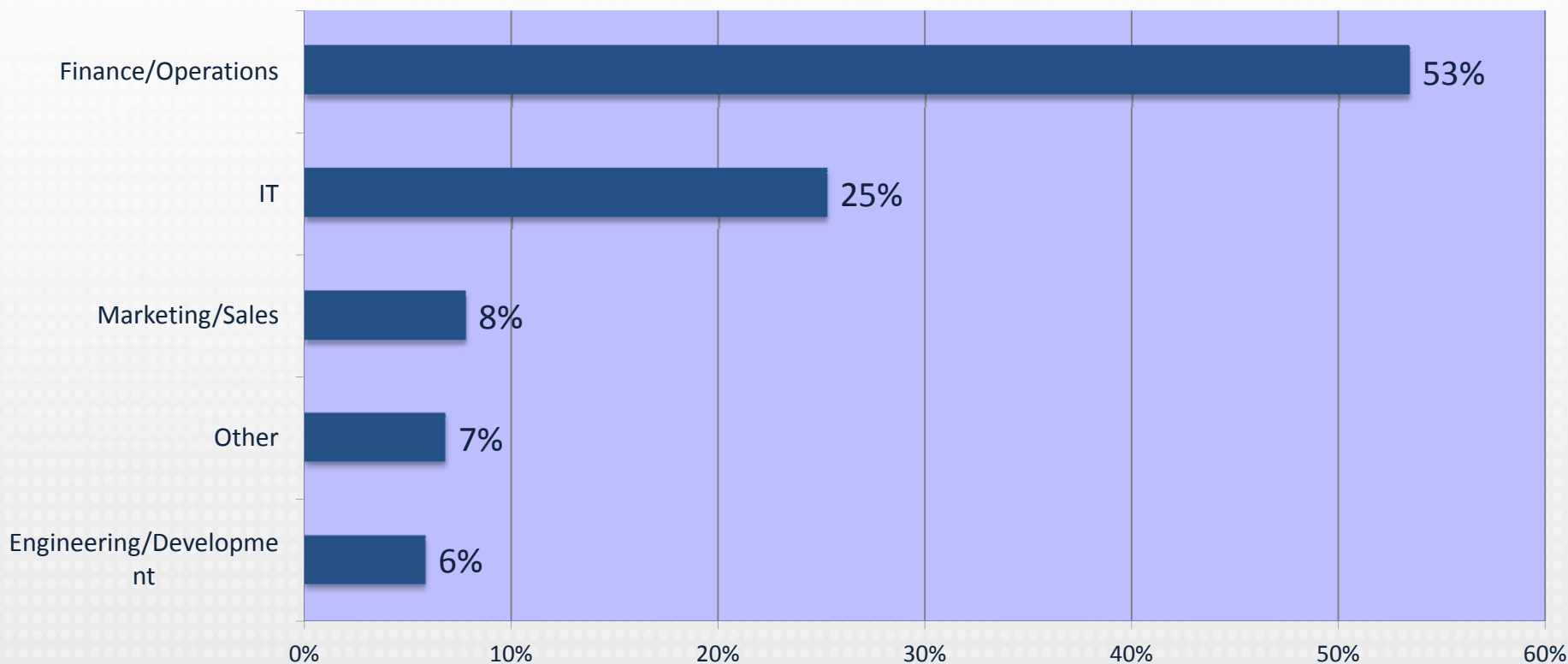


## What types of invoicing best describes your recurring revenue model?



*67% of respondents invoice using a flat recurring revenue model. \* Respondents chose one or more answers*

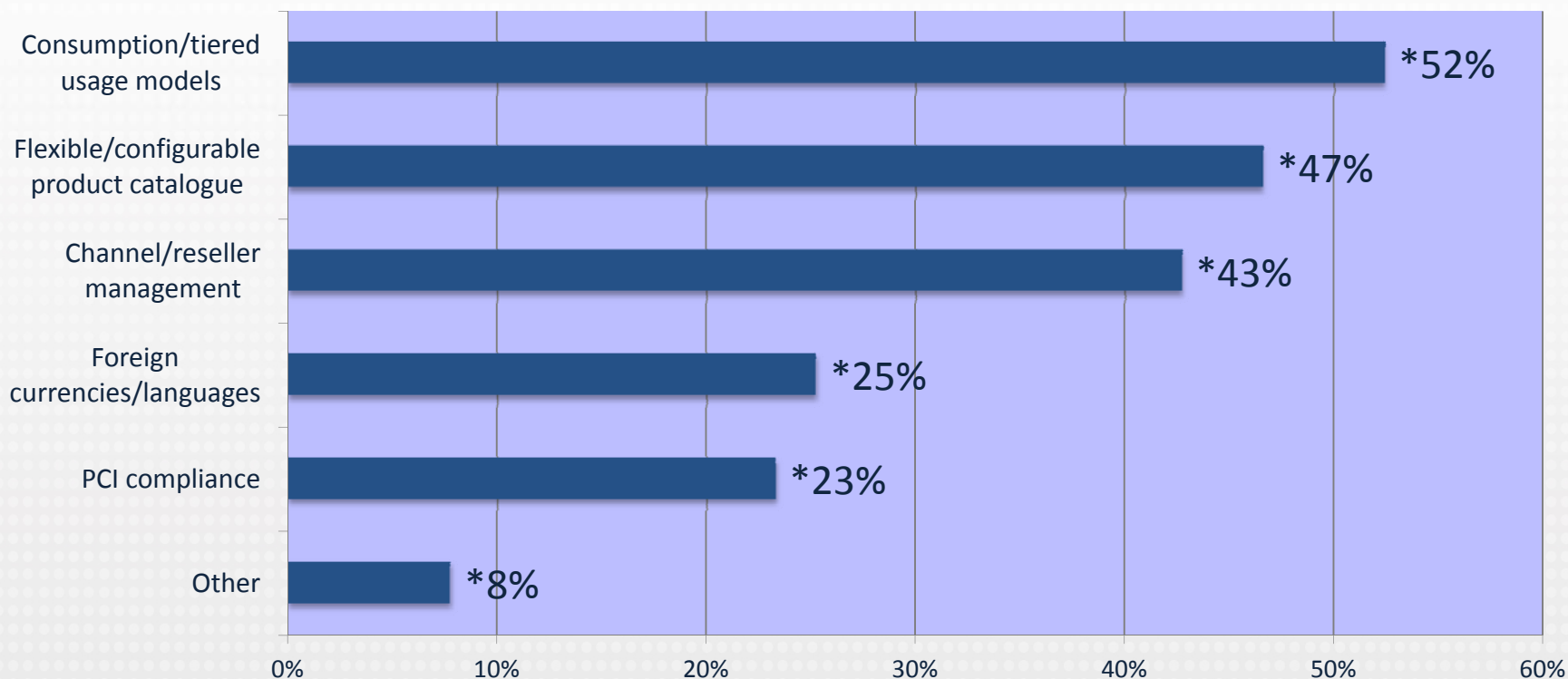
## *Which department in your company is responsible for managing your recurring billing system?*



*Finance and IT manage most companies' recurring billing systems.*

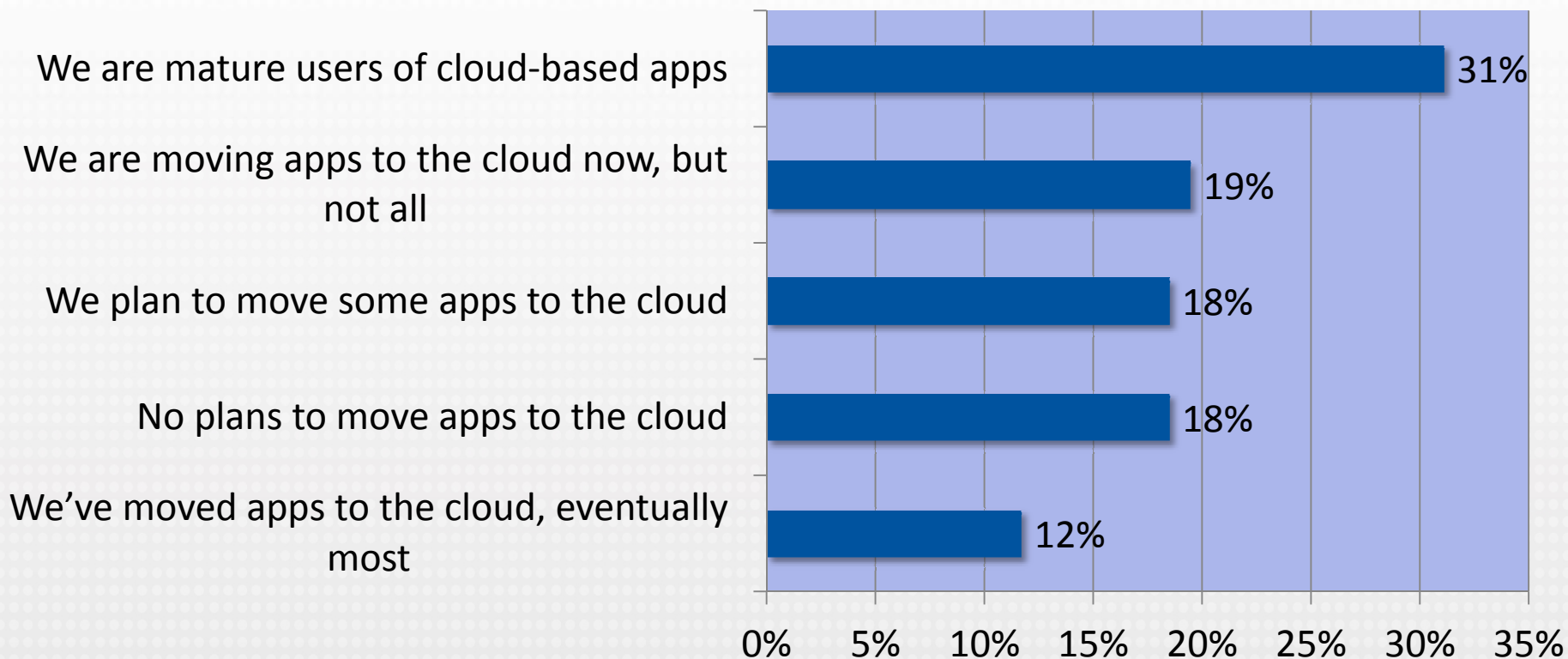


## What capabilities are or would be most valuable for your recurring revenue model?



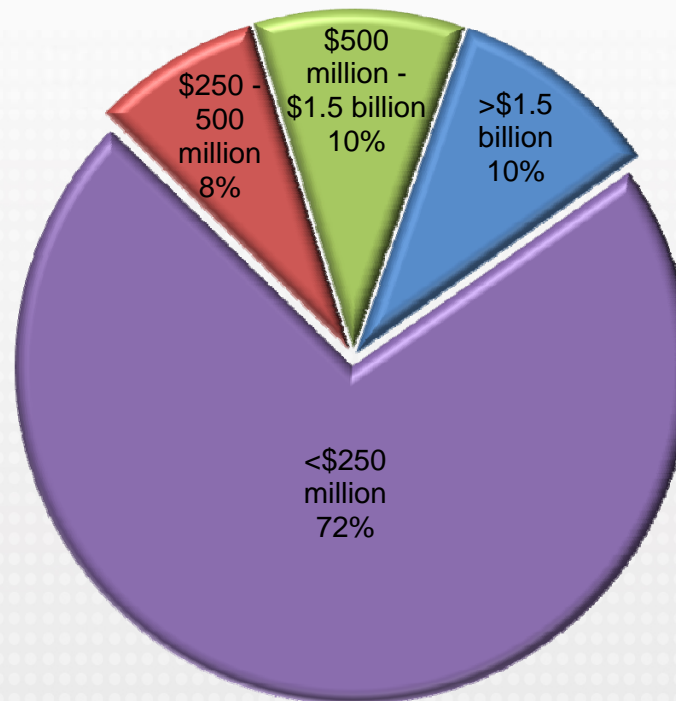
*Respondents most value tiered usage models, a flexible product catalogue, and channel/reseller management.* \* Respondents chose one or more answers

## *Where is your organization with regards to adoption of SaaS or cloud-based billing solution services?*



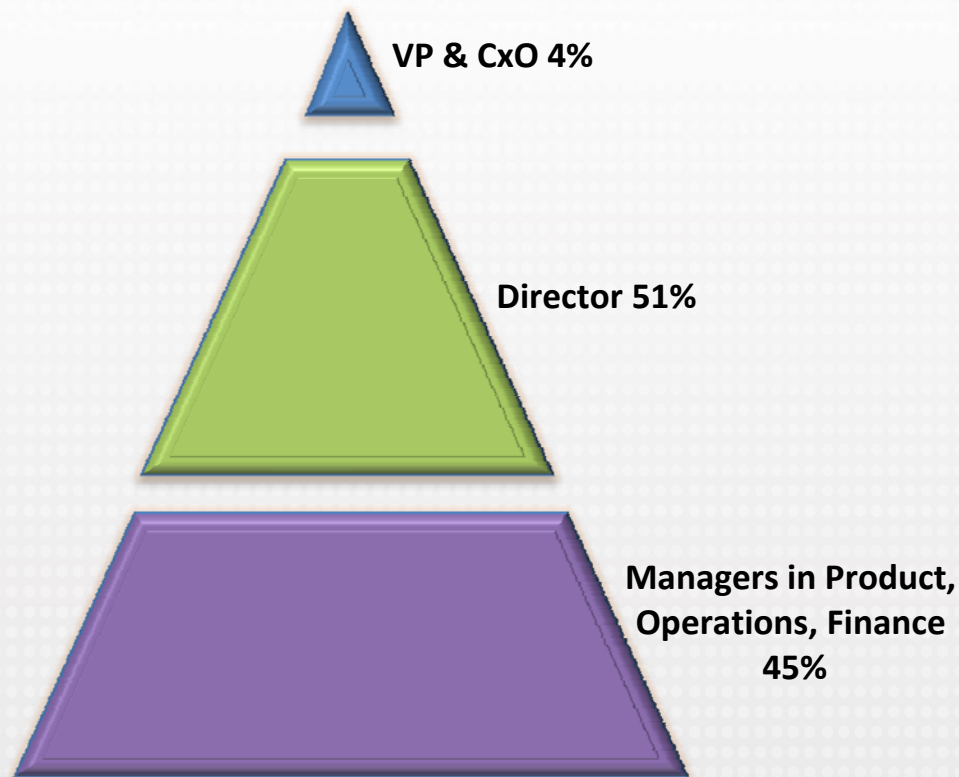
*80% of respondents use or plan to use SaaS or cloud-based billing solution services.*

## *Profile of Respondents: Revenue*



*72% of respondents come from companies with revenues less than \$250 million.*

## *Profile of Respondents: Job Level*



*Responders are primarily Managers and Directors with product, operations, and finance functions.*



Aria Systems sponsored this survey. Aria provides cloud billing for recurring revenue management. The Aria Cloud Billing Platform is the industry's only enterprise class solution that transforms billing into a strategic advantage for enterprises. For more info, visit [www.AriaSystems.com](http://www.AriaSystems.com)



Gatepoint Research, a subsidiary of [SimplyDIRECT](http://SimplyDIRECT.com), designs, drafts and deploys opt-in, invitation-only surveys to management-level executives within leading technology companies. Using web, phone and email-based data collection its cutting-edge IT trends research and data analysis help in the generation of custom reports and thought-leadership content. Gatepoint has deployed over 500 surveys since 2000 and engages over 10,000 decision-makers each year.

## Summary Results • August 2013