



Standardize, Automate, Synergize and Unleash New Revenue Peaks on Your As-a-Service Model

From Perpetual Products to Subscriptions, with
SalesForce Revenue Cloud

White Paper



Introduction

Subscription models have been here even before the advent of the internet. But few would have imagined the impact of disruption that subscription models could bring to industries. Today, some of the most productized industries are turning to as-a-service models to increase their customer base and maximize the benefits of loyalty - after witnessing the success that turned S&P500's eyes towards Netflix and Salesforce, who wouldn't?

The move from perpetual/one-time product sales to subscription models calls for an accelerated transformation in today's competitive landscape, enabled by the right tooling. At the same time, organizations must work to minimize complexity and optimize contact and self-service capabilities. This, coupled with a centralized approach to commercial operations, and a thorough synchronization of silos in the middle office and the back-office, is the key to delivering excellence to every subscriber in the XaaS (anything-as-a-service) economy.

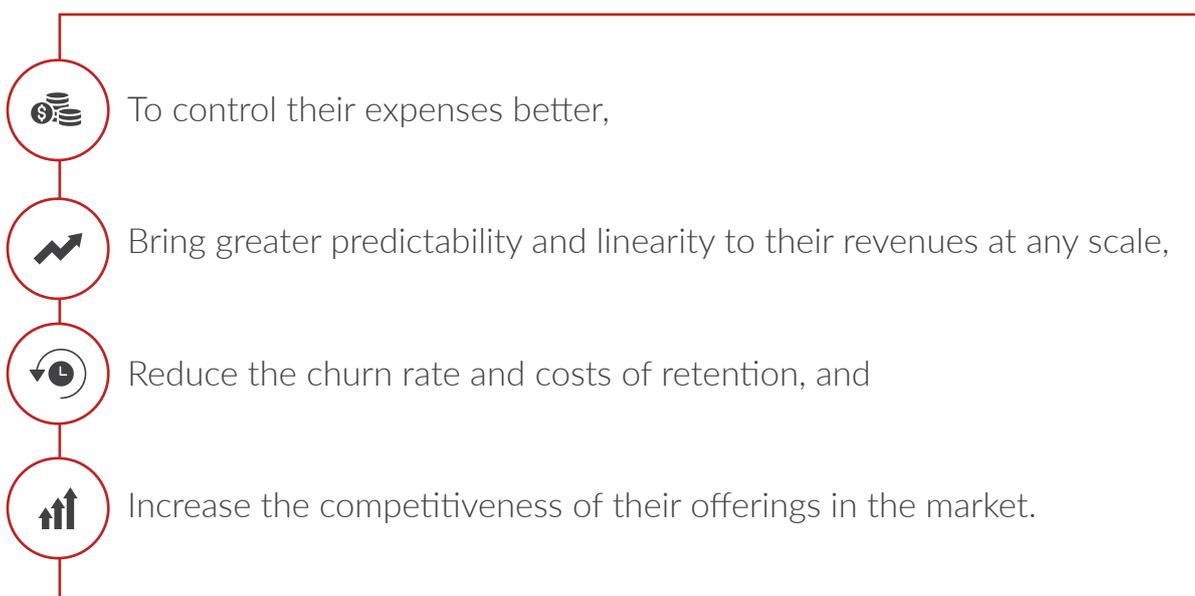
Even in sectors like heavy industrials, manufacturers are turning to a mix of technologies like IoT and AI to lower the entry barrier. However, subscription models don't look as appealing to the legacy middle office and call for a digital makeover built on the premise of synchronicity, visibility, and transparency. Not everyone is a pro at delivering their products as a service - and yet, this business model is at the heart of tomorrow's business. How can enterprises get there, and what's at stake?

The appeal of the subscription model

For the customer, the appeal of the subscription model is rather obvious: it helps reduce the entry barrier by allowing individual purchases to leverage economies of scale. In the B2C world, products become more affordable when sold as services. In the B2B world, the XaaS economy flattens the competitive value of toolsets and shifts the equation of success to the ability to innovate and deliver excellence to the end-user. Moreover, those with shallower pockets are empowered to enter their business, as subscription models turn the CAPEX associated with products into OPEX.

However, subscription models don't limit success and benefits to the buyers alone. In fact, enterprises can deliver greater value to their customers and sell customer-centricity as a value proposition every time their customers renew the subscription. Moreover, by identifying the gaps in the customer journey, upselling and cross-selling opportunities can be closed by bundling and marketing the right add-ons at the right points in the journey.

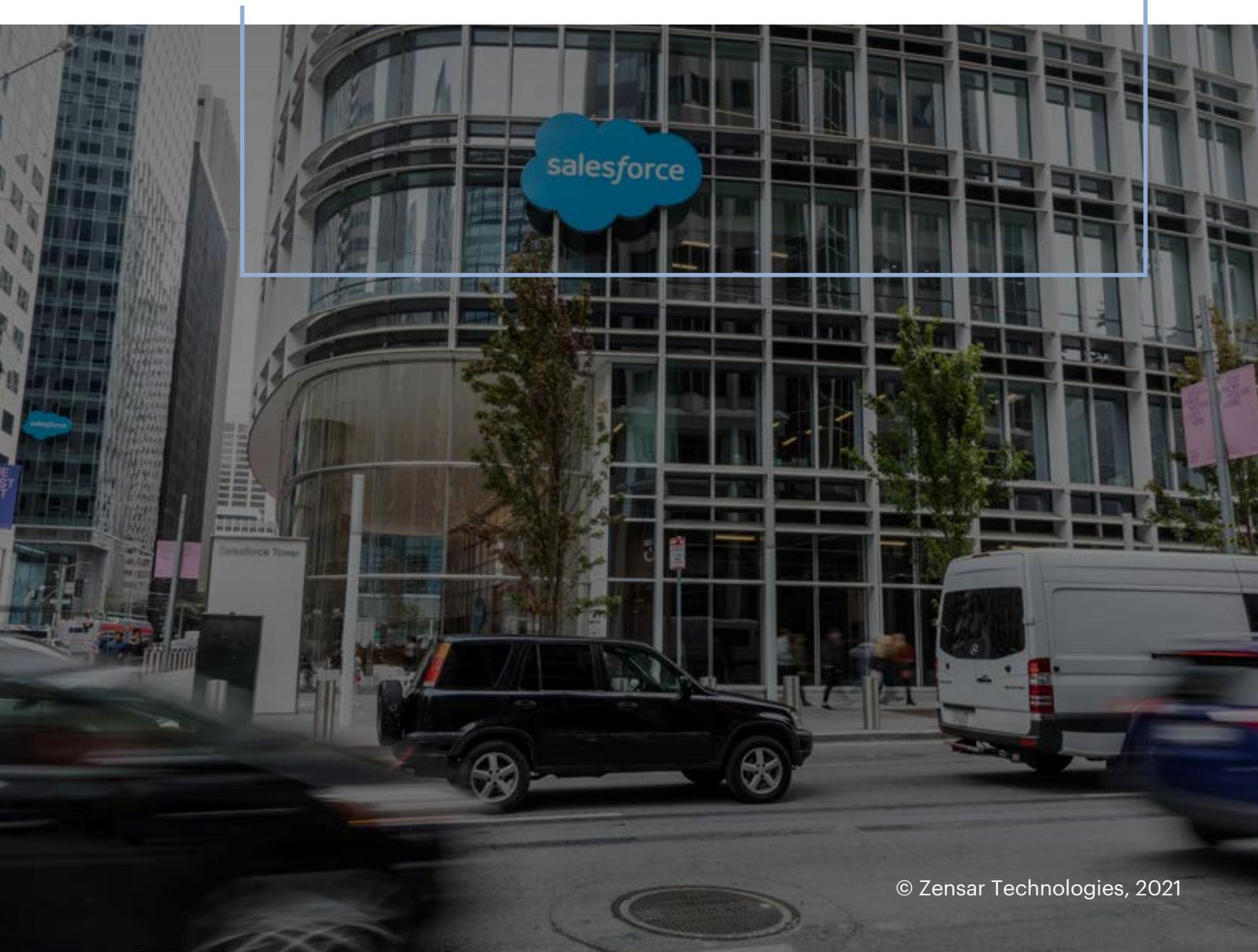
In sum, subscription models allow organizations:



So what's stopping the shift from perpetual products to subscription models? The short answer: **a legacy middle office.**

What's up in the legacy middle office?

While the appeal of the subscription model in an increasingly digitalized economy is more than clear, the legacy middle office stands at odds with this model - and is keeping the CROs and CFOs up at night. This is because legacy middle offices create asynchronicity between facts known to the sales, finance, IT, legal and accounts teams. These silos only amplify the complexity introduced by a wide geographical footprint. At the same time, multiple channels and a sizable portfolio and a manual interface between quoting and billing components also result in revenue leakages, errors, wastage of human hours, and missed upselling and cross-selling opportunities. This is precisely why a transformed middle office is the key to excelling in the as-a-service business. Here is how to do it.



Moving to the subscription model with Salesforce Revenue Cloud

Today, companies that have already moved to the subscription model can no longer operate with sustainable profitability without embedding a single source of real-time financial truth that is shared by the entire enterprise. Moreover, the precision of this information, in addition to a digital capability that can augment human effort with ready-to-use intelligence, is crucial to free up operational spend. This, in turn, can then be applied to deliver greater value through the service portfolio.

This is where Salesforce Revenue Cloud comes into play - and reimagines the legacy middle office without countless integrations, iterations, human experts, and spreadsheets that fail to consolidate the sales journey of customers in the background. With Salesforce Revenue Cloud, enterprises can now automate some of the most demanding processes by leveraging coherent business rules that apply uniformly across the quote-to-cash process end-to-end.

Here are three crucial ways in which Salesforce Revenue Cloud helps enterprises ace the quote to cash cycle in the subscription model:



A single source of financial truth:

From pricing to invoicing, Revenue Cloud helps enterprises embed a single, real-time truth about customers: their accounts, services they have subscribed to, their invoice history, usage, and more. This eliminates the task of creating synchronization cycles between sales and billing, spreadsheets that act as a bridge between departments and result in revenue leakages. More importantly, granular, real-time information helps identify upsell and cross-sell opportunities, brings coherence to cross-channel experiences, and empowers the retention strategy with intelligence based on numbers and strong customer relationships.



End-to-end automation:

When enterprises move to a subscription model, complex services are sold inconsistently across channels. Tracking these sales across channel partners reduces the user-friendliness of the omnichannel proposition - thereby multiplying costs for the enterprise. Moreover, manually tracking contracts, renewals, proration calculations, and invoice generation cost significant human hours while making scalability a function of headcount. With Revenue Cloud, enterprises can automate the quote-to-cash cycle end-to-end - allowing respective functional teams to focus on their key capabilities towards the delivery of value proposition to the customer.



Seamless integrations:

With a solid extended ecosystem of enterprise technology and seamless integration options, Revenue Cloud can enable multiple touchpoints across different systems for a great omnichannel customer experience. Enterprises can track customer usage across services seamlessly, automatically send consolidated invoices, renewal and payment reminders, and reach out to users through the right channel, at the right time, with the best offers to retain them. Revenue Cloud opens enterprises up to top-level insights that are based on granular facts - thereby bringing the cash cycle and the tangible success of the service in the market - into the limelight.



Insights that empower:

Salesforce Revenue Cloud brings cutting-edge AI, machine learning, and IoT-based intelligence to enterprises at an affordable price point. For example, Einstein Cloud, Salesforce's native AI-based intelligence solution, brings ML-powered, high accuracy revenue forecasts, high-fidelity lead scores, automated activity captures, lead assignments, and interaction ice-breakers to the sales reps - thereby allowing them to focus on selling. Moreover, with support for sales flows across a variety of industries, these value propositions are not limited to enterprises that sell digital products only - in fact, Revenue Cloud can help sales reps sail through a heavy industrial deal as effortlessly as a commercial insurance one.



Empowering customers:

Beyond these business benefits, a Commerce Cloud and Revenue Cloud integrated view can help enterprises move to a more seamless sales and service response process by allowing the customer to configure products on the digital carts with a self service experience.

In today's hyperconnected XaaS economy, selling a product as a service isn't enough. Enterprises must consider what propels their product beyond prospecting, and how the industry is disrupting the existent value propositions with new, value-added services. If a business is thriving and expanding, then the complexity of the as-a-service sales is bound to grow. This is precisely where the right toolset can make or break the success of a subscription model.

Finding the XaaS edge

Here are three pillars of success in today's subscription economy:



Lightning-fast delivery:

Whether it is a B2B product or B2C, today's buyers expect lightning-fast deliveries. Doing so with an as-a-service model requires a lot more than fast logistics or responsive sales reps - it requires automated instant quotes, guided selling processes, and organization-wide change - especially when moving away from a perpetual product/one-time sales model.



Repeatable customer-centricity:

When customers subscribe to a service, enterprises must deliver on user-centricity across and at every single renewal. This calls for repeatable empathetic interactions, intuitive self-service capabilities, and consolidated invoices that communicate transparency and build trust every single cycle.



Tech-powered predictability:

Subscription models bring faster revenue realization and recognition if done right. This can be translated into greater predictability, not only of revenues but also of the product roadmap as a whole - by creating synergies across product, finance and service teams both horizontally and vertically.

Delivering on these pillars of success calls for a reputed, trustworthy technology partner that can help enterprises navigate both technological and process-based change, and ease it for the people that power them. Zensar has been helping enterprises repeat success by aiding in the transition to subscription models using Salesforce Revenue Cloud.

The Zensar Advantage

Besides a number of successful SFDC implementations with a wide variety of clients over the last 10 years, here are a few advantages of choosing Zensar as your technology partner:



Accelerated implementation:

Zensar's proprietary framework can help companies accelerate discovery and implementation timelines by 40% in their shift to a subscription model.



Minimized risk:

By leveraging pre-built business processes, integration strategies, and data migration strategies, an implementation with Zensar minimizes the risks involved in a variety of scenarios - including in-flight transformations and provisions for CRM and ERP alignments.



Synergy-building:

A subscription model can be successful only with a thorough enmeshing of sales, IT, product, and finance teams - Zensar stimulates this shift from an opaque, siloed organization from the get-go of an engagement to ensure success at the endpoint.

Closing the loop in the subscription model

Moreover, Zensar also brings a proprietary toolset that ensures success in a global environment involving high-complexity products. Our FX Rate Converter is sensitive to global currency conversion rates and can reduce global quote creation time by 30%. Similarly, Flexi-Renewal empowers customers to edit and modify assets and subscription products in one go and speeds up contract amendment and renewal timelines by 20%. Deal Risk Review enables deal structures to bounce rapidly between operations, finance, and technical teams for data accuracy, margins, and sizing accuracy - before an order is logged into the ERP system.

Sailing through a complete makeover

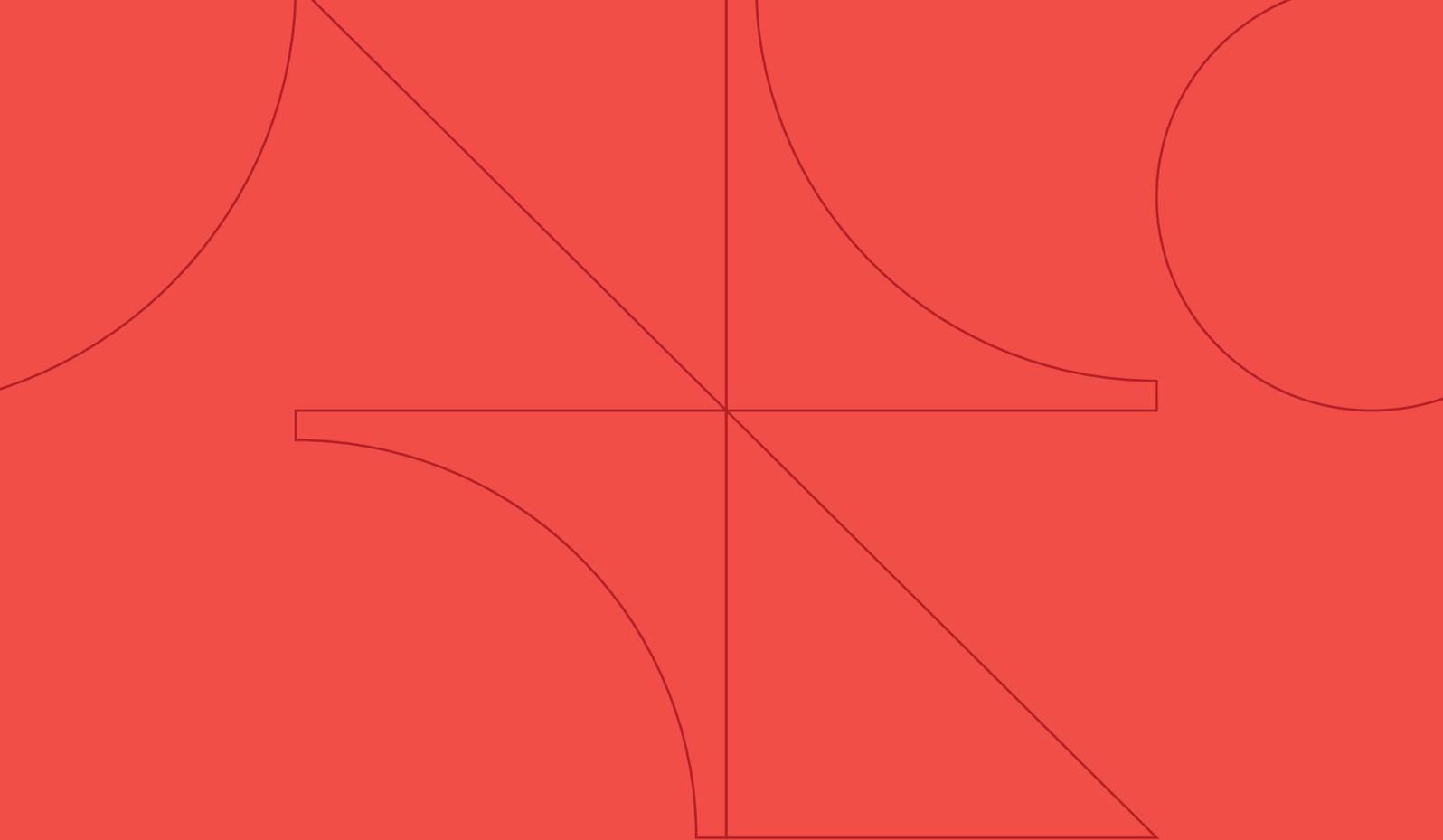
A US-based communications infrastructure company wanted to move from a yearly selling model to a subscription model and streamline a complex product management process underpinned by a suboptimal lead-to-cash cycle. Zensar brainstormed a framework for shifting to a subscription model with the client, implemented an end-to-end lead generation to order booking process, and injected intelligent automation into the pricing, consolidated invoicing and billing, and customer management lifecycle. In the process, it helped the client boost its sales conversion rates by 35%, quote generation speed by 80%, and achieved a 100% accuracy in subscription and consumption billing with Salesforce Revenue Cloud.



Conclusion

Such success stories are helping enterprises redefine their legacy offerings in today's context, and more importantly, take their revenues to all-time highs. Subscription models are not only here to stay, but the future of sales across industries. In the process, enterprises must understand that the success of subscription models can never be a zero-sum game, and bringing tangible value to the customer while ensuring sizable margins for the enterprise requires a well-calibrated move.

Now is the time to make the move, and bring a disruptive value proposition to your industry - after all, over 77% of organizations pivot the financial success of a transformation journey on revenue growth levers. In today's economy, where most buyers are looking for flexibility and lower entry barriers, a subscription model is a must for enterprises that are looking to generate sustainable and predictable revenue growth over the coming years.



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