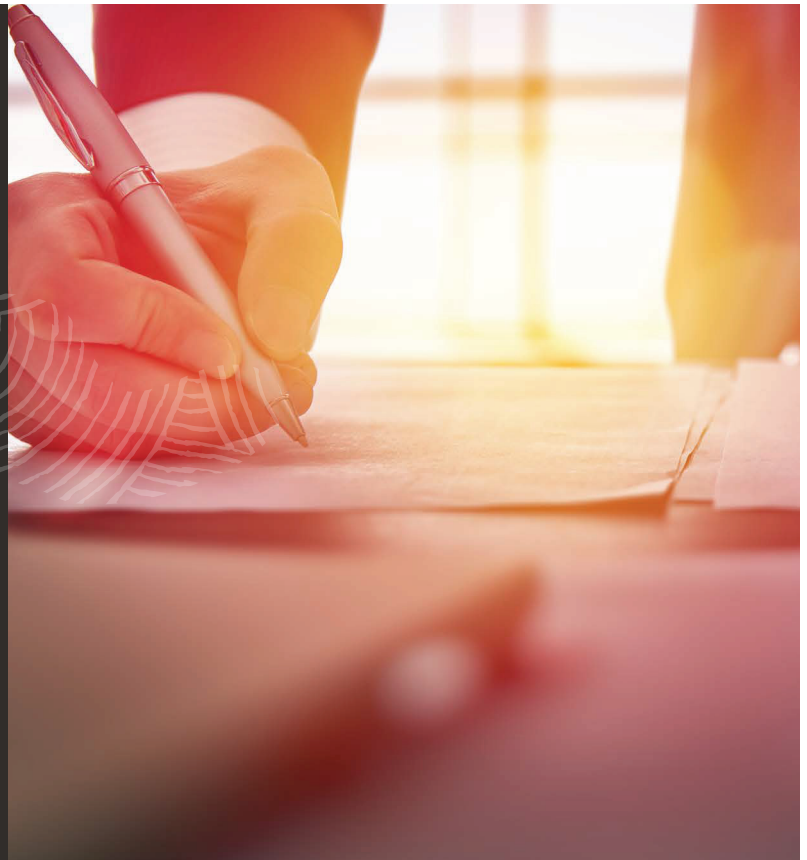




Automate Renewals, Increase  
Customer Retention and Reduce Cost

## NetSuite Contract Renewals



Recurring revenue from ongoing licenses, support and maintenance contracts is the lifeblood of software companies. Managing and optimizing these recurring revenue streams is critical to the long-term health and success of software companies, including both cloud computing vendors and traditional software providers.

Yet today, many software companies suffer revenue leakage and customer churn because they rely on cumbersome, inefficient and sluggish manual processes to manage contract renewals and account for recurring revenue.

The many spreadsheets and organizational handoffs involved introduce costly errors and delays, obscure visibility into the renewal pipeline and rob companies of the opportunity to capitalize

### Key Benefits

- Automate renewals through a flexible and powerful process that lets you track renewable assets and maximize renewal revenue.
- Reduce costs through better billing efficiencies, and drive revenue and customer retention.
- Gain real-time reporting and visibility into your installed base and renewal pipeline, as well as the status of renewal revenue, upsells and returns.

on the potential of contract-based business. In many cases, software companies leave money on the table because they cannot respond quickly enough to expiring customer relationships.

NetSuite provides the critical end-to-end functionality that software companies require to effectively manage their renewal business.

## Key Capabilities

### Renewal Automation

By leveraging NetSuite's flexible and powerful automated renewal process, software companies that offer perpetually licensed and term-licensed products can effectively manage the recurring billing of both on-premise and on-demand software licenses. NetSuite enables customers to automatically generate renewal transactions based on a pre-defined window, such as 90 days or 120 days before expiration. This ensures that renewals are handled in a timely fashion and revenue opportunities aren't missed. It also streamlines workflow and reduces time, expense and risk.

### Multi-Contract Management

One of the many issues around renewals is managing the multiple transactions that typically occur with a customer over the course of a year. Some of these may be one-time transactions for training or consulting, while others are annual contract renewals for new users, product and module licenses, or support and maintenance entitlements.

NetSuite simplifies this process—for both the vendor and the customer—by allowing the co-termination of multiple transactions into a single contract with a single renewal. At the same time, multi-contract support provides for additional

flexibility when it may not be appropriate to co-terminate all items under a single contract. This streamlined approach helps ensure maximum revenue during the renewal process.

### Uplift and Discount Management

Uplift and discounting are critical aspects of the contract renewal process. As a software company renews a customer, it may increase pricing based on a pre-defined price book or a standard across-the-board increase, or it may implement increases only for some customers or customer sets. Similarly, the company may extend discounts to select customers.

It's important that a software company have the flexibility to implement and customize uplifts and discounts across any range of customers; however, managing that process with spreadsheets introduces the risk of error, lost revenue and customer dissatisfaction. NetSuite supplies a set of features that enable uplifts to be managed across the board or on a customer basis, while supporting granular discounting down to the individual transaction level.

### Revenue Recognition

The process of recognizing revenue from contract renewals presents another challenge to software companies. In most cases, revenue recognition follows the same set of dates as the transactions themselves. In some cases, however, revenue recognition needs to be handled separately, depending on transaction types and new Financial Accounting Standards Board (FASB) rules. This separation of revenue recognition often requires yet another process to be created, further increasing the time and workload for a renewal.

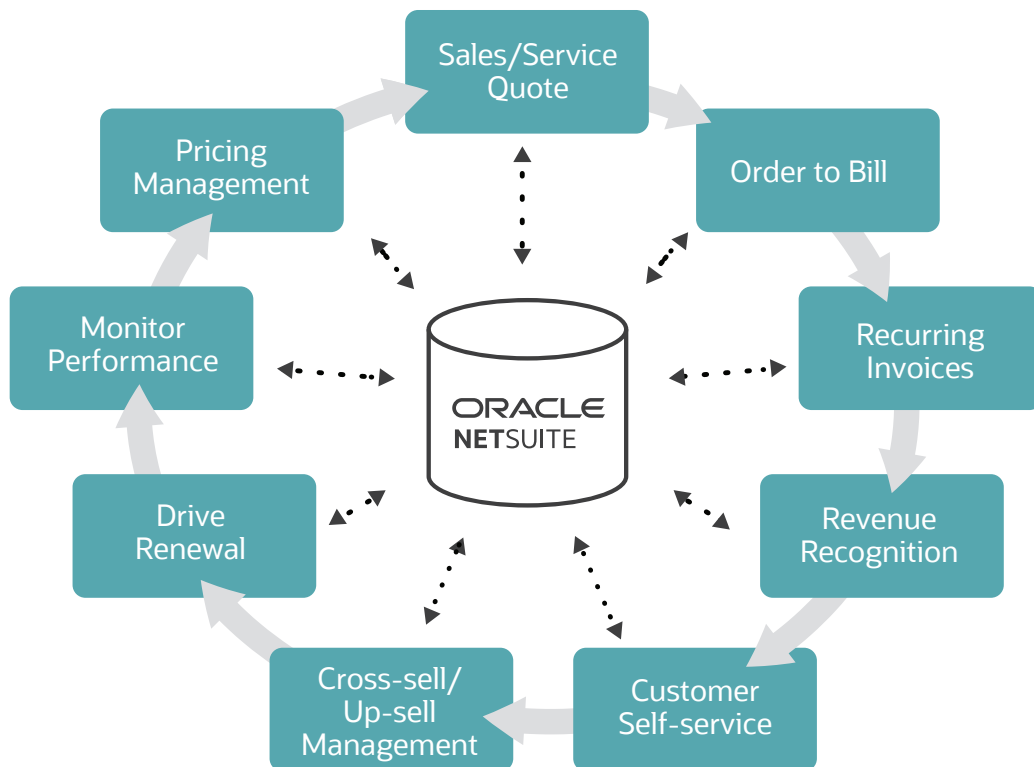
NetSuite solves this challenge by providing the flexibility to manage different sets of dates for revenue recognition purposes. This capability allows the contract renewal and billing process to flow automatically, while revenue recognition can follow a different process without requiring a new set of spreadsheets and additional complexity.

### Reporting and Visibility

Reporting and real-time visibility is essential to optimizing the recurring revenue stream. But spreadsheets and manual processes make it difficult to track and manage expiring contracts, renewal status, priority renewals, customers at risk of downsell or non-renewal, and the overall

installed base. The result is too often revenue leakage, customer churn and failure to take advantage of upsell opportunities with customers renewing multiple products or services at once.

NetSuite's real-time dashboards deliver the visibility and drill-down that software companies need to take control of contract renewal management. Visual dashboards provide key performance indicators (KPIs) that let staff easily track and manage critical contracts, the renewal pipeline, opportunities for upsell and more. Interactive drill-down and reporting enables granular analysis of customer and contract types, and weaknesses in need of improvement.



NetSuite provides the critical end-to-end functionality that software companies require to effectively manage their renewal business.