

NetSuite Contract Renewals

Automate Renewals, Increase Customer Retention and Reduce Cost

KEY FEATURES

Automated Renewals

- Automate renewals based on pre-defined windows
- Execute perpetual or term-based license renewals
- Improve efficiency and reduce costs

Multi-Contract Management

- Co-terminate multiple transactions into a single contract
- Maintain multiple contracts as necessary
- Streamline processes for vendor and customer

Uplift and Discount Management

- Automatically uplift contracts based on a price book or across the board
- Flexibly implement discounts and uplift at customer or contract levels
- Reduce risk of lost revenue and customer dissatisfaction

Upsell and Returns

- Automatically renew upsell items added to existing contracts
- Remove contract items through a Return Merchandise Authorization

Multi-Channel Support

- Track and manage multi-tiered sales interactions
- Better engage with distributors, resellers and end-users

Real-Time Visibility

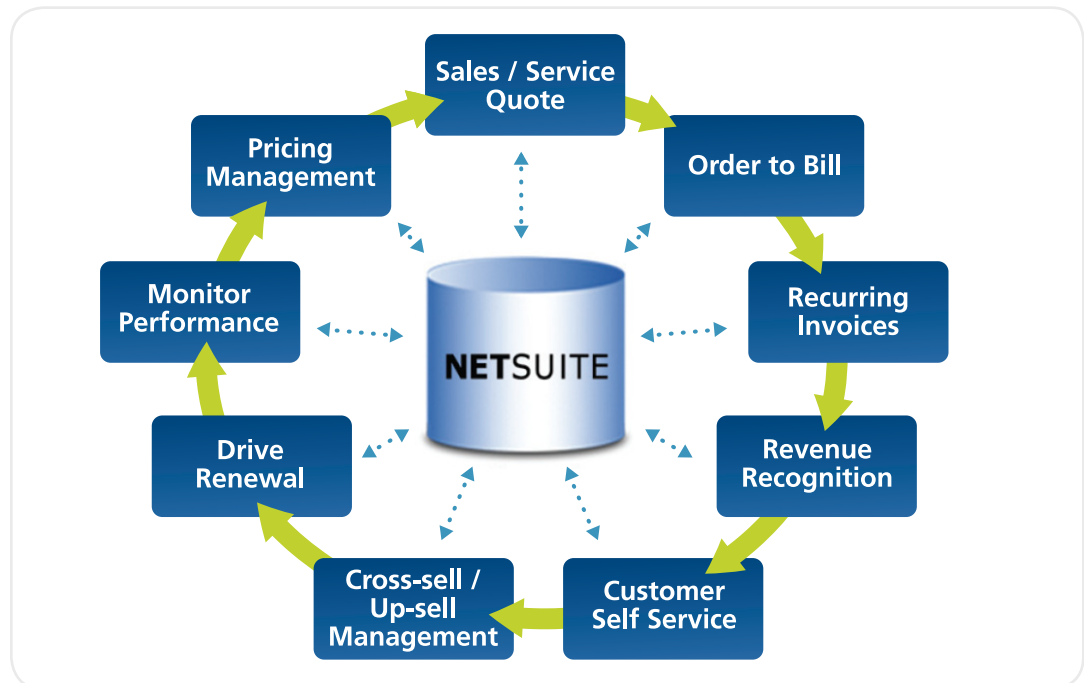
- Track renewal tasks as they are automatically added to dashboards
- Monitor KPIs of key metrics, trends and priority items
- Drill down to detail data for interactive reporting

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 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. With robust automation, scalability and visibility, NetSuite's contract renewals capabilities let you:

- 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.



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

 Find out more: contact NetSuite, Inc. at 1-877 NETSUITE or visit www.netsuite.com/manufacturing

Key Capabilities

Renewal Automation

NetSuite enables customers to automatically generate renewal transactions based on a pre-defined window

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

NetSuite's approach helps ensure maximum revenue during the renewal process

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 Discounting

NetSuite enables uplifts to be managed across the board or on a customer or contract basis

Uplift and Discount Management

Uplift and discounting are critical aspects of the contract renewals 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 or contract 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.

 To find out more, contact NetSuite Inc. at 1-877 NETSUITE or visit www.netsuite.com.

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 and customer churn, and failure to take advantage of upsell opportunities with customers renewing multiple products or services at once.

Real-Time Visibility

NetSuite's real-time dashboards deliver the visibility and drill-down that software companies need to take control of contract renewal management

The screenshot displays the NetSuite dashboard interface with several key components:

- Reminders:** 9 Sales Orders to Approve, 19 Renewal Sales Orders.
- Production Seats - Trend 1:** A bar chart showing production seats from 2010-05 to 2011-11, with a total of 13 found.
- Top 5 Items By Qty Sold:**

#	Item	Qty. Sold
1.	Production Seats	4,305
2.	Support - Gold - New	10
3.	Advanced Billing	9
4.	Mid-Market Suite	9
5.	Enterprise Suite	8
- KPI Meter:** A gauge for Renewal Sales Orders showing a current value of 19 out of a target of 100.
- Key Performance Indicators:**

Indicator	Period	Current	Previous	Change
Renewal Sales Orders	Current	19		
Revenue	This Period vs Last Period	\$0	\$0	0.0%
Income	This Period vs Last Period	\$0	\$0	0.0%
Sales	This Month vs Same Month Last Qtr. to Date	\$501,600	\$454,500	+ 10.4%
Total Sales (Orders)	This Month vs Same Month Last Qtr. to Date	\$2,063,760	\$454,500	+ 354.1%
New Business (Sales Orders)	This Month vs Same Month Last Qtr. to Date	\$1,003,200	\$454,500	+ 120.7%
New Customers (Sales Orders)	This Month vs Same Month Last Qtr. to Date	1	1	0.0%
- Monthly Sales (Orders) Trend:** A line chart showing sales from Jan 10 to Jan 11, with a rolling average line.
- Contract Items List:** A table listing contracts with columns for ID, Contract ID, Quantity, Order Type, Item, Item Category, and Start Date.

ID	Contract ID	Quantity	Order Type	Item	Item Category	Start Date
27_9_2010-02-01_2011-01-31	75 Contract - New	75	Contract - New	NetSuite : Production Seats	License - Term	2/1/2010
156_38_2010-02-01_2011-01-31	100 Contract - New	100	Contract - New	NetSuite : Production Seats	License - Term	2/1/2010
75_10_2010-02-15_2011-02-14	60 Contract - New	60	Contract - New	NetSuite : Production Seats	License - Term	2/15/2010
2_1_2010-03-01_2011-02-28	50 Contract - New	50	Contract - New	NetSuite : Production Seats	License - Term	3/1/2010
7_2_2010-03-01_2011-02-28	20 Contract - New	20	Contract - New	NetSuite : Production Seats	License - Term	3/1/2010
24_8_2010-03-15_2011-02-28	100 Contract - New	100	Contract - New	NetSuite : Production Seats	License - Term	3/1/2010
78_11_2010-03-15_2011-03-14	400 Contract - New	400	Contract - New	NetSuite : Production Seats	License - Term	3/15/2010
17_6_2010-04-01_2011-03-31	100 Contract - New	100	Contract - New	NetSuite : Production Seats	License - Term	4/1/2010
30_12_2010-04-15_2011-04-14	240 Contract - New	240	Contract - New	NetSuite : Production Seats	License - Term	4/15/2010
159_38_2010-02-01_2011-01-31	50 Contract - Upsell	50	Contract - Upsell	NetSuite : Production Seats	License - Term	5/1/2010
34_13_2010-05-15_2011-05-14	120 Contract - New	120	Contract - New	NetSuite : Production Seats	License - Term	5/15/2010
39_14_2010-06-15_2011-06-14	1000 Contract - New	1000	Contract - New	NetSuite : Production Seats	License - Term	6/15/2010
160_38_2010-02-01_2011-01-31	-20 Contract - Downsell	-20	Contract - Downsell	NetSuite : Production Seats	License - Term	7/1/2010
45_15_2010-07-15_2011-07-14	500 Contract - New	500	Contract - New	NetSuite : Production Seats	License - Term	7/15/2010

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.

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