IPA

IP APPLICATIONS | *the Cloud Billing Company*

untangle™

Subscription Billing as a Marketing Enabler
IPA and Untangle partner to enable a "Freemium" business model

CHALLENGES AND GOALS

☐ **CONSISTENCY:** Untangle managed it's free, annual and monthly subscription customers using different systems and different processes.

- **Untangle was looking to become very subscription centric in the way it tracked and managed all of it's customers and revenue.**

☐ **VISIBILITY:** The Untangle executive team was finding it difficult to get a consolidated view of the health of their subscription business.

- **Real-time views of subscribers and revenue was the executive priority.**

☐ **FLEXIBILITY:** Rolling out new subscription offerings was out of the question considering how much effort was required to manage the current subscription business volume.

- **Sales and Marketing were looking for the ability to launch new subscription plans without overwhelming the finance team.**

RESULTS

Untangle selects IPA's subscription billing solution to monetize it's entire line of premium subscription products. The solution is fully integrated and live in under a month.

✅ Untangle Sales and Marketing can now roll out new plans and pricing quickly.

✅ Untangle executive team gets a comprehensive, real time view of their subscription business.

✅ Quick ROI: Untangle immediately saves hours each week by automating all billing operations with IPA's subscription billing.

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We now have the ability to easily roll out new subscription offerings to our customers, that we just couldn't before. Equally importantly, we're able to measure and manage our subscription business in real time.

Mark Floisand, COO, Untangle

Untangle Background

Untangle is a proven leader in simplifying IT, providing protection, management and control of over one million computers in 20,000 organizations – in small businesses, departments, schools and homes. The Untangle Gateway, the world's first commercial-grade open source solution for blocking spam, spyware, viruses, adware and unwanted content on the network, provides a free and better alternative to costly, inflexible proprietary appliances.

Untangle operates a "Freemium" business model whereby some of their products are free while others are premium products and are chargeable based on subscriptions. This in and of itself introduces a complexity around managing subscribers. Combine that with Untangle's extensive premium product line they make available both as annual or monthly subscriptions and the subscriber management and billing problem gets more and more complex.

Additionally, Untangle has a number of resellers and managed service providers (MSPs) that sell the Untangle solutions and ultimately manage them for the customer.

Why was Untangle looking for Subscription Billing?

As with most organizations that run subscription business models, over time, the complexity of Untangle's business grew to the point where they were spending far too too much time managing recurring billing, were incapable of rolling out new subscription offerings and couldn't give the executive team the visibility they needed into the health of their subscription business.

Become a Subscription-centric Business

The complexity of Untangle's business evolved over time. For example, they had rolled out monthly and annual subscription options at different points in time. They began using an automated recurring billing solution from a major payment gateway to handle the monthly customer payments. They tracked their annual customers separately and revisited those accounts each year to handle the renewals manually. In the end, Untangle had separate repositories and billing processes for their free subscribers, their annual subscribers and their monthly subscribers.

In order to simplify their backoffice processes and get more acurate and timely information on the health of their business Untangle needed to move all of their subscribers and revenue into one place.

Marketing and Sales Flexibility

It may seem counter-intuitive but the Marketing and Sales team is quite often a catalyst to begin the search for a subscriber management and billing system.

Marketing teams for SaaS solutions and other online services are increasingly working on new packaging and pricing models in an effort to address market segments they have been missing. In most cases, this causes tremendous amounts of work for the backoffice teams that now need to figure out how to bill for these new pricing models.

Untangle had held off introducing new subscription offerings as their finance team was simply not able to deal with the added workload.

Efficiency and Accuracy

As Untangle's subscription business grew it became clear their finance department would be overwhelmed if they continued their billing using spreadsheets and manual processes. Tracking down annual renewals in one system, figuring out the number of subscribers on each monthly subscription account and calculating the pro-rated line items became a daily effort.

This effort was compounded by the normal business issues of accepting credit cards. Expired cards had to be tracked down manually and replaced with newly issued cards. Payment failures had to be retried manually. One month's billing processes easily bled into the next as handling the exceptions became increasingly time consuming.

Untangle and IPA

Deciding they needed a single solution to their subscription management and billing problem, Untangle began to look at their options. In addition to the business goals above, they had identified some other key requirements of a billing partner:

Untangle has customers that subscribe directly with us, and others that rely on our resellers to manage their Untangle system. In choosing a subscription and billing vendor, it was critical for us to find a partner who's system could accommodate our multi-channel business model. We didn't want to change our entire business to fit into the requirements of the billing engine. IPA's flexibility and robust application programming interface (API) allowed us to integrate quickly and effectively.

Mark Floisand, COO, Untangle

On Demand: Being a subscription company that delivers services from the cloud, Untangle understood the key benefits of selecting a billing solution available as a service:

- **Faster ROI:** Implementations are faster and cost far less than traditional onpremise billing systems.
- **Value:** Since pricing is based on Untangle's revenue, their financial commitment scales with their business. There are no large up-front fees.

Flexibility: Untangle did not want to sacrifice flexibility in order to get an on-demand solution. They had grown their business using a specific model and absolutely did not want to change their subscription plans and business processes to accommodate their billing system.

The Solution

ROI: Untangle went live with IPA's solution in under one month. This included complete integration of IPA's solution into Untangle's storefront, service and business processes as well as the migration of their existing customers to IPA.

Product Catalog: Untangle configured all of their premium subscription services in IPA's product catalog.

Subscription Centric: All of Untangle's premium subscribers and revenue are managed by IPA's solution.

Real-time Reporting: With a centralized view of their subscribers and services, Untangle now has unprecedented access to real-time data about their business. They no longer have to consolidate data from multiple spreadsheets and solutions to get an already out of date view of the business.

Integration: Untangle continues to use other key systems to run their business. IPA is integrated into their storefront for online sales and their finance systems for revenue recognition.

Some of our products are free; others are chargeable on subscription, either monthly or annually. We wanted a system that would enable us to easily manage a subscription-centric business and simplify our processes.

Mark Floisand, COO, Untangle

About IPA

For the past 11 years, IPA has been a pioneer in the on-demand billing space and worked with hundreds of customers to monetize their businesses. Expertise in subscription billing sets IPA apart from similar service providers and attracts established customers North America-wide. IPA's customers range from high growth, innovative on-demand solution providers to large household name companies like AOL Canada, Sprint, Amway and Bell Mobility.

IPA makes it possible for any company to rapidly build, manage and grow their online subscription business. IPA operates out of Vancouver, BC Canada. IPA - The most complete, experienced, end-to-end subscription billing and payments service available from the cloud.

For more information visit ***www.ipapplications.com***