



## The Future of Billing:

How to leverage cloud computing and  
SaaS billing for business advantage

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## { Introduction }

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### **Cloud computing is not the goal; business advantage is.**

Revenues are down. Profitability has suffered.

This guide aims to facilitate a discussion around moving to the cloud and in particular implementing a SaaS billing model for your business. We achieve this by providing a non-technical, structured overview of what cloud computing is and what benefits and potential risks exist.

We will explore why your company would want to implement a SaaS billing model and look at a few business benefits including: *cost-saving, efficiency, flexibility and performance*.

Today we witness significant challenges in the business landscape as many executives and business owners are driven to convert fixed costs to variable costs, while restructuring the budget to increase the focus on innovation and decrease the cost implications of fixed assets such as IT infrastructure; At the same time trying to extract the maximum efficiencies possible from the existing IT systems, something that companies have achieved only through substantial capital commitments.

**Two eternal facts of business:** People are expensive, and profitable business growth requires the ability to scale efficiently and cost effectively. Cloud computing enables companies to scale IT infrastructure very quickly and efficiently to accommodate business growth and make provision for downturn.

There are numerous SaaS billing solutions available; however, for the purpose of this guide, we make special reference to SnapBill, possibly the most flexible SaaS billing solution on the market today.

We hope you enjoy and find the guide useful.

Follow and chat with us via twitter: [@Snapbill](https://twitter.com/Snapbill)

We would love to have a discussion with you once you have had a chance to review this guide. We are here to help and if you are contemplating the implementation of a SaaS billing solution in your business then you can find our contact information below. We look forward to speaking with you.

Welcome to the cloud.

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# 1. Cloud computing defined

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“Cloud” is a collective term for a large number of developments and possibilities. It is not an invention, but a “practical innovation”, combining several earlier inventions into something new and compelling. Much like the iPod is comprised of several existing concepts and technologies (the Walkman, MP3 compression and a portable hard disk), cloud computing leverages several already available technologies: high-bandwidth networks, virtualization, Web 2.0 interactivity, time sharing and browser interfaces.

Cloud computing is generally considered to encompass services offered at three distinct levels: **Infrastructure**, **Platforms** and **Software (Application)**.

- **IaaS (Infrastructure as a Service):**  
At its most basic level, the cloud provides raw computing power & storage capacity to run and manage any public or private cloud application. Examples include Amazon Web Services, VMWare vCloud and the Rackspace Cloud etc.
- **PaaS (Platform as a Service):**  
Provides a platform, or runtime environment, together with tools with which to create, deploy & manage applications in the cloud. Examples include Microsoft Windows Azure and Google AppEngine.
- **SaaS (Software as a Service):**  
Provides ready-to-go software (applications) that reside in the cloud and use a combination of cloud based compute and storage services. Common examples include Salesforce.com, Windows Live, Gmail and in this guide, SnapBill.

The value proposition of cloud computing in your business can best be recognised from a financial perspective as it allows you to align your costs with revenues. You no longer experience the problems of having numerous fixed costs that could potentially hurt your margins.

Some key benefits of cloud computing to take account of:

- Cloud-resident businesses can scale revenue much faster than their traditional counterparts. Revenues can be generated at much lower cost.
- The more modular, scalable, and open to third parties your businesses processes are, the greater their versatility.
- The cost of an IT solution directly relates to the volume of a company's business, compared with a constrictive, fixed-cost model.

“CEOs who think of cloud computing as strictly a better solution to internal IT will miss a potentially huge opportunity.” - **PwC**

## 2. Heart of the matter: What is SaaS?

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Put simply, SaaS (Software as a Service) is a means of accessing “hosted” software supplied by a third party via a web browser. It has many other features, but typically:

- Payment as you use it model – Monthly subscription (no upfront investment)
- Instant availability
- Free package or trial period – You try the solution before committing so you can make an informed decision for your business.
- No IT overheads – You don't need to own servers to run the software.
- Free access to new features and updates.

If you log-in to use your Gmail account from a computer or access your Facebook account on your mobile phone – you are already using the cloud. As a result, if you understand the benefits of using the above applications on a timely basis, you can easily grasp and appreciate the underlying key benefits of a SaaS solution for your business.

## 3. Why move to the cloud? The business impact

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Let me paint you a picture of how pragmatic and useful it is choosing the cloud computing model in contrast to a traditional IT model.

*For example, under a traditional IT model, if your business needs to change, it will likely take significant time to react (e.g. purchasing and deploying equipment, altering business infrastructure and processes etc.), coupled with the inevitable cost implication. If the increased need for IT support was temporary, your business would be left with equipment and resources being underutilised.*

*With cloud computing, capacity is available when your business needs it. This avoids underuse of IT systems when lower capacity is required, allowing for reallocation of resources as necessary. You no longer have to go through significant software upgrades, which require large capital outlays, significant rollout time, and a loss of productivity during the adoption of a business-wide upgrade. Your business can begin using new applications on a real-time basis, with minimal start-up cost and significantly less effort.*

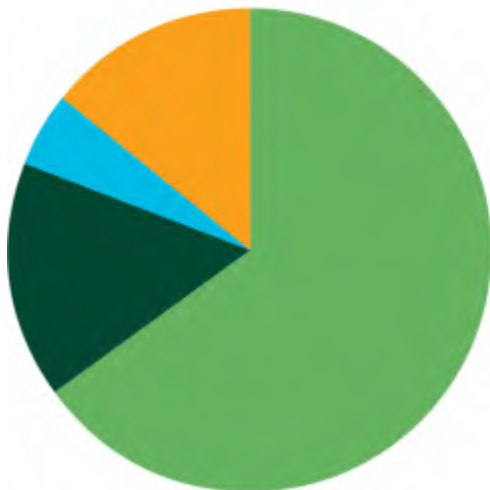
With industries becoming more competitive, coupled with an unstable and increasingly unpredictable economy. We see markets changing, primarily spearheaded by economics, social and technology implications. Opportunity exists for those who see it.

“A best practice approach for cloud computing is to define the organizational IT, services levels, infrastructure needs, platform, and application strategies. Then identify areas where cloud computing may be applied for reducing costs, maximizing efficiencies, enabling integration between disparate systems and/or adding supplementary functionality for existing system.” - **Keean Persaud, Managing Director, Eval-Source**

- **Economic implications:**
  - Urbanisation
  - Managing profitability
  - Market competition
- **Social implications:**
  - Balance of power shifting towards customers
  - Demographic change
  - Social and online networks
- **Technology implications:**
  - Loyalty replaced by price comparison
  - Mobile technology

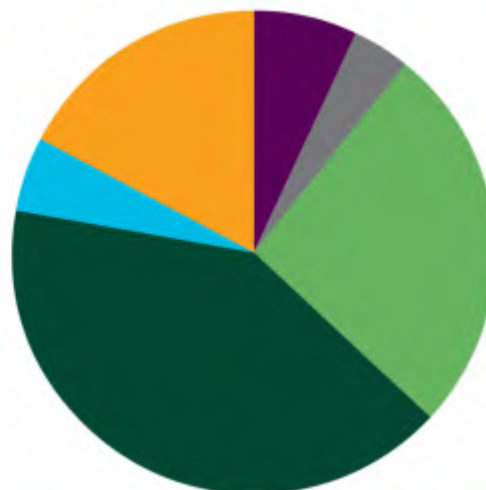
Figure 1: On-site ERP vs SaaS ERP

**SaaS ERP**



- Application Software \$499,152
- IT Resources \$118,805
- Consulting \$106,070
- Training \$37,436

**Traditional ERP**



- Application Software \$381,547
- IT Resources \$613,725
- Consulting \$251,550
- Training \$72,843
- Hardware \$110,088
- Infrastructure Software \$62,455

Businesses must constantly find creative and innovative ways to decrease their operational costs; try and convert fixed costs to variable costs. Do all this without compromising the efficiency and quality of their business. Cloud computing with SaaS as solution provides such a context in which operational costs are reduced significantly and speed and efficiency scaled. This provides your business with an advantage as your costs are conveniently aligned with your revenues. Spend when necessary and save as required.

## 4. Where does SnapBill fit in as a SaaS billing solution?

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SnapBill is developed for high-performance. Analytical finance executives and businesses whose needs have outgrown their current billing system and now look to a more capable, automated and flexible financial management solution should consider supercharging their business through our SaaS billing solution.

A trusted and transparent financial software partner to thousands of growing SMEs and enterprise businesses with advanced billing and financial management needs; SnapBill's multi-entity solution includes *automated billing, basic accounting, revenue recognition, financial reporting and customer relationship management*.

The billing division is any businesses most frequent point of contact with customers, offering the best opportunity to improve overall intimacy, driving retention and growth. As more technology choices arise, your staff and customers will continue to expect more billing and payment options as well as looking to easier ways of doing business with you. Now you can meet their expectations with SnapBill, an easily configurable, rule-based billing solution tailored to the market you serve.

### 4.1 Who uses SnapBill and is it suitable for your business?

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To understand whether SnapBill is applicable to your business, we have categorised by both function and industry the types of businesses that we currently assist.

#### **Function:**

Typical business functions that SnapBill lends itself to.

- Administrative
- Business management & analytics
- Billing (subscription/recurring)
- Call centre
- Customer relationship management
- Data management
- Finance and accounting
- Information technology
- Marketing and communications
- Sales
- Security
- Website e-commerce

#### **Industry:**

List of industries for which SnapBill is a preferred solutions partner.

- Advertising, media & graphics
- Consulting
- Education
- Event management
- Financial services
- Healthcare
- Hospitality & travel
- Insurance
- Legal services
- Property administration
- Publishing and distribution
- Telecoms
- Technology

Billing is a universal problem for many businesses, big and small. In reality, anyone that sells something to their customers on a recurring basis has a pain. This pain is not being addressed by the long-established conventional solutions in the market.

You would be happy to know that we do. At SnapBill we specialise in making billing procedures easy, seamless, flexible and automated. Because of this, SnapBill is used by businesses of all sizes. With packages ranging from startup all the way to enterprise. SnapBill caters for businesses of all shapes and sizes.

**Free Package:**

Is great if you want to test out the system and bill a few clients in the process. Get a feel for the system.

**Startup Package:**

This package is best suited for SOHO's. Send up to 50 invoices a month while managing unlimited clients.

**Premium Package:**

Great for the SMEs with staff looking to manage accounts more resourcefully and requiring more flexibility than traditional accounting solutions.

**Enterprise Package:**

This package is great for larger SMEs and corporates. Includes rule based billing and priority support (SLA). Scale without limitation. Benefit from PCI compliance.

“The problem is not whether business will survive in competition with business, but whether any business will survive at all in the face of social change.” – **L.J. McGinkey, President Fordham University**



## 4.2 Enabling SaaS billing: Flexibility and choice

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There are numerous SaaS billing solutions available, around the globe, but in this guide we make specific reference to our SnapBill solution.

The SnapBill SaaS service can be used in one of two configurations. These are as SnapBill standard or as a lightweight payment gateway switch.

### **SnapBill standard**

In this configuration, your data is stored on our central servers much like a bank stores all of its data on centralised servers. All of your workstations will make a secure connection to our servers to access and store all of your business data. This method is the most economical. Don't worry; we've taken industry standard measures to protect your data at all times.

### **SnapBill switch<sup>1</sup>**

SnapBill switch is lightweight, PCI compliant payment gateway switch. SnapBill switch is tailored to the needs of businesses that already have their own billing solution or are looking to build their own.

In this configuration SnapBill is only used to store payment information securely and automate the collection of funds from clients. SnapBill switch supports collection from credit cards and bank accounts using live payment gateway transactions or batch debit orders/direct debits.

To understand what is required to implement a SaaS billing model; we have broken the process down into three (3) key events:

#### **Configuration:**

Configuration essentially refers to setting up and customising the software according to your business preferences.

#### **Importation:**

Refers to data exportation and conversion from your current system to importing the data within the SnapBill system. It's a seamless and easy process to make sure your data is compatible with the new system.

#### **Education:**

The system can be up and running in a few days, but to keep it running, you need people who understand how to operate a SaaS solution. We try to mitigate the risk as much as possible by providing enhanced support. However, rest assured that the technology was designed with ease of use and simplicity in mind.

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<sup>1</sup>This solution is relevant to your business if you already have a billing solution in place and only want to use SnapBill to facilitate, secure (PCI compliance requirements) and automate payment collections.

## 4.3 Our key vertical offerings

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Our software is completely customisable. Many of our customers require integration with their websites, applications and other third party systems to be able to process transactions. That is why the SnapBill system was developed in such a way that it is extremely simple to quickly integrate with or migrate from any system you are using.

Some key advantages that our customers notice in their businesses:

### **Increased flexibility:**

- “Anytime, anywhere” access. This helps our customers and their business save time and embrace diverse multi-location working.
- Employees can access services easily using an existing internet connection and web browser.
- Our clients find that SnapBill makes collaborative working easier. Working in a live data environment means they don’t have to wait for a co-worker to manually submit, exchange or process information.

### **Value for money:**

- SnapBill is a device independent technology – meaning as our client you do not have to invest in expensive IT infrastructure to get started or expand.
- Pay-as-you-go invoicing keeps costs down – you’re charged according to usage.
- It is tax efficient technology – no initial capital expenditure means it can be considered an ongoing business expense.
- SnapBill continues to provide new and existing small businesses with reduced market entry barriers by enabling them to compete with larger businesses at a significantly lower cost.

### **Reliability:**

- Services are fast to set up and seamlessly deployed.
- SnapBill solution is more reliable than traditional internal systems as you are receiving the necessary expertise and support to professionally backup and put redundancy or contingency processes in place.
- Automatic “live” upgrades means there is no need for the multiple versions required as with traditional desktop models. Upgrade are also free of cost.

### **Enhanced customer service:**

- SnapBill reduces the “distance” between you and your clients.
- It enables you to quickly react and respond to situational changes – offering increased scope for growth.
- SnapBill’s technology facilitates mobile working, freeing up quality time to spend with clients and allowing you to work from the office, on the road or at home when necessary.

## 5. Conclusion

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The road to implementing a SaaS billing platform will require some minor changes in key areas of your business. However, if you do proceed, this implementation will unlock latent value in your business, which was previously impossible before the advent of cloud computing.

We hope that this guide has given you some insight as to what a SaaS solution can do for your business. A growth enabler. It is a way, with modest investment, to create an innovation and automated billing engine within any organisation. Why not yours?

## 6. About SnapBill

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SnapBill is a recurring billing system that allows you to easily sell your service online. SnapBill is designed for businesses that require a powerful and fully customisable billing solution with payment collection facilities.

The SnapBill system is PCI compliant and stores all your data securely. SnapBill is available for use globally on any web enabled device.

Company: SnapBill (Pty) Ltd.  
Industry: SaaS Billing  
Region: Global  
URL: <http://www.snapbill.com>

In essence, we empower businesses to leverage new, innovative, billing and payment models, drive their businesses to ensure rapid growth and lasting success – enabled by our platform instead of hindered by legacy billing software.

Although our core focus is on subscription and recurring billing, our focus extends to any type of billing and payment model that involves a long-term customer relationship.

If you would like to learn more regarding cloud computing and SaaS billing or if you're interested in implementing our SnapBill SaaS billing solution in your business, feel free to contact us. We are always available and willing to assist.

Visit <http://www.snapbill.com/signup> to experience our snappiness yourself.

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