

EZYPAY®

The 6 Steps to Creating **Subscription Success**

How to manage your direct debit
payments the right way



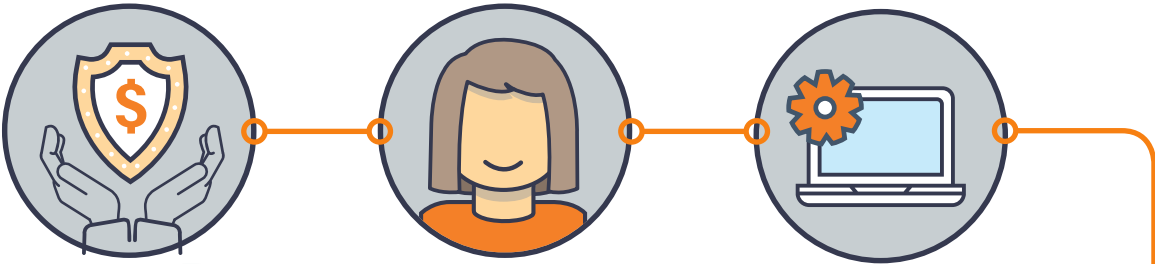
Introduction

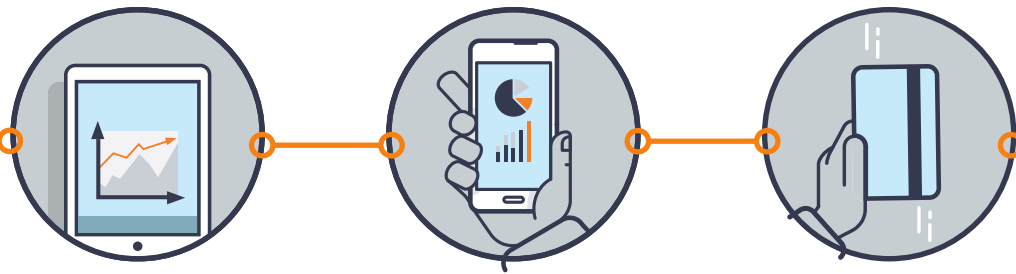
Empowered by technology, people today are making more informed decisions about how they prefer to pay for and use products and services. With limited time and energy to expend, convenience has become not only a highly valued benefit, but a driver of purchase decisions. This represents a growing opportunity for organisations to adapt and offer convenient products and services.

One model that businesses are adopting to create convenience for customers is the subscription business model, and it's being leveraged across different industries on a global scale. As the name suggests, the subscription model is where a business receives recurring payments over time from a customer base, in return for a product or service being delivered on an ongoing basis.

Right now, your business may already be offering products and services that are purchased regularly by repeat customers. Perhaps you are manually invoicing these customers or utilising direct debit for payment collection. Well, that puts your business in good stead to start adopting the subscription business model. However, are you employing the best business practices to reduce the administration and streamline the operations behind these recurring transactions?

In this ebook, we discuss how you can up the ante in your business to ensure you are reaping the many benefits a subscription business model has to offer.





The subscription based model

The subscription business model provides customers with a product or service, in exchange for regular ongoing payments.

You encounter these types of businesses and payments every day; gym memberships, childcare centre fees, cloud service subscriptions, software licences, office rentals, and so on.

It's far more cost-effective to satisfy and secure your relationships with current customers than spend more time and energy nurturing new ones, which is why the intention of this model is to retain customers for the long term.

Subscription business models focus on the way revenue is made as an ongoing stream, where a single customer makes multiple payments over a period of time to access ongoing value. As well as being advantageous for the customer, it can be incredibly beneficial in getting a business off the ground and enabling rapid growth.

What are the **biggest obstacles** for any business?



Funds from income are the lifeblood of your business, and if these dry up or payments are delayed, you can't pay your bills or invest in your next project, essentially grinding your business to a halt.

Additionally, if you are spread too thin and not set up correctly, you can hinder your business' potential to expand, causing it to stall, stagnate or even fail.

If you are able to correctly manage these two factors, then your business will very likely prosper and experience long-term success.

How do I overcome these obstacles?

The potential threats to cash flow and growth can actually be mitigated by implementing automation into your subscription business.

Automating regular payments from your customers provides your business with predictable and guaranteed cash flow, and because it's on auto-pilot, your business is able to grow very quickly and easily without the need for additional support and staff.

The 6 steps to creating subscription success

The evolution towards subscription success can be a challenge, even if you're offering recurring payments already.

In the next few chapters, we will discuss how automation can help you to optimise your subscription business for long-term success and uncover real advantages across many business areas.



Step 1 Creating Value for the Market



Step 2 Building your Customer Base



Step 3 Establishing Process Efficiencies



Step 4 Managing Complex Transactions



Step 5 Measuring Business Success



Step 6 Positioning your Business for Growth

Step 1

Creating Value for The Market



Subscription payments come from offering your customers an ongoing incentive that is associated with your current products and services. Remember, there must be a reason why they would sign up for regular payments and orders, over a once-off purchase.

The subscription mindset

Incorporating a subscription mindset into the value creation process is a step in the right direction when it comes to improving cash flow and preparing for growth.

As a business, your operation is continually gathering data from the market, profiling your customers and developing an understanding of their needs. This important knowledge serves as a potential driving force for your business' profitability.

Depending on your existing product offering, you should be aiming to adapt it in order to convert current customers and introduce new customers to a subscription agreement.

Convenient subscription products offer your business an avenue to delight and, more importantly, retain customers far more effectively. You may also find that the regularity of engagement you have with your customers improves the relationships you have with them.

How can you ensure you're offering value?

The first step is to use your available customer data to brainstorm potential subscription ideas and see what is practical and realistic for your business. Then perhaps trial this with a select number of customers, and if it's successful, perform a full roll out.

Of course, it's essential that you have the correct payment software and infrastructure to facilitate this. By offering these products on an ad-hoc basis or with manual payment processing, you are limiting your business' growth. However, a subscription payment solution would help to implement the right payment plan and automate these recurring transactions to produce the benefits your operation is looking for.

***Incorporating a
subscription mindset
into the value
creation process is
a step in the right
direction.***

Step 2

Building Your Customer Base



Customer acquisition, service and retention are essential parts of generating income for your business, which is why the subscription model is so advantageous.

Increasing your market reach

As a business, it's essential to encourage people to convert into potential leads, then to customers who sign-up to your subscription products, and ideally, to long-term advocates. To do this, you must first increase your market reach.

This is where subscription automation can take your model to the next level.

If your brand can demonstrate product value and prospective customers are able to subscribe themselves anytime and anywhere across all devices, your customer acquisition will occur automatically.

How can you maximise subscription conversions?

Subscription automation will support your sales efforts by allowing you to focus less on the administration, and more on the conversions of your subscriptions.

Once onboarded, the payment automation processes will manage these customer payments going forward, allowing your business to focus on further expansion.

Choosing the right solution plays an essential role in automating the process to streamline sign-ups and customer acquisition, whilst keeping your customer data secure.

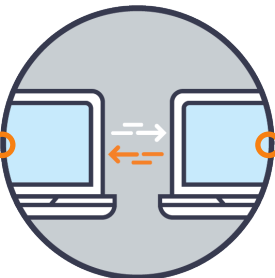
Establishing **Process Efficiencies**

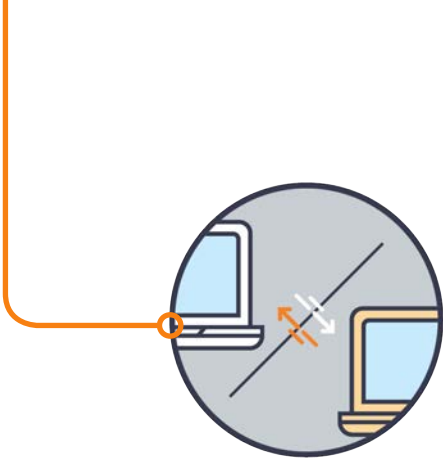


Your subscription payment system may be running sufficiently now, however manual processing, as well as chasing and tracking payments in and out of your business doesn't leave much room for expansion as your customer base grows.

Automating your processes

With regular direct debit payments, there is a lot of processing involved. You may have seen this first-hand already! However, by establishing efficiencies in the way recurring payments are made, overseen and supported, you can free up more time to focus on developing your business.





How can you streamline and support your operations?

After offering your subscription product to the market, and customers have signed up, setting up their recurring payment plan enables completion of the purchasing cycle.

However, with the addition of a specialised subscription payment platform to support these recurring payments, allowing you to accept payments not only via direct debit banking, but also by credit card, your payment collection rates and revenue will be maximised.

It's also important to consider who, within your business, should be overseeing and accessing transactional data. If staff members require access to the data within a subscription platform, selecting a solution which offers a variety of user profiles and security parameters will give your business the control it needs.

Customer support related to transactions can also take up a significant portion of your business' time, and shift your focus to dealing with present issues rather than growing your business for the future. Solutions that offer a support function will allow you to concentrate on the bigger picture.

Implementing the right software system here is important to improving your business efficiency, as it empowers your team to oversee the process in action, rather than be so manually involved.

A person is standing next to a dark-colored car with the driver-side door open. The person has their arms raised in the air, and they are wearing a hat. The scene is set against a dramatic sunset sky with orange and yellow clouds. In the background, there is a calm body of water, likely the ocean, with a few birds visible on the shore. The overall mood is one of freedom and achievement.

*Adoption of an
automation
platform produces
a lot of benefits for
your subscription
business.*

Managing Complex Transactions



When a customer creates an order, your business reacts by delivering services or shipping products. If you cannot utilise this historical order data to inform future planning, then fulfilment, resourcing and revenue can be unpredictable and present challenges.

Managing your revenue

Setting up a subscription system with automation shifts your operations from reactive to proactive, creating a far more effective and efficient way to conduct business. The ongoing and predictable delivery of subscription products or services creates certainty around order numbers and revenue.

This is also where failed payment handling processes can be employed to ensure revenue remains consistent. Spending time chasing payments can waste precious resources and deliver unreliable cash flow. Using a system that offers automated failed handling processes ensures that the money you have worked so hard to earn lands into your bank account on time.

With continual orders and guaranteed payments, demand for product fulfilment and service delivery can be forecasted. You can then adjust your resourcing and stock levels accordingly, by planning in advance to avoid any shortcomings.

How can you regulate cash-flow?

By introducing automation into your current business operations, you will not only gain access to tools that encourage business transparency, you will eliminate the manual calculation, collection processes and overheads associated with your main activities, leaving you with lots of potential to grow.

Measuring Business Success



The business strategy is the fundamental direction of businesses of any size, and provides the collaborative guidance required to achieve the overall objectives and goals.

Shaping your business strategy

What shapes the formulation of this strategy comes down to the reporting and analytics of your business' activities. These statistics show how the business is performing in key areas, so that the strategy can be adapted and strengthened to ensure long-term success.

How can you create visibility of your business data?

When you integrate automation into your subscription model, the chosen solution should be able to easily generate reports and financial analysis to answer the most common and crucial business concerns and queries.

These reports provide your business with visibility that will help you make better-informed decisions to drive sales, purchasing, marketing, pricing, distribution and much more.

Positioning Your Business For Success



The ability for your subscription business to grow comes down to setting up foundations which enable the flexibility to expand your operations.

Developing your market

If your business strategy is focused on expansion into new markets, whether that's local or international, it will be key to have the right transactional support.

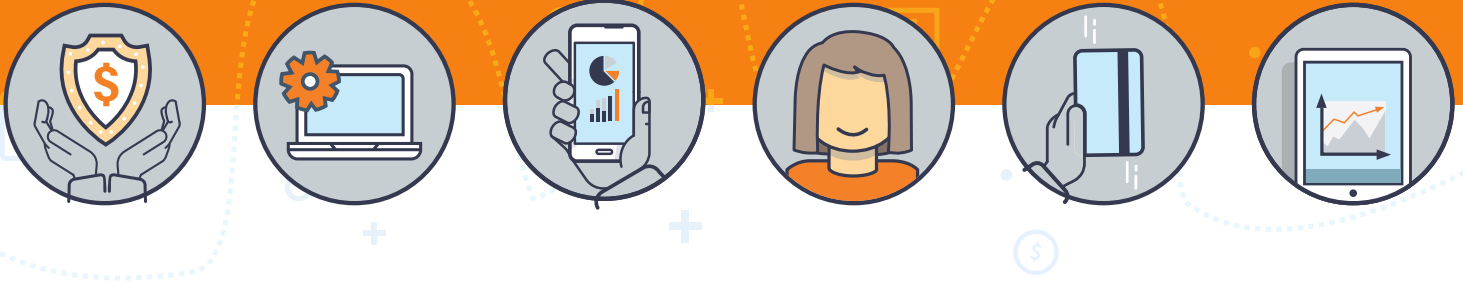
Dealing with multiple currencies and cross-border settlements can be complex when it comes to collecting payments and conducting your operations. However, using the right versatile direct debit system which accepts international currencies would be something worth investigating.

This way, you can continually expand into new markets and reach new audiences, without slowing down your business.

How can your business prepare for expansion?

To continue on the development trajectory, your business needs to be supported by reliable automated subscription payment platform with a variety of relevant services that can help to rapidly scale your business and ensure its continuity.

Conclusion



Your business can only grow so much when:

- You are managing your recurring direct debit payments on an ad-hoc or manual basis, or
- You're dealing with customers one by one to deliver a product or service, or
- You don't have the data to inform your business operations or strategy

Adoption of an automation platform produces a lot of benefits for your subscription business by addressing these points.

Firstly, it offers the business better control over cash flow, which means that there are more funds to cover expenses and invest in newer projects.

Secondly, when automation is inbuilt into the subscription process, it allows for a greater capacity to expand into the rapid growth phase.

The Next Step

Is your business ready to **automate** **subscription billing?**

Our series of free checklists will guide you through the requirements and considerations of subscription billing so you can start automating your billing sooner.

Checklist 1: "Are you Ready?"

The first checklist in the series will help you to understand whether your business is ready for subscription billing.

[**DOWNLOAD THE CHECKLIST**](#)