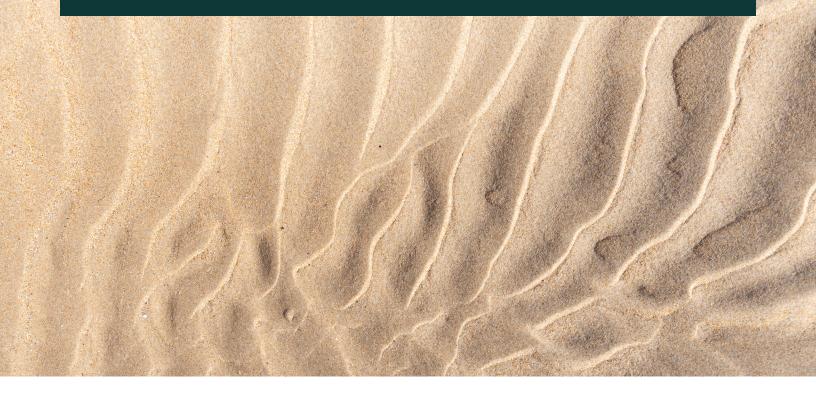


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## INTRODUCTION

The subscription economy is booming, and companies are using recurring revenue models to improve customer retention, generate consistent revenues, and drive long-term profitability. Automakers are selling power upgrades by subscription, property managers are layering Internet of Things (IoT)-enabled security and monitoring services onto their rentals, and telematics providers are turning fleet tracking devices into recurring revenue through consumption-based contracts.

Subscription models are compelling because they deliver much more predictable revenue and foster stronger and longer customer relationships. For companies that don't view themselves as subscription businesses, the model also creates opportunities to transform static products into ongoing services that create compounding value.

This shift opens the door to new growth, but it also requires systems that can manage the added complexities and exponentially higher transaction volumes. Traditional software systems weren't designed to handle the pace and complexity of subscription billing, renewals, or pricing models. Spreadsheets and manual workarounds filled this gap early on, but these approaches can't keep up as customer counts grow, contracts diversify, terms start overlapping, and billing scenarios multiply.

This guide explores the challenges of managing recurring revenue at scale and offers a practical look at how companies can build the processes and systems that keep pace with the expanding subscription economy.



# SUBSCRIPTIONS: FROM GROWING NICHE TO ESTABLISHED MAINSTREAM

As subscriptions establish amid the mainstream, the model is taking hold across every market sector. A domain historically dominated by media and software companies is now being redefined by industries where products, services, and consumption-based contracts overlap. Market projections underscore the shift, with global subscription revenues expected to skyrocket as adoption spreads well beyond digital services.

According to <u>Grand View Research</u>, the global subscription economy will be valued at \$1.5 trillion by 2033—up from \$492 billion in 2024. Credit the market's compound annual growth rate (CAGR) of 13.3% with helping it more than triple in size during that period, with the B2B segment anchoring the market with over 55% of its total market share.

While digital-only SaaS has fueled the past decade of subscription adoption, the next wave of growth lies in pairing connected devices with recurring software and service models. By combining physical products with SaaS platforms, device-centric providers can deliver personalized, data-driven services and lock in recurring revenue streams that extend beyond the initial hardware sale.

Managing subscriptions sounds simple until you're in the thick of it. What looks like a straightforward billing process quickly becomes complex when products, services, and usage-based contracts overlap. Unlike software licenses that renew on the same date, product/device-driven subscription businesses must manage thousands of start and end dates, mid-term changes, and device swaps that don't always align easily. Each new variation increases the risk of error, slows the billing process, makes renewals more of a headache, and impedes reliable reporting.

Companies often turn to spreadsheets or custom-built tools to manage devices and subscriptions. These fixes may work at first, but they rarely scale as customer numbers grow, contracts diversify, and billing scenarios multiply.

This is particularly true as the device lifecycles must be decoupled from the subscription lifecycles in unexpected ways. For example, accounting departments wind up relying on a team of spreadsheet heroes to manually reconcile devices, dates, and renewals each month. Even minor errors can lead to missed invoices, frustrated customers, and lost revenue.

The risk is often greatest in device-centric subscription models like IoT, telematics, and property technology, where thousands of assets each carry their own subscription terms, pricing, etc. Companies that implicitly focus on product/device growth while treating subscription management as a secondary concern, if not a complete afterthought, often learn too late that they need to rebalance for the sake of revenue and profitability. Companies that take a more balanced approach with products/devices and subscriptions should reap the benefits as they hit major inflection points in their growth curve.

Managing subscriptions sounds simple until you're in the thick of it.

#### CASE STUDY: NAUTO, INC.

Nauto, Inc. is a fast-growing product/device-oriented company that provides Al-powered solutions for improving driver behavior and reducing traffic collisions. Many years ago, they realized and began tackling challenges associated with the subscriptions versus devices and usage.

It was clear that spreadsheets and improvised fixes wouldn't keep up with thousands of device swaps, mid-term changes, consolidated billing, and subscription renewals. Their team committed significant resources to avoid customer billing errors, delays, and/or dissatisfaction that could translate into non-renewal or contract churn. They also began leveraging recurring revenue metrics and reporting that helped steer their company's continued growth from the foundation they had already achieved.

By implementing **360 Subscription Billing** (360SB), Nauto significantly leveled up their business systems, including **NetSuite** and **Salesforce**, to gain control over its recurring revenue destiny.

#### The new system:

- Tied device activity directly to subscriptions and contracts
- · Allowed for flexible terms and pricing
- · Automated invoicing
- Delivered a complete record of every subscription lifecycle between renewals.

Currently, Nauto proudly manages complex billing scenarios with accuracy, provides stakeholders and leadership with recurring revenue trends and intelligence, and continues to grow without adding back-office strain.

Nauto's journey highlights how scalable systems keep subscription businesses growing, while avoiding loss of momentum from relying on manual processes for too long.

# COMPANY GROWTH WITHOUT SYSTEMIC CHAOS

Running a subscription services business is different from selling products. It requires clearly defining contracts, managing mid-term changes, and tracking related service levels while the number of variables continues to grow. Manual oversight is risky, if not unworkable, in this environment. Without the right processes and systems, ordering, fulfillment, billing, and revenue recognition may quickly break down.

This challenge is especially tough for device-centric companies, where devices and subscriptions may begin in lockstep, but often must decouple during their lifecycles. Devices are sold, deployed, swapped, or upgraded at different times which often require significant time delays. Yet customers expect the related subscriptions to reflect device-related changes instantly. When subscriptions and related billing becomes mismatched, service perception suffers, trust erodes, and even the coolest device-based solutions can't make up for poor execution.

Beyond these common subscription management pitfalls, companies often encounter other roadblocks like:

- Overemphasis on products versus services. Companies overly focus on developing and provisioning their devices while oversimplifying the complexities of managing the subscription powering the ongoing customer relationship.
- Mashed up business functions within product systems. Business transactions such as quoting, fulfillment, invoicing, amendments, and renewals are sometimes built into the product-device management systems that facilitate service activation, termination, usage tracking, and asset management. This approach makes it difficult for business teams to work at their pace apart from product teams, much less, flex into new and different pricing and billing models that the product-based systems may not yet be ready to support.

- Misaligned lifecycles. Product/device and subscription lifecycles don't always
  move in sync, which complicates tracking when devices are swapped, upgraded,
  or reassigned mid-contract.
- **Uneven process maturity.** Business processes and systems often evolve at different speeds than the products/devices and related solutions themselves, creating gaps that slow growth and increase errors.
- Third-party channel complexity. Selling through multiple resellers or partners requires consolidated invoicing across many small subscriptions, which is difficult to achieve without the right systems.
- High-volume subscription changes. Unlike software licenses that renew in bulk, device-centric businesses may have to manage thousands of individual subscription changes each month, each with its own start and end dates.
- Exponential complexity of device-level billing. Each device tied to its own subscription multiplies the data management problem. For example, a single contract may include thousands of unique billing lines that must be accurately tracked across many different sites, addresses, or tax nexuses.

These challenges show why manual fixes and disconnected systems fall short in the subscription landscape. To scale profitably, companies need systems that manage product and service lifecycles in sync while keeping them separate. Subscriptions get paused, devices get replaced, and contracts evolve. Without the right system in place, subscription growth quickly turns into operational chaos.

NetSuite users already know the value of keeping finance, operations, and customer data in one system. Subscription billing adds new layers of complexity:

- Proration for mid-term changes
- Staggered start dates across thousands of devices
- · Renewals that don't always coordinate perfectly
- The need to generate accurate invoices and revenue reports

Generic software solutions and bolt-on workarounds simply can't keep pace. Subscription activity must be proactively managed as part of the core sales-to-cash lifecycle, not as an afterthought.

A purpose-built SuiteApp designed for NetSuite, 360SB addresses these challenges by automating recurring billing, linking contracts to devices, and keeping subscriptions integrated with fulfillment.

Key benefits include:

- Fewer errors
- · Accelerated invoicing
- · Clear visibility into recurring revenue

Rather than acting as a stopgap, 360SB unifies processes across sales, support, and finance, all while giving customers the seamless subscription experience they expect.

# MAXIMIZE SUBSCRIPTION OPPORTUNITIES WITH A SCALABLE FRAMEWORK

The subscription economy represents a massive opportunity, but capturing recurring revenue at scale takes more than just a great product or service. For reliable results, software that can manage the complexity of subscriptions from start to finish is needed. Without that foundation, the gaps created by spreadsheets, manual processes, and disconnected tools will only widen as customer counts increase, contracts diversify, and billing scenarios multiply.

360SB helps companies proactively control the subscriptions they sell, service, bill, and renew. By consolidating finance, sales, operations, and subscription data onto one unified application—potentially across both Salesforce and NetSuite, if not all within NetSuite—360SB eliminates the silos that create billing errors, missed renewals, and unreliable reporting.

Because device activity is tied directly to a subscription and related billing and revenue recognition, users get an accurate, auditable record for every customer relationship. The system also handles contract complexity head-on, managing mid-term amendments, proration, co-terming, and consolidated billing that would otherwise overwhelm finance teams.

Knowing the critical role of automation in making subscription models work at scale, 360SB is designed to manage device swaps, staggered start dates, usage-based billing, and renewals without manual intervention. This reduces errors, eliminates spreadsheet reconciliations, and provides:

- Consistent, accurate billing across complex subscription portfolios
- Consolidated invoicing for customers with multiple devices, channels, or service tiers
- · Real-time visibility into subscription status, renewals, and revenue forecasts
- High-volume scalability to support global invoicing across countries, currencies, and time zones
- Auditable data to meet compliance requirements and strengthen investor confidence

The 360SB platform has special features for industries where devices and subscriptions intersect, such as IoT, telematics, property technology, and fleet management. 360SB operates within and integrates NetSuite with Salesforce Cloud, Salesforce CPQ and/or Revenue Cloud which unifies sales, finance, and product teams. This is crucial, especially as customer and contract volumes grow.

By putting the right systems in place early, companies can turn subscriptions into dependable growth engines for their operations. Product teams can focus on innovation, while finance and operations can ensure that recurring revenue is captured, reported, and scaled with confidence. With the right framework in place, companies can push beyond the limitations of manual, disparate processes and turn recurring revenue into a lasting competitive advantage.

360SB helps companies proactively control the subscriptions they sell, service, bill. and renew.



#### CASE STUDY: AI-POWERED FLEET SAFETY MEETS SCALABLE SUBSCRIPTION MANAGEMENT

Founded in 2015 and headquartered in Palo Alto, CA, Nauto, Inc. is an Al-powered fleet safety company that helps commercial fleet operators reduce collisions and improve driver performance. The company's Al-powered devices use dual-facing cameras and sensors to capture driving behaviors and feed them into a cloud-based analytics platform. They provide predictive collision alerts, driver behavior insights, and detailed incident reporting, which help fleets reduce accidents, lower insurance costs, and strengthen operational safety.

Like many device-centric subscription solution providers, Nauto built its business model on a combination of IoT components and recurring services. The devices power real-time data collection, but the company's true enterprise value comes from subscriptions: ongoing driver safety insights, predictive analytics, and continuous software updates.

They quickly grew beyond spreadsheets and manual processes as effective subscription management solutions. Formerly, a small team of spreadsheet heroes tracked customer subscription billing, renewals, device replacements, and upgrades. But as device fulfillment/go live, contract amendments and recurring billing often overlapped, the risk to accuracy and scalability accelerated. They also realized that the inadequacy of their product platform tracking devices would also accelerate as it was primarily concerned with product activation, updates, etc. but not subscription management or business transaction automation.

### As Nauto's subscriptions multiplied, the complexity increased:

- Monthly charges fluctuated as new devices were installed
- Existing devices were taken offline
- · Consolidated invoicing became even tougher

By leveraging 360SB, they separated device lifecycle management from subscription lifecycle management which gave their growing device-centric subscription services company clarity, accuracy, and control.

#### Key improvements included:

- Automated subscription invoicing that eliminated manual processes
- Full visibility into subscription start dates, end dates, price escalations, renewals, and other lifecycle events
- Accurate, timely billing that reinforced customer trust
- Recurring revenue metrics designed for stakeholder reporting and growth-trend analysis
- Support for advanced models like installation and fulfillment-based date and term recalculation, annual price charges, and related device lifecycle changes

With 360SB in place, Nauto achieved almost 100% automated invoicing across its customer base, ensuring that bills were accurate and delivered on a timely basis. Their team also gained confidence from leveraging a scalable system and helped automate manual activities. Customers experienced smooth, trustworthy billing interactions as they continued to grow with Nauto. Most importantly, Nauto aligned its people, processes and systems around subscriptions as the true driver of enterprise revenue growth. And while their Al-powered devices remain the enabler for their solutions, recurring revenue now clearly stands at the center of the company's business growth.

Renato Siljeg of Nauto credited both the SuiteApp's architecture and the implementation team's expertise for the successful transition. Jennifer Chen of Nauto added, that as of 2025, the company manages a rapidly expanding base of device-centric subscriptions spanning North America, Europe, and Japan, supporting some of the world's largest and most safety-focused fleets.

Today, the solution continues to help Nauto handle complex subscription scenarios while delivering business-critical reporting metrics to leadership. With billing on autopilot, customers receive invoices to keep cash flowing smoothly while Nauto's back-office team can focus on exceptions rather than manual operations.

# HARNESS THE POWER OF RECURRING REVENUE

With the subscription market on track to more than triple in size by 2033, companies can't afford to wait until their systems buckle under the weight of new demand. The subscription economy rewards speed, accuracy, and scale, so those that delay elevating their systems risk paying the price later. Once growth hits, spreadsheets and manual workarounds collapse under the weight of volume, straining teams, frustrating customers, and stalling revenue.

Automating billing, renewals, and subscription lifecycles not only prevent costly errors but also accelerate cash flow, strengthen customer trust, and position the business to grow without breaking operations. Companies that act early can turn recurring subscription revenue into a true growth engine that powers success today and builds strength for the future.

## WE'RE HERE TO HELP

To learn more about how NetSuite and 360SB can support your recurring revenue business, contact your firm professional.

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