

Tech Talk

Subscription Billing – Billing Schedules and Invoicing

Presenters:

Brian King, Prin. Program Manager
Jodi Christiansen, Sr. Program Manager



Agenda

Recurring contract billing functionality

- Billing schedule creation
- Billing frequencies
- Item types
- Pricing methods
- Invoicing
- Q&A



Recurring contract billing in Subscription Billing in Dynamics 365 Finance

Subscription Billing Features Covered



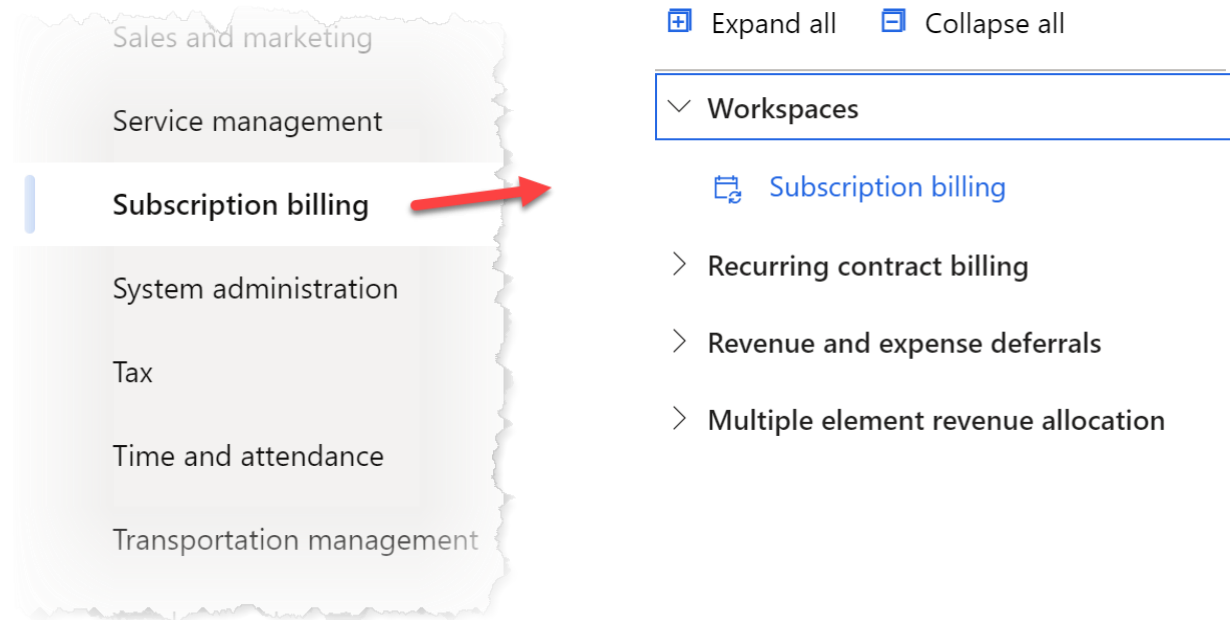
Subscription billing schedules



Invoicing

Subscription Billing Module

- 3 submodules in 1
- Submodules work in tandem or use only the submodule you need



Enable the Functionality

- Starting with 10.0.25, Subscription billing, is enabled through 4 feature elements as follows:

Feature management
Do not enable new features automatically ▾

New Not enabled Scheduled All

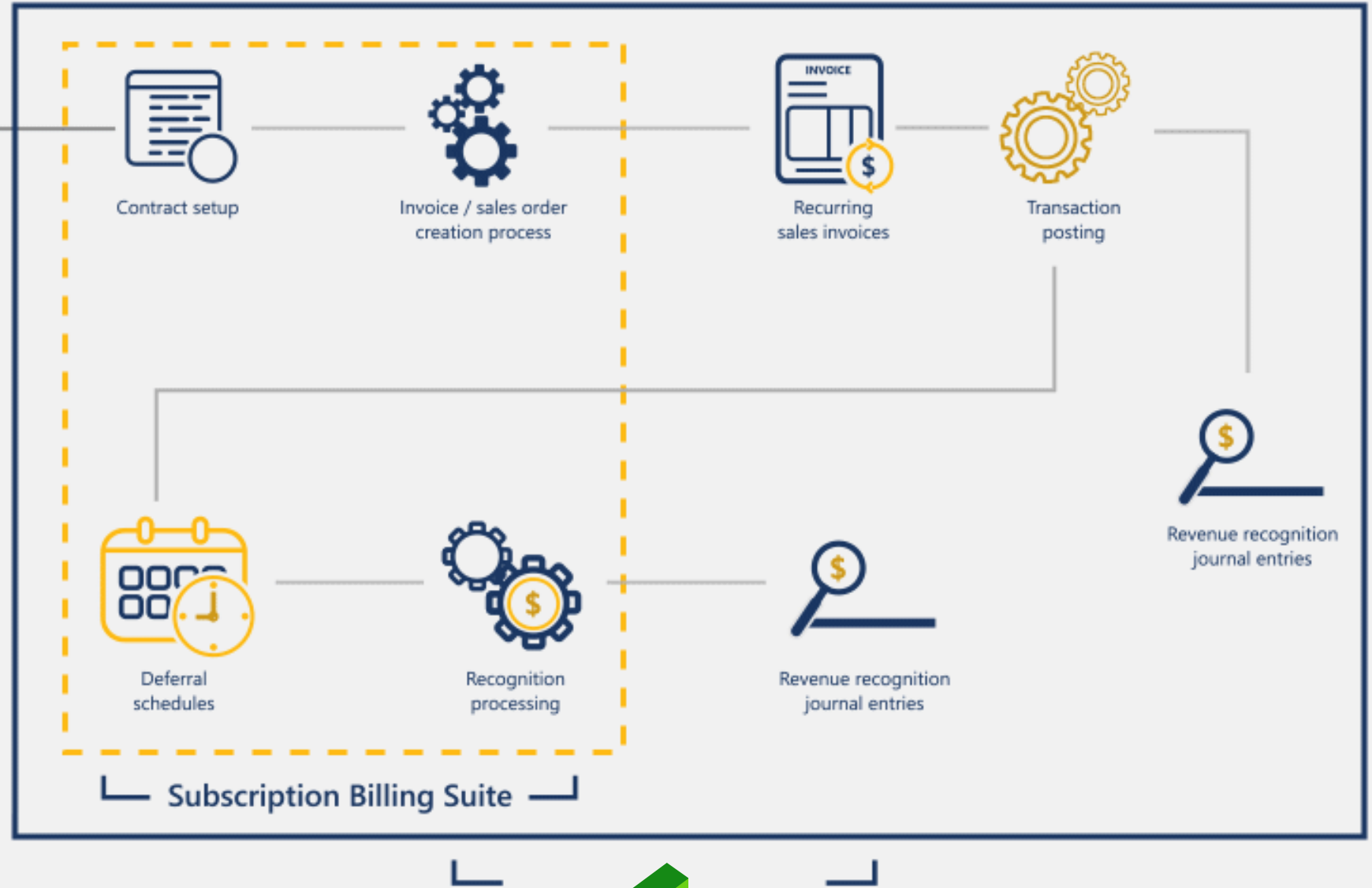
Filter

Feature name	↑	Status	Enable date	Feature added	Feature state	Module	⌵
Multi-element revenue allocation		✓	3/23/2022	3/23/2022		Subscription billing	
Recurring contract billing		✓	3/23/2022	3/23/2022		Subscription billing	
Revenue and expense deferrals		✓	3/23/2022	3/23/2022		Subscription billing	
Subscription billing		✓	3/23/2022	3/23/2022		Subscription billing	

- The revenue recognition feature as part of the General ledger is not compatible and must be disabled first.

Data sources

- Contract
- Direct inputs
- D365 Retail
- D365 Sales
- Salesforce
- Magento
- Metering tools




Dynamics 365
Finance



Fundamental Subscription Billing Concepts

Recurring Contract Billing

- Multiple subscription billing variations fulfilled through application of these 3 main billing schedule concepts:
 - **Frequency of billing**
 - Recurring billing by set cadence
 - One-time billing
 - Automatic contract renewals
 - **Pricing**
 - Billing based on standard trade agreements
 - Custom pricing and tiered pricing
 - Price escalations
 - **Type of item**
 - Usage-based
 - Milestone-based
 - Standard items

Item Types

- **Standard** Items
- **Usage** Items
 - Consumption
 - Reading
- **Milestone** Items (with allocation)
 - Percentage Allocation
 - Variable Amount
 - Equal amount
 - Percentage of Completion
- Default type from the billing schedule group

Pricing Methods & Options

- Pricing Methods
 - **Standard** –from base Dynamics 365 F&O or with Trade agreement
 - **Flat** –change it to any amount
 - **Tier** –pricing based on each price bracket in Trade agreement
 - **Flat tier** –one price for any quantity in that price bracket on Trade agreement
- Advanced pricing options
 - **Free quantity**
 - **Minimum/maximum** by quantity or amount
- Escalation and discount
 - Amount
 - Percentage
 - Based on Consumer price index

Trade agreement example

From (Quantity)	To (Quantity)	Amount	Flat tier amount
0	10	100.00	850.00
10	25	90.00	2000.00
25	50	80.00	3700.00
50	99999	70.00	4000.00

Standard pricing method:

Quantity = 15

$15 \times 90.00 = 1350.00$

Tier pricing method:

Quantity = 15

$10 \times 100 = 1000.00$

$5 \times 90.00 = 450.00$

Total $1450.00 / 15 = 96.67$

Flat tier pricing method:

Quantity = 15

$2000.00 / 15 = 133.33$

Quantity = 70

$4000.00 / 70 = 57.14$

Recurring Contract Billing

- Invoicing
 - Billing in advance or arrears
 - Consolidate all periods
 - Consolidate by customer
 - Consolidate by item
 - Split by item group/Top billing
 - Exclude zero consumption
 - Free text invoice

Product Demonstrations



Billing Schedule Creation Demo



Billing Schedule Frequencies demo



Item Types Demo



Pricing Demo





Invoicing Demo



Roadmap



 <p>Future</p>	<div>Quotation enhancements</div> <div>Project integration</div> <div>Split billing</div> <div>Self service customer contract</div> <div>eCommerce & credit card processing enhancements</div> <div>Billing service</div>
 <p>April 2022</p>	Reporting, insights and analytics
	Revenue and expense deferrals
	Enhanced recurring billing
	Complex price management – consumption, tiered, etc.

Questions ?

FastTrack Finance

d365ftfinancepcrew@microsoft.com

Thank you