

Subscription Management: Frequently Asked Questions

General Questions

What does Zuora do?

Zuora provides an online subscription billing and management platform, delivered via a SaaS model, for companies to build, run, and operate their subscription and recurring revenue businesses. Our subscription management platform allows them to focus on top line revenue growth, operational efficiency, and automation. Zuora provides this service to any business that has a subscription and/or recurring revenue model including Software-as-a-Service (SaaS), Web 2.0, Cloud Computing, and traditional enterprises that offer recurring revenue products and services.

Why was Zuora started?

Zuora was started to help fuel the subscription economy. Today's subscription businesses require speed and flexibility to launch new products to market, automation to eliminate manual processes, and key metrics to make accurate business decisions. Until Zuora, subscription businesses were limited in their technology options and were forced to (a) build custom billing systems which become obsolete and require internal resources to build and manage or (b) purchase expensive telco billing systems which require lengthy implementation cycles and a large team of consultants to deliver. Our founders started Zuora with a SaaS approach to ensure that our customers achieve rapid time to market and lower TCO (total cost of ownership) with a billing and subscription management platform that continues to scale and evolve on an ongoing basis.

What are Zuora's products?

Zuora's product suite helps businesses manage the entire lifecycle of a customer subscription, including subscription orders originating from a website, a CRM application, or from a channel partner, as well as subscription changes due to upgrades, renewals, cross-sells, and up sells. The Z-Commerce Platform, the foundation of Zuora's suite of subscription billing services, is an open web services platform, providing customers and the developer community with the tools and APIs to interoperate the Zuora suite with any operating platform. Z-Billing™ is the application that allows customers to price and package their products and rate plans, manage subscriptions and change orders, and automate billing operations. Z-Payments™ pre-integrates with leading payment gateways such as PayPal, Authorize.Net, CyberSource, and Fidelity eFunds to automate the processing of credit card, debit card, ACH, PayPal, and wire transfer transactions. Z-Force™ includes a native set of Force.com objects for seamless integration with salesforce.com to give customers a best of breed approach to managing quotes, upgrades, renewals, up sells, and cross sells.

How can the subscription model help my business thrive in a down economy?

Subscriptions give you more consistent and predictable revenue streams, and are important for your customers, as they offer flexible options to consume your goods and services. Subscription business models can be seen everywhere today from Netflix to ZipCar to Starbucks and United Airlines. In addition, Gartner predicted that the market for SaaS will reach \$8 billion in 2009, a 21.9 percent increase from 2008, signaling a shift in the way that businesses purchase software via a subscription versus a perpetual license. Read more about [how subscription businesses are thriving in a downturn](#).

Why do I need a subscription billing system?

Without the right subscription management and billing platform, businesses will be held back from achieving their growth objectives and increasing revenues. For example, an inadequate subscription billing platform will prevent businesses from (a) launching new subscription products to market, (b) adjusting pricing to respond to competition and/or market conditions, and (c) establishing new channels to accelerate revenue. Many businesses believe that they can manage the complexities of their subscription businesses by adding headcount, relying on manual processes or outdated systems, however, especially in today's economy, it's a well known fact that these approaches result in lower margins, operational inefficiency, and slower revenue growth. Any business today – startup, mid-market, or enterprise -- needs a flexible, on-demand billing and subscription management platform to grow and automate their business. Without one, it will become more and more difficult to survive and compete in today's changing economic environment.

How does billing for subscriptions differ from billing one-time transactions?

Billing for subscriptions is much more complex than one-time transactions, and over time, becomes more complicated as subscriptions change with upgrades, renewals, add-ons, and up sells. In addition, many subscriptions are offered with flexible price plans (e.g. Monthly, Quarterly, Annual) and provide customers with the ability to change their plans anytime during the subscription term. Subscriptions may also contain multiple levels of pricing, bundled products, and usage that is billed in arrears instead of in advance. Is your organization setup to manage this level of billing complexity?

Why should I buy a billing system rather than build one in house?

Would you build your own CRM system today?

Building a custom billing system is resource intensive and costly, not only initially but ongoing as resources and development time is required to fine tune and upgrade the system. Subscribing to a SaaS subscription management and billing system provides greater TCO and ROI by allowing for organizations to focus on allocated resources to work on areas that impact top line revenue.

Read more about [the Build vs. Subscribe debate](#).

Why does a subscription business need both an operations system and a financial accounting system?

If you are a subscription and/or recurring revenue business, *you need both systems*.

Accounting systems have the ability to manually create and track invoices but lack a core Rating and Billing Engine to automate the calculation and processing of invoices, payments, and charges that are based on multiple and different subscription terms, subscription products and rate plans, and subscription triggers. For a subscription and/or recurring business, a subscription management and billing platform like Zuora provides a best of breed operational platform that integrates with your accounting system such as Intacct, QuickBooks, NetSuite, Oracle, Great Plains, or SAP. If you only use an accounting system, all processes required to manage your subscriptions will likely be done manually.

How is Zuora different from the competition?

Zuora was the first provider to go to market with a multi-tenant, SaaS offering developed with the same concepts as leading SaaS providers like salesforce.com and WebEx. Being developed from inception as a SaaS platform provides many benefits to customers including (a) Flexibility – the ability to configure and customize the application without custom programming, (b) Relevance – purpose built with subscription-based functionality for subscription and/or recurring revenue businesses, and (c) Openness – the ability to publically access and utilize a set of open APIs and a development platform to interoperate with your internal and external business systems.

How is this different from a payment gateway like PayPal?

A payment gateway solution as a standalone is not built for subscription businesses. It will allow you to process transactions—one-time or recurring—but will not allow you to manage the important facets of a subscription business like offering flexible pricing options, multiple rate plans, and managing the ongoing lifecycle and changes for subscriptions. The Zuora solution, Z-Payments™ does not replace payment gateways, but provides a best of breed approach and pre-integration to leading payment gateway services for customers to effortlessly and seamlessly manage their subscription payments.

What kind of financial backing and management does Zuora have?

Zuora is backed by world-class investors including Benchmark Capital, Shasta Ventures, and Marc Benioff, Chairman and CEO of salesforce.com. Zuora's leadership team and advisory board includes industry executives from salesforce.com, Webex, Oracle, eBay, Accenture, Cisco, and PayPal.

Read more about our executive team at <http://www.zuora.com/company/zuora-management-team.html>

Who are Zuora's customers?

Zuora has acquired more than 100 customers since launching our core product Z-Billing™ in May 2008 ranging from Fortune 1000 companies to mid-market to pre-revenue startups.

Read about our customers' success at <http://www.zuora.com/customers>

Who does Zuora partner with?

Zuora has established partnerships and pre-integrates with various applications to make it easy for our customers to integrate and deploy 3rd party applications including (a) payment processing vendors—PayPal, Authorize.Net, CyberSource, and Fidelity eFunds, (b) accounting systems—Intacct and QuickBooks, and (c) value-added integrators such as Boomi, Bluewolf, and Aggressor.

Subscription Management

Can I take subscription orders on my website? What if I want to allow sales reps to create the order?

Yes, Zuora supports both website orders and an assisted sales process via a CRM application. Our SubscribeNow() API call automates website orders and our Z-Quotes™ module within our Z-Force™ application automates orders from within an assisted sales process in salesforce.com. If a customer is not using salesforce.com, our APIs can be used to automate orders from other CRM applications including SugarCRM, Microsoft Dynamics CRM, OracleCRM, etc.

What types of charge models do you support?

Zuora's product catalog allows for customers to customize their own unique rate plan combinations and charge models that may include one-time, recurring, and usage fees, as well as per unit pricing, flat fee pricing, volume pricing, tiered pricing, overage pricing, rollover, etc.

What types of subscriptions does Zuora support?

Zuora empowers our customers with the flexibility to define the subscription models that they want to support. For example, we have customers that have subscriptions that charge their customers based on a price per user or volume pricing based on GB, MB, or CPUs, or tiered pricing based on faxes or documents. In addition, Zuora allows for subscriptions to have flexible subscription terms (e.g. 1, 3, 6, 12, 24 months) and flexible billing periods (e.g. monthly, quarterly, semi-annual, and annual).

Does Zuora support multiple subscriptions against an account?

Yes. Zuora offers the flexibility to have multiple subscriptions per customer account, or depending on the scenario, Zuora provides capabilities to amend subscriptions for updating products, adding products, canceling products, creating renewals, and changing subscription terms.

Does Zuora support amendment orders?

Yes. This is one of the most unique aspects of the Z-Billing™ application. Zuora treats any change to a subscription order as an amendment, triggering automation of billing actions such as proration, partial payments and refunds, as well as a complete audit trail of the change events. In traditional accounting systems, this functionality does not exist as changes typically result in the manual creation of a new order, of which the original terms and products are manually entered or copied. Zuora's amendment capabilities are part of the core subscription management module and can be automated using Zuora's APIs via a website, self service portal, or CRM application to provide an efficient, systematic process to manage changes.

Do you support international currencies?

Yes. Zuora provides a customizable interface to create and manage any type of currency allowing for our customers to self-select which currencies they want to support for their products and services. For example, you can easily create a currency value for USD, Euro, GBP, Yen, etc. and attribute these currency values to product rate plans.

Does Zuora support U.S. and international taxes?

Yes. Zuora provides a customizable interface to create and manage tax rules to support any variations of U.S. and international taxes that are applied to products and services. In addition, Zuora supports integration with leading tax vendors including Vertex, Sabrix, and Avalara.

How does Zuora help manage revenue recognition?

Zuora provides a customizable interface to create and manage revenue recognition codes that map to the revenue recognition templates built into the customer's accounting system. Each transaction generated from Zuora is stamped with a clear time period and revenue recognition code.

Subscription Billing and Payment Operations

Do you support one-time payments?

Yes. One-time payments can be processed either as standalone and/or with recurring or usage fees.

When a credit card fails from a monthly auto-payment, does it automatically re-try? If so, how many times does it auto-retry and are you notified if it is not successful?

Zuora provides the ability to view all failed transactions and exceptions such as credit card expirations, invalid credit card numbers, and failed authorizations from within the Z-Payments™ application. In addition, failed transactions can be re-initiated from within the application or from within the payment gateway. All transactions and exceptions are also available via the API to be used for specific customer notifications.

Are credit card numbers encrypted in the system?

Yes, all sensitive customer data is encrypted in accordance with PCI DSS v1.2 standards.

Does the system notify of upcoming credit card expirations?

We provide an interface where all credit card expiration dates can be auto-populated and displayed in Salesforce CRM through our Z-Force™ product. Our customers typically manage notifications through standard email and workflow alerts in salesforce.com and/or data returned via APIs that can be used to message notifications through a customer's own SMTP email relay.

Is there the ability to restrict access/view of credit card information by user?

We protect all sensitive data at the highest compliance level in accordance with PCI DSS v1.2 standards. This means that your employees cannot view any credit card numbers and have access only to the last 4 digits and expiration date.

Can you customize invoice templates?

Yes. We make it easy to design, create, and customize your own invoice templates in Microsoft Word and to upload the templates into the Z-Billing™ application. We allow for you to have multiple invoice templates as well as assign invoice templates to a specific customer or to a group of customers.

Can you print, PDF, and email invoices?

Yes, Zuora supports the ability to print, PDF, and email invoices either for a specific customer and/or a group of customers.

Can you pre-bill customers?

Yes, Zuora supports the ability to generate a bill run for a specific customer and/or a group of customers in advance of their billing anniversary date.

APIs and Integration

Why are open APIs and integration important?

Open and public APIs are the foundation for any leading SaaS platform. This is important to customers as it ensures that Zuora can be integrated and interoperates with both internal and external system environments.

What type of API calls does Zuora support?

Zuora supports "CRUD" (Create, Read, Update, and Delete) calls and a SQL-like language to query data.

What languages do your APIs support today?

Zuora supports any programming language and provides sample code in Java, PHP, .NET, and XML.

Do you offer customers a sandbox for testing?

Yes, we offer a sandbox environment.

How can I get access to the sandbox?

Access to the sandbox environment is available through private beta only. Apply for access at <http://developer.zuora.com/signup.html>

What resources do you have for Developers?

Check out the developer resources available at <http://developer.zuora.com>.

Can your subscription management and billing platform help me to make money on Facebook?

Yes. If you have an application that you want to monetize through a recurring/subscription pricing model, our Z-Commerce for Facebook product provides a set of widgets that will let you add subscription commerce with a few calls.

Is Zuora scalable? If so, to how many customers?

Yes, the Zuora subscription management platform is a multi-tenant, SaaS architecture that can scale to support any range of customers from those with a just a few accounts to those with millions.

I'm interested in allowing customers to sign up for subscription services on my website—can you please discuss how to integrate Zuora to an e-commerce site?

Integrating Zuora to a website is done through our open web services APIs that are published at <http://developer.zuora.com>. The APIs allow the addition of subscription e-commerce through just a few calls. Sample code and a reference implementation can be accessed at <http://developer.zuora.com>

With which CRM applications do you integrate?

Zuora pre-integrates with Salesforce CRM out of the box and Zuora's APIs can be used to integrate with any CRM application including SugarCRM, Microsoft Dynamics CRM, OracleCRM, etc.

Do you integrate with Paypal's Website Payments Standard and Pro? Do we have to sign-up for a merchant ID?

Z-Payments integrates with PayPal Website Payments Pro. Through our partnership with PayPal we make it easy to sign up for a merchant ID.

Do I have to use PayPal to accept credit cards or can I use another payment processor?

We support several other processors such as CyberSource/Authorize.net and eFunds/Clear Commerce.

Which ERP and Accounting packages do you integrate with?

Zuora supports integration with any ERP and accounting system including QuickBooks, Intacct, NetSuite, Peachtree, GreatPlains, SAP, and Oracle.

Can you export data from the system?

Yes, Zuora supports the ability to export data from the system via a .csv file and/or via the API.

Implementation and Support

Does working with Zuora require professional services?

Zuora's professional services team and/or certified implementation partners are an important part of every project to ensure a successful go-live and on-time delivery. It is highly recommended that customers utilize professional services for at minimum the initial phase to ensure that the customer acquires the best practices and knowledge required to understand how to use Zuora's platform ongoing.

How long does an implementation typically take?

The length of implementation depends on the customer's requirements, scope of work, and customer's timeline and phases, and typically, this timeline is agreed upon between Zuora and the customer.

What does the implementation process look like?

The implementation process has phases including planning, design, configuration and development, data migration and integration, testing and training. A dedicated project leader is engaged with the customer throughout each phase to ensure successful delivery and customer success.

What are typical implementation fees?

The implementation fees depend upon the agreed scope of work with the customer; however, Zuora does have some standard implementation packages that are available for our customers.

For more information: <http://www.zuora.com/products/zuora-services.html>

What is the post deployment support?

Zuora offers standard support in addition to premium 24x7 support options.

Security FAQ

How secure and reliable are your systems?

Zuora takes the security and reliability of its service seriously. To that end, Zuora has achieved a level of security that meets the standards of the Payment Card Industry (PCI Compliance), whose governing body is comprised of the seven largest credit card processors, including VISA, and maintains a 99.9% service level availability.

How does Zuora ensure that no one has unauthorized access to my confidential customer data?

In addition to PCI Compliance, Zuora was recently certified as Safe Harbor Compliant, a framework set forth by the European Commission on how to provide adequate protection for personal data. Zuora's approach to securing confidential customer data is threefold: 1) physical– the infrastructure that powers our service are housed in a state-of-the-art hosting facility with 24x7 security 2) logical– including firewalls and intrusion detection systems and 3) administrative – we maintain a security practice comprised of strong passwords, change control, two factor authentication, and security policies which are reviewed on a regular basis.

What happens in the event of system failure? How do you ensure that my customer data is safe?

Zuora's infrastructure is highly redundant and designed to failover in the event of a failure. Data is backed up in an encrypted format and stored at a certified off-site location. Zuora has a fully redundant disaster recovery processing center at an undisclosed location which is geographically diverse from the main hosting facility.

What is your Disaster Recovery plan? How will you ensure that my business isn't taken offline in the event of some kind of natural disaster or terrorist attack?

In the event of a natural or man-made disaster, Zuora's services will failover to the Disaster Recovery site, whilst still maintaining a 99.9% service level availability.

How does Zuora secure credit card and personal data?

All sensitive customer data is encrypted in accordance with PCI DSS v1.2 standards. Personal data is secured according to Safe Harbor Standards.

Have any outside auditors tested your application to verify security levels?

Yes, as part of the PCI and SAS70 Certification processes, external auditors have reviewed our security policies and procedures in detail.

What steps do you take to ensure that only authorized personnel have access to your servers and infrastructure?

Zuora takes several measures to ensure that only authorized personnel have access to the infrastructure that powers our service. In order to gain access to the hosting facility, employees must be badge registered and pass through two levels of biometric identification. The cage where our servers are located is unmarked and secured with a protective cage and lock. Finally, access to the servers requires strong authentication and advanced encryption standards.

Is Zuora PCI Compliant? SAS70? Safe Harbor?

Yes, Zuora is PCI Compliant, SAS70 Compliant, and Safe Harbor Compliant.