



**When do you need
a subscription
system?**

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Introduction

In a world where business models are shifting towards subscription-based services, it becomes increasingly important to manage subscribers in the best possible way.

Whether it's about digital services, memberships, or periodic deliveries of physical goods, subscription management requires a good deal of finesse and accuracy. Ideally, you should avoid manual processes while ensuring good customer service. At some point, you should invest in a subscription system. But when? Let's explore this further.



Sign 1: Increasing Volume

What it means: As the number of subscribers increases, so does the amount of administrative work. The growth in the customer base means more transactions and changes to process, more invoices to send out, and a general increase in customer data that needs to be updated and maintained.

Example: Imagine an online store selling coffee beans on a subscription basis. In the beginning, when the store has around 30 subscribers, it's manageable to follow up each order individually. But when the subscriber base grows to over 100, it quickly becomes too demanding to manage each subscription renewal, update customer preferences, and handle logistics around shipments - if done manually. This is a clear signal that a subscription system is necessary to handle the volume effectively and ensure that each customer still receives personalized and accurate service.



Sign 2: Increasing Complexity

What it means: When the services or products you offer become more diverse and complex, handling them requires a corresponding degree of finesse. This is especially true if you offer different levels of membership, customized packages, or have a wide range of products available on subscription. Each customer may have a unique combination of preferences, making manual handling cumbersome and costly.

Example: Let's say you run a SaaS company offering cloud-based storage solutions. Your customer can choose from several storage packages, order access to extra security features, or perhaps they want additional services like regular data analysis. Handling these service combinations can quickly become a logistical nightmare without a robust subscription system that automates processes and adjusts access control to services in real-time.



Sign 3: Lack of Internal Resources

What it means: Allocating sufficient resources for effective subscription model management can be challenging, especially for companies in the growth phase. When manual subscription management starts to take valuable time away from core business activities such as product development, marketing, and customer service, the need for a subscription system becomes clear.

Example of a company without enough time: A startup developing an innovative platform for online programming courses is experiencing rapid growth in the number of subscribers. The founders spend much of their time developing course content and improving platform technology. However, they are constantly burdened with administrative tasks related to managing subscriptions, payments, and user access. Without dedicated resources for these tasks, it becomes evident that an automated subscription system is necessary to free up time for core activities and support further growth.

Example of a company with existing capacity: An established online store with an extensive customer service apparatus sells beauty products on a subscription basis. With a team dedicated to customer service, they have the capacity to handle a significant amount of subscription-related inquiries manually, including renewals, changes in subscription levels, and cancellations. They can manage without a subscription system longer than the company above because they have a system in place to handle the manual work without compromising core tasks.

However, after a while, management will likely see the value in automating these processes to reduce operating costs and improve the customer experience through faster and more accurate services.

Sign 4: Opportunity for Automated Upselling

What it means: A well-developed subscription system also helps identify and automate opportunities for upselling. This is important for those aiming to increase revenue per subscriber by offering customized upgrades or additional products based on their current choices and past behavior.

Example: Imagine an audiobook app offering various subscriptions based on the number of books you can listen to each month. Based on listening history, the app can suggest tailored subscriptions that include access to exclusive podcasts or a higher number of books. Without a system to automate this process, the opportunity for upselling would require manual handling per subscriber, which is not scalable.



Conclusion

Each of the four factors above alone may be sufficient to justify an investment in a modern subscription system. However, it's often a combination of factors that makes you realize that the time is now. Since it takes some time from thinking "I need a system now" to having a solution fully implemented, it's wise to make the decision in time.

Feel free to contact us if you're wondering if the time is right for your business!



Book an Opportunity Meeting

Do you want to know how your company can scale smart with the right subscription software?

Book a complimentary 30-minute opportunity meeting with us.

We'll explore how you can streamline your subscription management and unlock new growth potential.

[Book a meeting here](#)

