

An aerial photograph of the New York City skyline, featuring the Chrysler Building and the Hudson River. The image is overlaid with a green gradient and the text 'PRODUCT CATALOG' in white.

PRODUCT CATALOG

zuora

Agenda

- Definitions
- Overview
- Settings

Section 1: Definitions

Definitions

- Product - the item being sold
- Product Rate Plan - how the product is priced (charge frequency, discounts, price versions)
- Product Rate Plan Charges - the accounting elements that make up the charge types and models
- Feature – What (non pricing) metadata comes along with the product (entitlement)
- Product Feature – What set of features comes along with the product

Section 2: Overview

Product Catalog: OVERVIEW

- The Z-Billing Product Catalog is where you define your products and pricing
- Each company has one product catalog that contains all the products that they sell

Product Catalog: Product

- The product represents WHAT is being sold
- Product availability can be controlled by using start and end dates
- The Product SKU can be configured to map to the legacy system
- When defining products, a single product can have multiple price points based on commitments, charge frequency, and promotions
- Two basic design approaches:
 - Bundled: Products represent all components of a bundle (eg: Mobile Phone plan)
 - Component: Products represent individual bundle components (eg: Data, Minutes, Texts)

Product Catalog: Product (cont.)

- Products can have Features/Entitlements which define what the customers get separately from the rate plan and charges which defines what they pay and when
- Products can have custom fields to support additional meta data used for filtering, provisioning and product presentation

Product Catalog – Product

[back to Product Catalog List](#)

New Product

Product Information



Name:

Description:

SKU:

Effective Start Date:

Effective End Date:

Category:

Custom_Attribute:

LOB1:

or

Product Fields to Pay
Attention to for
Gathering
Requirements:

- Start/End Dates
- Category
- Custom Fields
- Allow Feature Change
(create product first)

Product Catalog: Product Rate Plans

- The Product Rate Plan is a container that represents HOW the product is being sold
- A product rate plan represents a collection of charges that your customers may incur when buying a product
- Upon purchase, the Rate Plan is associated to the subscription, not the product
- Within a rate plan charge, pay attention to the charge frequency and type of charge
- Start/End dates allow for Rate Plans to be expired/set up in advance

Product Catalog: Product Rate Plans

- Create separate rate plans for the different ways the same product can be sold, with the expectation that a customer would select the rate plans with the desired characteristic
 - For example, if a customer is to sell a product on a monthly, quarterly and annual frequency, then a separate rate plan must be defined for each frequency
- A rate plan can also have any combination of charge types

Product Catalog – Rate Plans

New Rate Plan

Rate plan information:

Name:

Description:

Effective Start Date:

Effective End Date:

Rate Plan Fields to Pay
Attention to for
Gathering
Requirements:

- Charge Frequency
- Effective Start & End Dates
- Custom Fields

Product Catalog: Product Rate Plan Charges

- Rate Plan Charges store all of the attributes which determine how a charge behaves.
- You can have several Rate Plan Charges per Rate Plan, but you can't select which ones when adding to a subscription – you get all charges in the plan.
- Two Primary attributes: Charge Type and Charge Model
 - Charge Type – One Time: Charge is to be applied once, and ONLY once
 - Charge Type – Recurring: Charge is to be applied on a repeating basis
 - Charge Type – Usage: Charge is based on metered consumption

Product Rate Plan: Charge Models

- Charge Models determine how the Rate Plan Charge will be priced
- Flat Fee: Charge one price
- Per Unit: Charge the same price for each individual instance
- Volume: Price changes as quantity increases, charge one price for each instance
- Tiered: Price changes as quantity increases, charge different price per instance
- Overage: Flat Fee for included units, flat charge for each unit over*
- Tiered w/Overage: Variable fee for included units, flat charge for each unit over*
- Discount – Fixed Fee: Get X dollars off
- Discount – Percentage: Get X Percentage off

Product Rate Plan: Charge Models

Lets look at a simple scenario.

- o What happens if I sell 7 units of a product at \$1000 per unit.
- o How does each Charge Model type look like?

Flat Fee

Tiered

Per Unit

Overage

Volume

**Tiered with
Overage**

Product Rate Plan: Charge Models

<p>Flat fee (one time, recurring, usage) List price = \$1000 Price charged = \$1000, units = 1</p>	<p>Tiered (one time, recurring, usage) 1 – 5 units = \$1000 per unit 6 – 10 units = \$750 per unit 11 – 15 units = \$500 per unit Units billed = 7 Price charged = \$6500</p>
<p>Per Unit (one time, recurring, usage) List price = \$1000, units = 7 Price charged = \$7000</p>	<p>Overage (usage) Included Units = 3 Price per unit above included = \$1000 Units billed = 7 Price charged = \$4000</p>
<p>Volume (one time, recurring, usage) 1 – 5 units \$1000 per unit 6 – 10 units \$750 per unit 11 – 15 units \$500 per unit Units billed = 7 Price charged = \$5250</p>	<p>Tiered with Overage (usage) 1 – 5 units \$1000 per unit Price per unit above included = \$1500 Units billed = 7 Price charged = \$8000</p>

Discount Charge Models

- Configured as a 'Recurring Charge' but can be applied to any charge type
- Can be used to model "Free trials" (discount 100%)
- Fixed Amount or Percentage
- Can be applied to at different levels
 - Charge or Rate Plan
 - Subscription
 - Account
- A discount charge can not be updated via amendment
- Best practice is to set up discount charges as separate rate plans and charges

Discount Charge Models (cont.)

- Only use discount charges if the discount line is to be printed on the invoice
- In place of discount charge models, you can enter a negative value in a fixed fee, per unit, volume, tiered, overage and tiered with overage charge
 - Negative charges will result in a negative amount on an invoice and may also result in a negative invoice, which can then be transferred to a Credit Balance
 - Note that you can even do a negative value in a discount charge, for example -2% percentage discount, which acts as a percentage surcharge that is added to the invoice

Trigger Dates

- Zuora uses 3 milestone date logic
 - Contract Effective Date
 - When a customer signs up a contract effective date is entered
 - Service Effective Date
 - When the service is provisioned at the client, a service activation date is entered
 - Customer Acceptance Date
 - When the customer indicates that the service is up and running, the customer acceptance date is entered

Trigger Dates (cont.)

- Dates are entered/saved in the above order
- Each date can be used to drive billing of each charge independent of other charges
- The decision on when customer wants billing is to start will drive which date to be used

End Date (Recurring & Usage)

- Rate Plan Charge End Date can be used to designate a static date to stop billing for a charge
 - Number of Days, Weeks, Months, Years or billing periods after charge is triggered
 - Charge DOES NOT renew
- If charge should continue throughout the entire subscription and renew, choose 'Align to Subscription End Date' (Default)

Billing Period (Recurring and Usage)

- Billing Period determines the initial range (in whole months) to be included in the Invoice Service Period
 - Monthly
 - Annual
 - Quarterly
 - Specific Months
 - Subscription Term: Only allowed with List Price Base of Per Month, useful when Initial and Renewal Terms are different.

Billing Period Alignment

- Billing Period Alignment is used to align charges within the same subscription that begin on different dates. Applies to Non-Monthly Charges only.

Accounting Codes, Rev-Rec and Taxation

- **Revenue Recognition Rule:** Show should revenue be recognized (Z-Revenue must be activated)
- **Accounting Codes:** Where does the money go? (General Ledger Account)
 - Recognized and/or Deferred revenues
- **Set taxation behavior for each charge**
 - Inclusive or Exclusive
 - Can't be overridden and may require multiple rate plans

Price Changes (Billing Setting)

- Price Change on Subscription Renewal - Set the type of price change desired increase (or decrease with a negative percentage) or sync to Product Catalog Pricing

Price Change on Subscription Renewal:

Default Price Change for New

Use a specific value

Termed Subscriptions:

☒ No Change

☐ Percentage Increase of %

☐ Use Latest Product Catalog Pricing

Multi Currency Pricing

- Unlimited number of currencies
- Currency must be active in admin setup
- NO currency rate conversion
 - Allows for pricing to be independent of currency rates
- Any currency can be defaulted as the base currency
 - All other currencies will automatically be view only
- Activated on product by going to the product and clicking on 'Edit price in multi-currency'
- When entering subscription only products that are priced with the same currency as the account will appear

Multi Currency Pricing

[back to Z-Billing settings](#)

Customize Currencies

Customize Currencies

Select currencies you want to use in rate plans.

Active	Currency	Alphabetic Code	Decimal Places	Rounding Mode	Rounding Increment	Rate	
✓	US Dollar	USD	2	Half Up	0.01	0.0	[Edit] Default
✓	Euro	EUR	2	Half Up	0.01	0.85 EUR: 1.000 USD	[Edit] Make Default
	Pound Sterling	GBP	2	Half Up	0.01	0.0 GBP: 1.000 USD	[Edit] Make Default
	Yen	JPY	0	Half Up	1	0.0 JPY: 1.000 USD	[Edit] Make Default
	Canadian Dollar	CAD	2	Half Up	0.01	0.9 CAD: 1.000 USD	[Edit] Make Default
✓	Colombian Peso	COP	2	Half Up	1.00	0.0 COP: 1.000 USD	[Edit] Make Default

[add new currency](#)

Multi Currency Pricing

Edit price in multi-currency sheet

Rate Plans	Fee Type	USD 0.0	EUR 0.0	GBP 0.0	JPY 0.0
Phone 8550 (RatePlan)		Save	Save	Save	Save
		Deactivate	Activate	Activate	Activate
Phone 8550 Purchase Fee:	One-Time	149.95	0.00	0.00	0.00
Call Group (RatePlan)		Save	Save	Save	Save
		Deactivate	Activate	Activate	Activate
Call Group Fee:	Recurring	4.99	0.00	0.00	0.00
Call Group (Discount) (RatePlan)		Save	Save	Save	Save
		Deactivate	Activate	Activate	Activate
Call Group (Discont):	Recurring	-4.99	0.00	0.00	0.00
Discounted Call Group (RatePlan)		Save	Save	Save	Save
		Deactivate	Activate	Activate	Activate
Discounted Call Group Fee:	Recurring	4.99	0.00	0.00	0.00
Discounted Call Group Discount:	Recurring	4.99	0.00	0.00	0.00
Metered Usage (RatePlan)		Save	Save	Save	Save
		Deactivate	Activate	Activate	Activate
Extension Monthly Fee:					
0~4 Each	Recurring	39.99	0.00	0.00	0.00
5~9 Each	Recurring	34.99	0.00	0.00	0.00
10~29 Each	Recurring	29.99	0.00	0.00	0.00
30~49 Each	Recurring	24.99	0.00	0.00	0.00

Step 1: Click on the 'Activate' button for the currency pricing to be entered

Step 2: Click on the 'Save' button when finished or click on 'Save & Edit Others' button to continue.

•Only products will the same currency as the account will be displayed when creating subscriptions.

•Allows for some products/rate plans to be sold in some currencies and not others

Product Bundling

- Zuora does not support the concept of choosing from a laundry list and then have the price calculated
- If certain groups of product charges are to be sold together, each group must be defined and configured
- Depending upon what is to be printed on the invoice, one charge may be configured with a description of the bundle in the charge description field
- If each product is to be represented as an invoice line, the rate plan can be defined to have multiple charges.
- Guided Selling and Product Rules allow relationships between products for grouping and pricing purposes from Salesforce.

Section 3: Settings

Standard Settings

- **Subscription Settings**
 - Invoice Past End-of-Term when Auto-Renew is OFF
 - Require Customer Acceptance of Orders (charge trigger)
 - Require Service Activation of Orders (charge trigger)
 - Enable Automatic Price Change on Renewal (price updates)
 - Enable Feature Specifications
- **Customize Unit of Measures**
 - Define the new Unit of Measures
 - Remove the unused UOMs
- **Customize Currencies**
 - Activate the Currencies you will require
 - Deactivate the Currencies you don't use
- **Manage Custom Fields**
 - Define any Custom fields for the Product Catalog

Standard Settings (continued)

- **Define Invoice Periods**
 - Customize Billing Periods (frequency)
 - Customize Billing Day (charge alignment)
 - Customize Billing Period Start Days (avoid proration)
- **Billing Rules**
 - Enable credit back for cancelling one time charges
 - Prorate recurring charges for partial month (No = no charge)
 - Prorate usage charges for partial months (No = no charge)
 - Number of days in a month (30 or actual)
 - Prorating greater than a month (by month or by day)
 - Include usage from child accounts when billing
 - Charge Type – Usage-Based Pricing
 - Charge Models – (Flat Fee, Per Unit, Overage, Volume, Tiered, Tiered with Overage, Discount-Fixed, Discount-Percentage)

Standard Settings (continued)

- **Invoice Rules and Templates**
 - Do not display zero value invoice line items
- **Taxation Codes**
 - Create tax codes for each type of taxable charge
- **Z-Finance: Chart of Account**
 - Create the Chart of Accounts
- **Z-Finance: Revenue Recognition Rules**
 - Create the revenue recognition rules