

15 considerations when evaluating usage-based billing solutions

Choosing the right usage-based billing solution requires thoroughly evaluating your current and future business needs. These questions will guide you in choosing a solution that has all the key capabilities needed to support your product strategy and financial operations.

Pricing flexibility

- ☐ How does your platform support different pricing models (e.g., tiered, usage-based, prepaid credits, hybrid)?

Are we able to set custom pricing for individual customers and products?

- ☐ Does your solution support multi-dimensional pricing (i.e., charging based on multiple attributes)?

Ease of implementation and use

- ☐ What are the shortest and longest amounts of time it has taken a customer to implement your solution?
- ☐ What level of engineering support is required for initial setup?
- ☐ Can we change pricing without engineering involvement?

Processing model

- ☐ How does your system ingest and process usage data?
- ☐ How many events can you ingest per second?
- ☐ Do we need to build our own infrastructure for aggregating or processing usage data before it's sent to your system?

Support for backfills/historical data

- ☐ Can we retroactively adjust or backfill historical usage data?
How does your system handle errors or missing data in past billing cycles?
What controls are in place to ensure accurate recalculations of past invoices?

Threshold billing

- ☐ Does your solution allow us to set automated threshold-based billing triggers?
- ☐ Can we customize thresholds based on customer segments or usage patterns?
- ☐ How does the system notify customers or trigger invoicing when thresholds are met?

Scalability

- ☐ Can your platform handle millions of events per second without performance degradation?
- ☐ Do you have customers processing high volumes of usage data in real time?

Price change support

- ☐ How can we update pricing for existing customers, and can we move select customers onto new pricing plans?
- ☐ Are pricing changes able to be scheduled?
- ☐ How can we keep track of different pricing plans and which plans customers have enrolled in in the past?

Proration

- ☐ Does your system support prorated charges for mid-cycle plan changes?
- ☐ How can we customize proration?
- ☐ Can customers see proration adjustments clearly on their invoices?



Revenue simulation

- ☐ Can we model and test how pricing changes will impact revenue before implementing them?
 - ☐ What data is considered in your revenue simulations?
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Parent-child billing

- ☐ How do you handle billing for customers with parent-child hierarchies?
 - ☐ Can customers access usage and billing across child accounts?
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Client partnership

- ☐ What sort of support do you offer for implementation and ongoing optimization?
 - ☐ What kind of strategic guidance do you provide for pricing and monetization?
 - ☐ Can you share examples of companies that have successfully transitioned to your platform?
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Reporting

- ☐ What built-in reports are available for revenue tracking, usage, and customer billing?
- ☐ Can we create custom reports and export data for financial analysis?
- ☐ How does your reporting integrate with BI tools, ERPs, and accounting platforms?

Modularity

- ☐ Can we implement features as we need them?
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Integrations

- ☐ What pre-built integrations do you offer?
 - ☐ Do you provide APIs for custom integrations?
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Security and support

- ☐ What role-based access controls does your platform provide?
- ☐ Can we define permissions at a granular level for different teams (e.g., finance, operations, engineering)?
- ☐ Does your solution support SSO and multi-factor authentication for enhanced security?
- ☐ What security measures do you have in place to protect sensitive billing and customer data?
- ☐ Are you compliant with industry standards like SOC 1 and 2?
- ☐ How does your platform handle data encryption, both in transit and at rest?
- ☐ What is your guaranteed uptime?
- ☐ Do you offer 24/7 support, and what response times do you guarantee for critical issues?
- ☐ Is premium support available, and what does it include (e.g., dedicated account manager, faster resolution times)?

Get started with
usage-based billing fast.