

7 Top Reasons Homegrown Revenue Management Systems Fail Audits

We're sharing the top seven reasons homegrown Revenue Management systems fail audits and offer practical solutions to overcome these challenges. **Investing in a best-in-class platform can help you navigate these issues effectively and pass audits with flying colors.**



Lack of Governance

Issue

Homegrown Revenue Management systems often lack standardized processes and documentation. This inconsistency makes it challenging for auditors to verify data accuracy and compliance.

Solution

Use industry standards and best practices to ensure consistency. **Chargebee RevRec** integrates with billing and populates your products, services, contracts, and invoices.

Manual Processes and Errors

Issue

Reliance on manual processes in homegrown Revenue Management systems increases the likelihood of human errors and inconsistencies in billing.

Solution

Automate Revenue Management processes to reduce errors and increase accuracy. Regularly audit these automated processes to ensure they work correctly. Replace manual tasks with a proper accounting sub-ledger, managing closes, entries, and balances in a single, auditable system aligned with your accounting cycle.

Narrow Compliance Support

Issue

Homegrown systems may not have robust mechanisms for adequately applying compliance and audit criteria, such as tax and revenue recognition.

Solution

Look for Revenue Management systems with native support for the nuanced requirements set forth in governing compliance standards.

Inadequate Reporting and Analytics

Issue

Homegrown Revenue Management systems may lack advanced reporting and analytics capabilities, making it difficult to generate accurate financial reports and insights.

Solution

Select Revenue Management systems with robust reporting and analytics features. Ensure they provide real-time data and actionable insights, delivering reliable revenue reports at multiple levels (e.g., sales order, customer) and dimensions (e.g., product line, geography, currency). Your reports should also support financial precision and validation for trend analysis, adjustment documentation, and confident strategic growth planning.

Ineffective Integration

Issue

Many homegrown Revenue Management systems face challenges integrating with other business systems, such as accounting or CRM platforms, resulting in data discrepancies and errors.

Solution

Use billing and revenue recognition systems with seamless integration capabilities to ensure accurate and consistent data flow between platforms. Report your revenue from a single auditable accounting system that seamlessly integrates with your CRM and any data sources.

Limited Scalability

Issue

Homegrown systems often struggle to handle growing volumes of transactions and evolving business needs, leading to errors and inconsistencies.

Solution

Adopt scalable billing solutions that can grow with your business. Ensure your system can handle increased transaction volumes and adapt to changing business requirements. This can unburden your finance team and propel your business with automated, compliant revenue recognition.

Inadequate Data Security

Issue

Homegrown systems may have insufficient security measures, making sensitive financial data vulnerable to breaches and unauthorized access.

Solution

Invest in a best-in-class billing and revenue growth platform that offers enterprise-grade security, including robust data security protocols, encryption, access controls, and regular security audits. Get end-to-end, automated revenue recognition in accordance with ASC 606 / IFRS-15's five-step model.

Chargebee Billing & Revenue Management simplifies and automates revenue recognition, freeing your finance team from manual, error-prone processes and allowing you to focus on scaling your business while passing audits with flying colors. Don't let outdated finance systems hinder your success—choose a solution that supports your future.