OpSource On-Demand™

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24 June 2008

OpSource Billing
Glossary, Terms & Nomenclature

1. OpSource Billing Glossary, Terms and Nomenclature

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Web company

The major concepts and terms used throughout this document are defined below

Contract - A contract, at a high level, is an agreement between an ISV and a customer on the use and billing of a given product.

- A customer may only have one active contract for each product with an ISV.

- A contract is based on a Plan, with customer specific changes.

- These customer specific changes include: Additional Transaction credits, additional Resource coverage, additional users.

Coverage - Coverage is entitlement to resources. The coverage entitlement represents the number of a given Resource may exist before being metered. For example: 10 users, 50 active projects, unlimited chat rooms.

Coverage has a start and end date (usually the start and end of a subscription period) and are only applicable during this period. The Subscription renewal and associated invoicing puts the next period of coverage in place. Upgrading to a contract with more coverage entitlement will put in place coverage to cover that difference through to the end of the current subscription period at which time the new contract will take over.

Credits - Credits are entitlements to transactions. The credit entitlement represent the number of a given Transaction may be performed before being metered. For example: 100 emails, 50 API calls, Unlimited downloads

Credits come into effect on a certain date (usually the billing date) and expire on another date (usually 2 billing periods). The Subscription renewal and associated invoicing puts the next allotment of credits in place. Upgrading to a contract with more credit entitlement will put in place credits scaled down based on the remaining time in the current subscription period, at the end of the current subscription period new contract will take over.

Customer - A customer in OpSource Billing represents the SaaS or Web company using OpSource Billing as their billing and payment system.

Customer account - A customer account is the customers consolidated billing account with a given ISV. It holds all Contracts, Entitlements, Invoices and Unbilled monitory charges and credits. Billing is always performed at the customer account level consolidating all monitory charges and credits from multiple products (from the same ISV)

End user – An end user in OpSource Billing represents an organization or individual that purchases and uses a product. They have a consumer relationship with a single SaaS or Web company, which hold their customer account.

Entitlement - Entitlements represent a customer's pre-paid level of access to the product.

- Each entitlement defines the level of access given to a Price List Item of the product.
- The form an Entitlement takes is specific to the kind of Price List Item.
- Entitlements in general represent how much usage may be performed before being metered.
- If metering is not defined this represents a hard limit on transactions.
- If metering is defined this limit is referred to as a soft limit as they can continue to perform the Transaction but will incur usage based charged.

Metering - Metering is the concept of allowing use of a part of a product, measuring that use and pricing. Metering may either be enabled or not for a given Price List Item for a given customer/user.

If it is enabled, the usage is measured with a Metric and the resulting measurement is priced and charged in the next monthly invoice.

Metric - A Metric is a mechanism of measuring usage of a Price List Item. The exact nature of the measurements is dependent on the type of the Price List Item. The resulting measurement is an integer in a specific Unit of Measure (UoM). In general, a Metric may be instantaneous - represent a measurement at an instant in time, or periodic - a measurement across a period.

Net Terms – Net Terms represents the payment method where the customer is invoiced and has a certain term in which to submit payment. Generally Net Terms invoices are paid by check of EFT. The payment of a Net Terms invoice needs to be manually registered.

Payment Method - A payment method is an ISV configured definition of how payment is to be made by a customer and how the collections process should work. The payment mechanism is Net Terms Invoiced, Credit Card or ACH (Direct Debit). The collections process is defined by the Dunning rules.

Product - A product is any product offered by an ISV to their Customers. OpSource Billing is designed to work for SaaS type products where the product represents some web based service.

Purchasing of a product usually means entering into a contract to use the Service with certain Entitlements at a certain pre-paid Subscription price along with defined post-pay metered pricing.

Plan - A Plan is a definition of at least one of: a pre-paid Subscription and any post paid metering for a product. The Plan acts as the basis for a contract.

- A Plan may be entirely free – i.e. cannot result in any charges at all. In this case it only has a Subscription which has not price associated with it.

- If the Plan defines a pre-paid Subscription, this comprises of a Subscription price, the Subscription period and the entitlements included in the Subscription. Note: the price may be "0" in which case at least the subscription is not charged for.

- If the Plan defined post-paid metering, this comprises of a Metrics for at least one of the Price List items and associated pricing of the result.

- The Plan also defines what customer contract specific changes can be applied and how they are charged. Specifically this is if additional entitlements can be added and their incremental subscription price.

Price List - The Price List is the collection of Plans.

Price List Item - A Price List Item is anything that is listed with entitlements and/or metering on the Plans. They are common across all Price Lists for a given product.

These include:
- Transaction
- Resource
- Users

Resource - A Resource is an aspect of a product that has some form of lifetime - it's the "nouns" of the product. It may represent the existence of something over time: A Project, a chat room. Or, it may represent the size of something over time: Storage, E-mail list

SaaS company – A SaaS company in OpSource Billing represents an organization that produces and sells a product. They have a supplier relationship with their end users, which hold any customer Accounts.

Service - In OpSource Billing there is no distinction between a product and a Service.

Transaction - A Transaction is an aspect of a product that happens at an instant - it's the "verbs" of the product. It may represent just that something happened: An API call was made. Or, it may represent that size of that thing that happened: A download of "x" MB, a Fax with n Pages.

Users (as a Price List Item) - Users are a special case of Resource. They represent users of a SaaS type product.

Web company – A Web company in OpSource Billing represents an organization that produces and sells a product. They have a supplier relationship with their end users, which hold any customer Accounts.