

How Subscription-Based Pricing Changed
Everything – For the Better

THE POWER TO
DREAM BIG™



10 years

It took us over

10 years,

**200 missed vacations, and
10,000 scope changes with
unhappy team before we
finally figured it out.**

“The fastest way to kill your margins,
morale, and Monday mornings? Bill by the
hour, then spend your Friday begging for AR
and writing off WIP.” - **Me**

Jody Grunden



Partner, Virtual CFO Practice Leader, Anders

- Co-Founder of Summit CPA Group: Founded a leading Virtual CFO firm which sold at high multiple. Now Partner at Anders.
- Industry Innovator: Pioneered subscription-based billing and one of the first fully remote accounting firms.
- Published Author: Wrote two influential books on Virtual CFO strategy and building a cloud-based firm.
- Virtual CFO Expert: Helps companies use forward-looking financial data to improve profitability and cash flow.
- Award-Winning Leader: Recognized as CPA.com's "Innovative Practitioner of the Year" for his transformative work.

“All around good guy” – Jen Sides, Anders

Hourly Billing Drains Culture

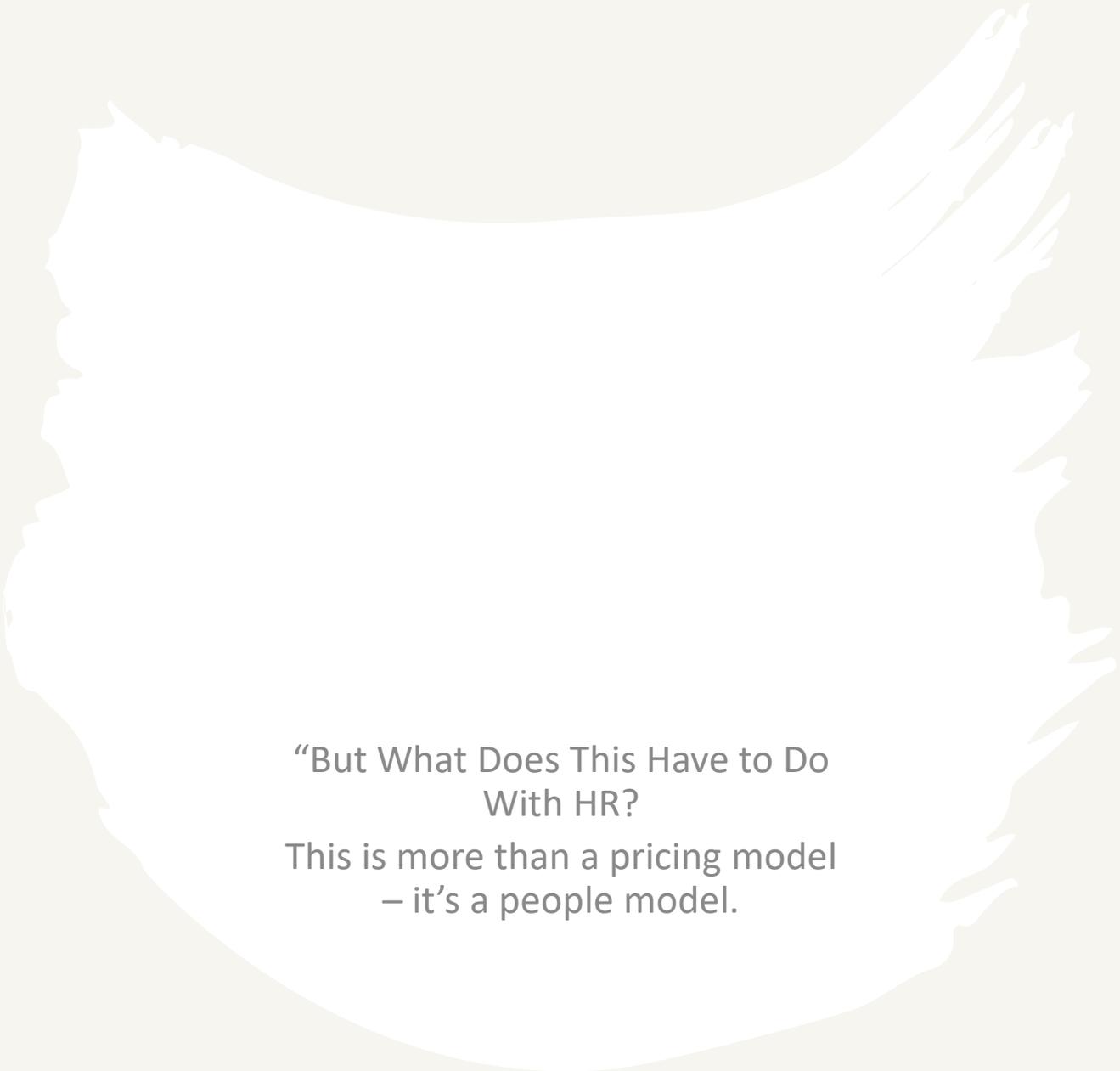
Scope creep leads to blurred roles, unmanageable workloads, and eventual burnout.

WIP write-offs undermine team morale and obscure individual performance metrics.

Begging for AR shifts team focus away from value creation and strains client relationships.

Misaligned expectations = chronic employee stress + higher client and team turnover

Subscription pricing creates clarity, promotes psychological safety, and improves retention.

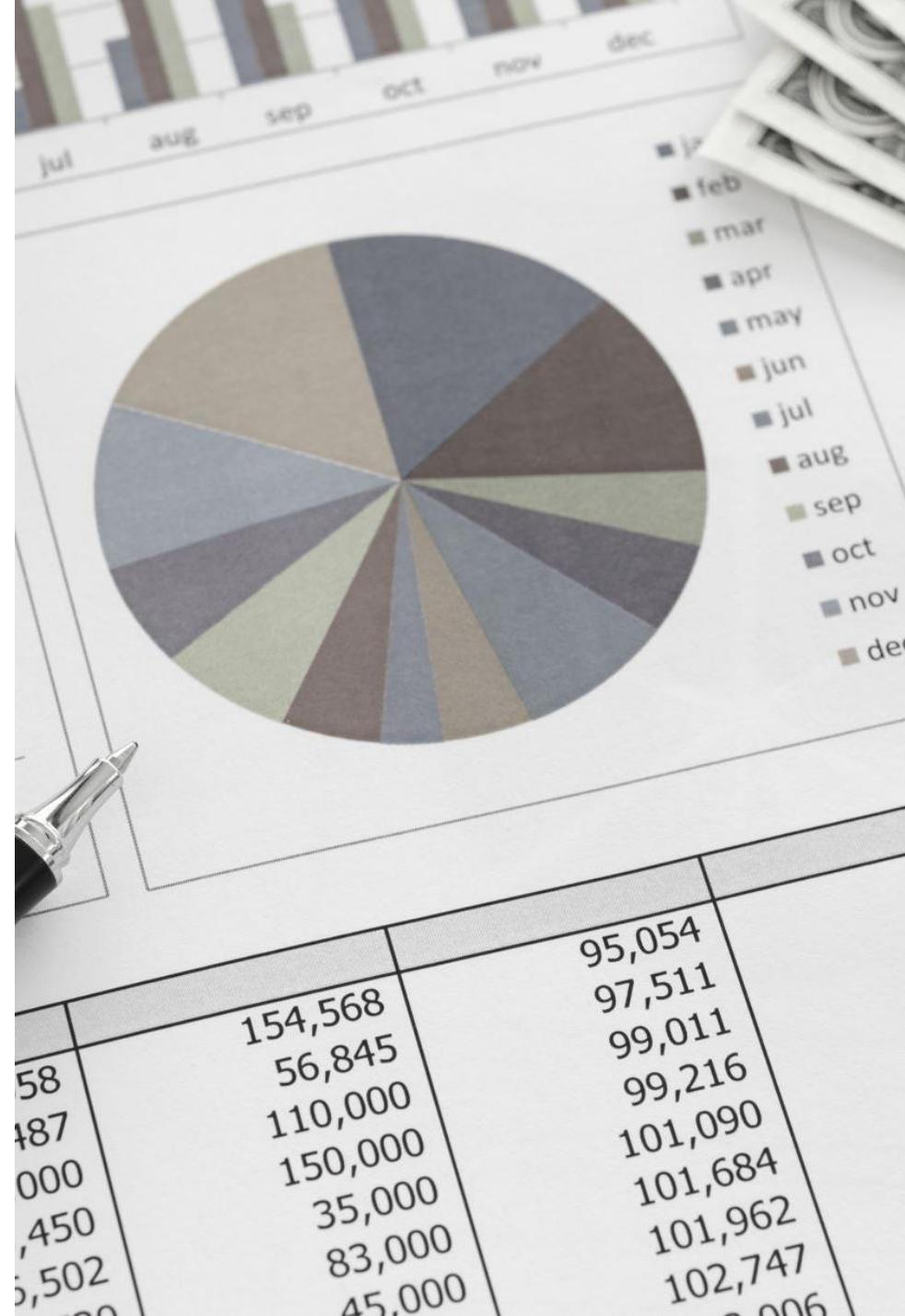


“But What Does This Have to Do
With HR?”

This is more than a pricing model
– it’s a people model.

What is Subscription Based Pricing?

- Recurring, **fixed** monthly fee
- Covers a **defined set of deliverables and services**
- Aligned with **client needs and firm capacity**
- **No surprise bills**
- Built for **long-term relationships**, not transactions
- Encourages **strategic planning** over **reactive problem-solving**



Subscription
vs. Flat Fee
vs. Hourly

Hourly: time-based,
variable

Flat Fee: fixed, often
scope-based

Subscription: recurring,
relationship-driven

Why It Works

- **Predictable** revenue
- **Better client experience:** fewer billing disputes, consistent access to advisors
- **Simplifies** internal workflows
- Improve **client and employee retention**
- **Better utilization of the team**
- **Increased valuation** due to recurring revenue



Why Clients Love It

- Fixed cost **predictability**
- Always-on **access** to advisor
- Feels more like a **partner** than a vendor
- Long-term **relationship**





Why Employees Love it

- **Clear Work** Expectations
- Focus on **Value, Not Hours**
- Better **Work-Life Balance**
- Career **Growth and Development**
- **Real-Time Recognition**
- **Team Collaboration**
- Increased **Employee Retention**

Cuts down on repetitive busywork and manual billing tasks

Frees staff to focus on client relationships and strategic work

Simplifies internal workflows (forecasting, collections, WIP tracking)

Reduces emotional friction: no more awkward billing convos or AR chasing

Supports retention by reducing burnout triggers

**Less Admin = Happier, More
Focused Teams**

Subscription = Predictable Profits

Ideal clients don't just pay more –
they cost less to serve

Why
Time
Tracking
Still
Matters
(Even
Without
Billing it)

Identify coaching
opportunities

Celebrate efficiency
wins.

Supports pricing and
capacity decisions

Powers Margins and
Profitability Insights.

Forecasting
Becomes
Easier

Set baseline cash
flow

Align staffing with
revenue

Plan service
capacity confidently

Client
Retention
Improves

Clients feel
supported

Reduced billing
tension

Relationship-
based service

Value Creation

Increase margins through
specialization

High employee satisfaction

Reduce churn by serving the
right clients

Scale with less overhead

Build enterprise value through
focused growth

Profits - KPIs

Goal

- Gross Profit – 50%
- Net Profit – 25%
- Revenue per Headcount – \$250K

Actual

- Gross Profit – 46%
- Net Profit – 19%
- Revenue per Headcount – \$243K

Forecast

- Gross Profit – 48%
- Net Profit – 22%
- Revenue per Headcount - \$242K

Pay Structure that Incentivizes

If pricing is the engine, then compensation is the fuel that drives behavior.

Aligning comp plans and KPI's to attract and retain the right team members and right clients.

Aligning Compensation with Behavior

Focus moved away from utilization
towards tracking outcomes

Reward behaviors that support
growth: accountability, ownership,
and results

Create instant rewards for handling
increased client load

Boosts morale by rewarding value,
not hours logged

Building a Culture Around Trust and Outcomes

Subscription model demands
autonomy and accountability

People want to know how they
contribute—not how long they sit
at a desk

Lowers turnover and supports
purpose-driven work environments

HR is essential in shaping a culture
that supports this model

Create a
Pay
Structure
that
Incentivizes

Align compensation to client value.

Introduce incentive comp that motivates high performers.

Reward efficiency and effectiveness through immediate reward

Support career growth with mastery not just up or out.



Pay Structure

Based on a Salary + MONTHLY Incentive

Based on Book of Business

CFO – 14.75% (\$1.5M)

Controller – 12.5% (\$1.2M)

Sr Acct – 10.25% (\$1.0M)

Support Team - 3-4%

Want CFOs to raise their hands for new clients? Show them the math.

In a Parkinson's Law World, incentives must reward efficiencies not time spent

Pay Structure - KPIs

Goal

- Employee Favorability – 82% - 85%
- Employee Retention (Voluntary) – 94%

Actual

- Employee Favorability – 77%
- Employee Retention (Voluntary) – 94%

Why HR & Culture are Central to Subscription Success

Set clear expectations: outcomes > hours

Hire and onboard for autonomy, alignment, and mutual fit

Redesign roles and comp to support value-driven models

HR bridges pricing and people strategy

Culture shift: define success beyond utilization

Lessons Learned & What You Can Do Next



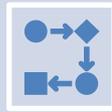
Align roles, incentives, and pricing strategy



Redefine utilization and success metrics



Track margins and results continuously



Be flexible, iterate, and involve the team



Don't rush – change is a journey, not a flip of switch.

Subscription pricing isn't just about money



It's about autonomy, clarity, and fit – for your team and your clients.



It's HR, ops, and finance working in sync.



It's the business model and the people model.

“Took us 10+ years to figure it out...
And we’re still fine-tuning.
But it changed everything:
Margins. Morale. Mondays.”