Dynamics 365
for Finance

Subscription
Billing

# Revenue Recognition to Subscription Billing: Quick guide to a successful migration.

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# What's changing and why it matters.

## The shift from RevRec to Subscription Billing.

When it comes to your company's financial health, timing is everything—especially when recognizing revenue. Whether you deal in products, services, or subscriptions, accurately accounting for revenue is essential to maintaining compliance and making smart business decisions.
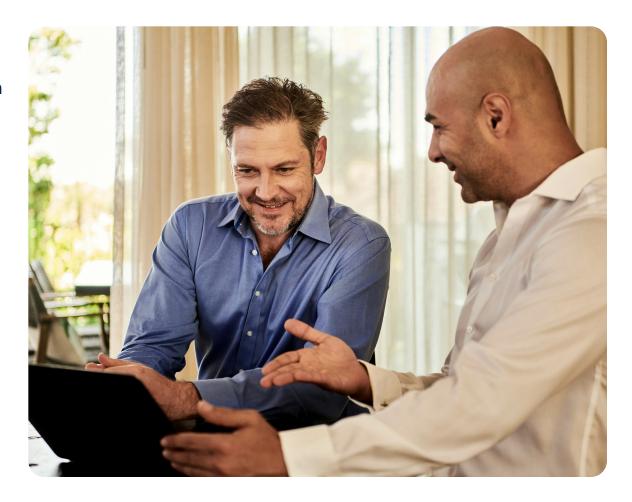
For many organizations, the **Revenue Recognition module in Dynamics 365 Finance** has been the go-to tool for managing this process. It allowed finance teams to defer, allocate, and recognize revenue based on the unique needs of their industries. But with Microsoft **phasing out this module**, businesses are now facing a critical shift: **migrating to the Subscription Billing module**.

And as with any system migration, success depends on how well you prepare. This guide is here to help you navigate the transition with confidence—whether you're going it alone or partnering with a migration expert.

Inside, you'll find:

- **Key considerations before you migrate.**

- **A step-by-step guide to ensure a smooth transition.**

- **Insights into how Subscription Billing works—and how to make the most of it.**

Let's explore how you can build a solid path forward.

# From Revenue Recognition to Subscription Billing: What to know before you migrate.

## The essential factors that shape a smooth transition.

No two companies are the same—and neither are their revenue recognition needs. Whether you operate on a lean budget or run a complex revenue structure with multi-element contracts, it's important to weigh your options carefully. Here are a few critical factors to help guide your decision-making:

- **Risk: Protect your data and processes.**

  Every migration carries risk, especially when it involves your financial records. Any system change involving financial data introduces the potential for error, especially when you're dealing with historical records, deferred revenue, and contract terms. One problem can lead to another and before a team knows it, they're dealing with compliance issues and misstatements in financial reporting.

  Imagine a company with over 1,000 open revenue deferral contracts. A manual migration would easily put them at risk of data loss and inconsistent mapping. However, with an automated migration tool, they can preserve historical deferrals and ensure audit-ready accuracy.

  Partnering with someone who knows the ins and outs of both systems can drastically reduce those risks—especially if they offer purpose-built tools for data mapping and validation.
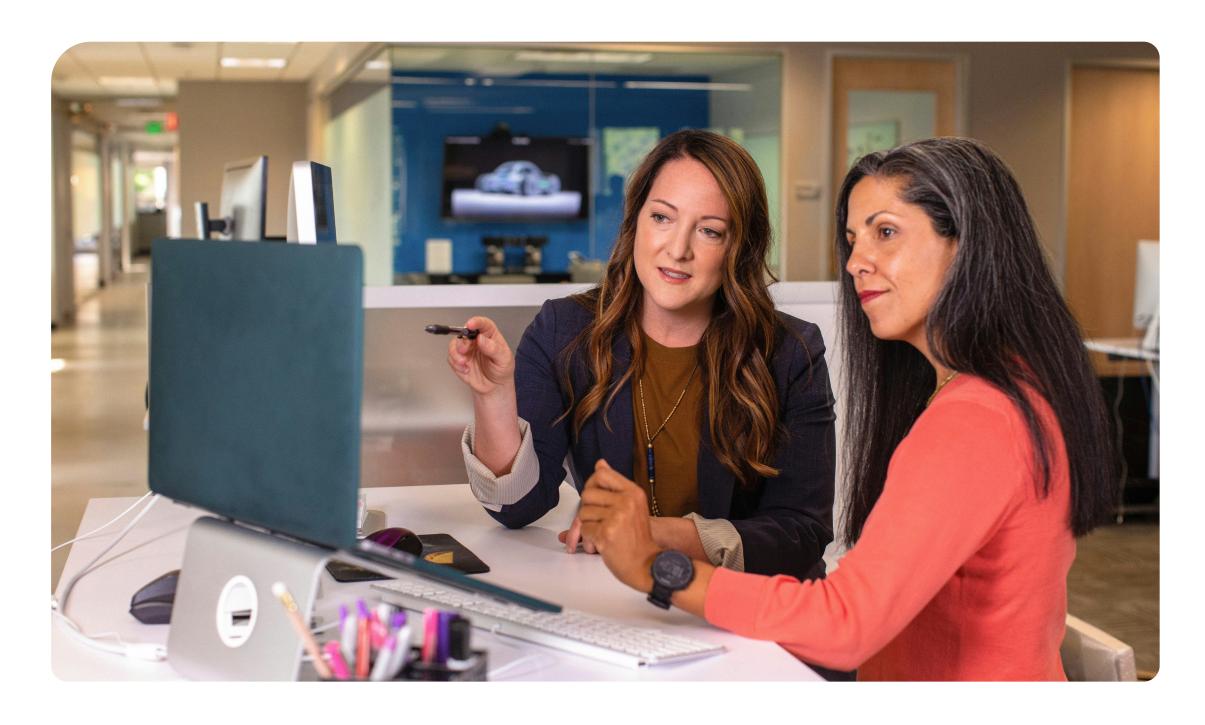
- **Time: Reduce downtime, maintain momentum.**

  Downtime is inevitable, but it doesn't need to bring your operations to a halt. Manual migrations can take weeks—or even months—and often require teams to backtrack and fix issues they didn't anticipate. On the other hand, a well-configured utility can significantly reduce the time your Dynamics environment is offline.

  When it comes to recurring billing schedules, for example,having to pause your invoicing during a prolonged manual migration can lead to customer frustration and delayed revenue. By switching to a partner-assisted approach with staged testing, you can reduce downtime from several weeks to just days.

### Cost: Think beyond the price tag.

While there's a cost to any migration, the bigger question is: how much is inefficiency costing you? The migration period is a good time to evaluate your entire billing process. You might find that Subscription Billing's native recurring contract capabilities can replace several disconnected tools—saving you real money in licensing and overhead.

# Migrate with confidence in five easy steps.

## A step-by-step roadmap to success.

Switching from Revenue Recognition to Subscription Billing isn't just a technical update—it's a business-critical transition. Following a structured process will not only reduce risk, but also give your team the best chance at improving efficiency long-term.
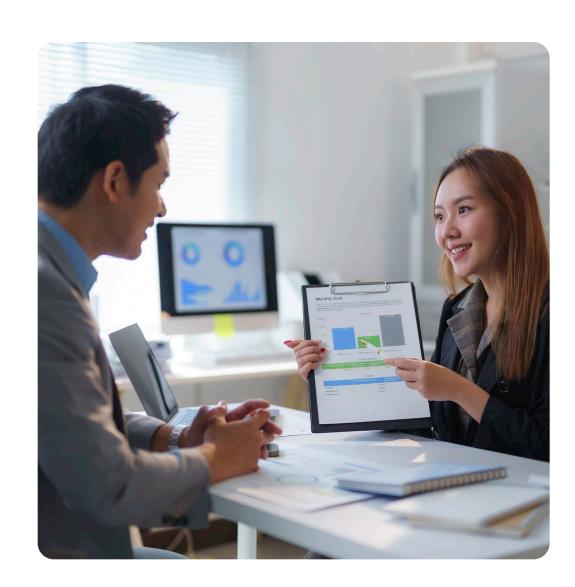
Here's a breakdown of the key steps for a smooth and successful migration:

- **Discovery and analysis.**

  Take time to understand how you're currently using Revenue Recognition, and how those processes will map to Subscription Billing.  Which processes are essential to your business? Are there any customizations or edge cases in your current workflows that might not translate directly into Subscription Billing?

  **Example:** A software company realizes during discovery that they're using Revenue Recognition to manage bundled services and licenses over 36-month terms. Before moving to Subscription Billing, they'll need to ensure the solution can replicate that model with multi-element contract support and time-based allocation.

  It's also worth identifying functionality gaps early—so you can work with a partner to plan for configuration adjustments or workarounds.

- **Project planning and scoping.**

  Once you have clarity on your business requirements, it's time to define the migration path. This step is all about aligning your internal stakeholders and external partners, setting a realistic timeline, and ensuring everyone knows what's expected. For example, you might need to work with a migration partner to schedule your go-live after quarterly financial close, avoiding any overlap with critical reporting activities.

  **Pro tip:** Don't underestimate the internal communication piece. Finance and IT should be in sync from day one, especially if you're dealing with fiscal reporting deadlines or operational billing cycles.

- **Object mapping.**

  This is where the technical heavy lifting begins. Work with your partner (or internal team) to map Revenue Recognition objects to their Subscription Billing equivalents. These include revenue schedules, deferral codes, contract types, and billing frequencies.

  If there are any issues, you'll start to identify them here so you can address them. For example, if a team finds that their custom revenue categories aren't automatically recognized in Subscription Billing, they can configure these categories before the full migration and avoid any further delays.

- **Trial migration and testing.**

  Before making the switch, simulate the migration in a sandbox or test environment. This allows your team to verify that revenue schedules, deferral logic, and billing rules are behaving as expected.

  Use this phase to identify and fix issues before they impact production. It's also a good time to get stakeholder buy-in by demonstrating how familiar processes translate into the new module.

- **Training and change management.**

  Even the most seamless technical migration can fail if users aren't equipped to adopt the new system. Invest time in training your finance and billing teams—not just on how to use Subscription Billing, but on how their day-to-day processes might change.

  Encourage teams to challenge old habits and explore new functionality. This is a perfect time to optimize workflows and align them with best practices.

# Subscription Billing by Binary Stream: A quick history.

- Binary Stream releases Subscription Billing Suite for Dynamics Finance in 2017 as an ISV product.
- Microsoft adds the RevRec module to Dynamics Finance in 2019.
- Microsoft licenses Subscription Billing from Binary Stream and incorporates it into Dynamics Finance in 2022.
- Microsoft deprecates the RevRec functionality in 2024.

# Migrate seamlessly with Binary Stream.

## Leverage 15+ years of subscription management expertise.

Migrating from Revenue Recognition to Subscription Billing doesn't have to be overwhelming. With over 15 years of experience in subscription management and deep alignment with Microsoft, Binary Stream is uniquely positioned to help you navigate this transition—on time, within budget, and with confidence.

Our dedicated migration service for Dynamics 365 Finance is designed to reduce risk, accelerate timelines, and tailor the Subscription Billing experience to your business. Whether you're looking to streamline recurring billing, ensure compliance with ASC 606 and IFRS 15, or scale your processes as you grow, our team is here to guide you every step of the way.

**You'll get:**

✓ **Discovery, planning, and scoping sessions tailored to your setup.**

✓ **A configurable migration utility licensed to your environment.**

✓ **Trial migrations and validation testing to catch issues early.**

✓ **Hands-on training and advisory services to support adoption.**

✓ **Go-live and post-migration support for a smooth transition.**

We've helped countless companies make this move, transforming not just their systems, but how they manage revenue long-term.

## Ready to simplify your migration?

[ Get in touch ]

**Binary** Stream