PLAYBOOK
BILLING & MONETIZATION

FOR INTERNATIONAL EXPANSION

NITROBOX

www.nitrobox.com

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INTRODUCTION

Every business can expand internationally in today's globalized economy—from solopreneurs selling homemade knitwear on Etsy to the brightest FinTech unicorns.

International expansion is an exciting step: It increases your company's potential consumer base, boosts sales, grows product adoption and recognition. Furthermore, it fulfills your business's true potential - in many parts thanks to modern technologies like automated billing and monetization software.

Expanding internationally requires thoughtfulness. Just because every business can go global doesn't mean they will be successful when they do go global. The first hurdle is each country has its own market preferences, cultural preferences, language, and currency billing rules and regulations. It's not an exaggeration to say it's obligatory to set up the appropriate financial, operational and sales infrastructure before selling to other countries. There is expansive requirements to internationalization, so to focus our scope here, we will be discussing the financial operations and product offerings aspects of internationalizing a business.

It is clear that scaling successful, confident businesses requires thoughtful preparation when entering new markets. As a cautionary tale, a mere 7% of startups make it to Series C. These companies share this in common: their founders and finance leaders never fall victim to complacency.

This playbook is a step-by-step walkthrough for how to build your company's billing and monetization approach for expanding internationally. It outlines key challenges, offers suggestions on how to overcome these hurdles, and highlights the role that a complete billing and monetization platform plays in enhancing your scaling company's billing, accounting, payment management and financial reporting process at scale.

1 BUSINESS CONTEXT

KEY QUESTIONS

- Why do certain digital business models succeed? Why do some fail?
- How can we understand a new market? What considerations are there?
- What happens if we don't consider different market conditions?
- How do we adapt our digital business to new markets?

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NOW IS THE TIME TO INNOVATE

While we may be in a bear market, at the end of 2022, businesses have a great opportunity now to innovate, and those who don't, will not succeed in the future. With digitization, companies—from start-ups to scale-ups to enterprises—can reinvent established industries, solve consumer pain points in increasingly innovative ways, generate revenue fairly and profitably with usage data, and access a global audience in just a few clicks.

Think of how Amazon, Uber, Tesla, and Netflix have successfully captured their respective sectors. They succeeded by innovating, and through that, created value that would be impossible without technology. These businesses rely on digital technology to conquer (or create) their industries—meaning they've built robust digital business models through plenty of trial and error. They used digitization and tenacity to differentiate and create a truly unique competitive advantage.

However, even tech giants like FANG (Facebook, Amazon, Netflix, Google) sometimes fail to understand that a digital business model that works well in one market might be unsuitable for another. But why is this? What can we learn from them?

UNDERSTAND HOW TO ADAPT YOUR BUSINESS IN A NEW MARKET

What if your new target market is already saturated with a comparable business model to yours? Or consider culture. Imagine and consider that it's 2010 and you want to bring Google Maps to German. It will not be a successful undertaking. Back then, Germany was endearingly awarded the title of "Blurmany" while at the center of a fierce privacy debate over Google Street View. The moral of the story: understand that different markets have different considerations.

While this may seem obvious, the fact that companies keep making mistakes when entering new markets is a clear sign that what is obvious isn't necessarily obvious to everyone. Coca-Cola withdrew Dasani bottled water from the UK in one of the late 20th century's most disastrous marketing campaigns. Coke failed for many reasons, like bromide contamination, mislabeling treated tap water as spring water, and misunderstanding British conceptions of bottled water being elegant, while bottled water in the US was much more casual.

The same can be said for digital business models. While not as exciting as contaminated tap water, if you operate your product on a subscription basis but find that consumers in your target market are tired of paying for subscriptions, you might struggle to acquire new customers without something that sets you apart from the incumbent.

ADAPTING TO A NEW MARKET

Adapting is often easier done than said. 99% of the work is spent understanding. Take the above example, succeeding in a new market could be accomplished by simply switching up to a usage-based pricing model rather than a subscription. With Nitrobox's sophisticated business plan builder, customizing different business models such as subscriptions, usage-based, transactional or hybrid ones is a simple, effortless process. The speed of pivoting your business enables you to carve out a competitive advantage by offering a value-driven pricing model (and something novel). Customers pay for what they use, not a flat fee that is withdrawn from their account whether they use the product or not. When it comes to digital business models, lean towards exploring innovative pricing for the market you are targeting, that offer consumers more unique benefit(s) than the bog standard.

For example, imagine you're a video streaming service. In India, 42% of the population already spends over $31 per month on video streaming services—so customers might not want to sign up for yet another subscription option, their needs are covered. You would likely need to rethink your pricing model and/or the video content offered. However, this model might work better in China. 55% of the population spends less than $15 per month on video streaming services, with just 10% spending above $31 per month. In short, look to market saturation as a starting point for how to structure your business model in addition to the actual product itself. In another example, research shows that Spanish and French citizens sign up for more subscriptions than in other European countries—34% and 31%, respectively. The research states that each individual has between 6 to 10 subscriptions. By contrast, this percentage is much lower, between 5% and 23%, in most other European countries.

Subscription products are a genuine opportunity in Europe. It is an untapped market for many digital products. Finally, in other parts of the world, consumers in many markets may be beginning to tire of the subscription model altogether:

"...the growth of the subscription economy has begun to decline, with Barclaycard proprietary data showing a 5.7% fall in subscription spending in May 2022, when compared to May 2021." The takeaway is clear: don't assume you can roll out the same digital business model (or any business in general) to all your target markets and achieve the same results. You must instead carefully consider each market's unique context and business landscape, and through this, you will be able to differentiate your business and products.

THINK HOLISTICALLY

Beyond the digital business models you're building, how else can you contextualize your business and differentiate yourselves from the competition? To reiterate, consider more deeply with what consumers in your new market struggle (e.g., paying for subscriptions they barely use), and how can your product solve these pain points (i.e., by rolling out fairer, more reflective usage-based pricing). Are they the same or different than your home market? Are there cultural components you need to consider? Think holistically and expansively. Once, you've established how to sell your product or service, carved out a competitive advantage, and finally set up the corresponding monetization and billing infrastructure within your finance software you're then ready for the fun part: acquiring new customers. We won't delve into that in this whitepaper—after all, you know your target persona (and how to attract them) far better than we do.

KEY TAKEAWAYS

- Companies that do not innovate fail when innovation is the standard.
- It is important to understand your new market as truly unique from your local market.
- Understanding leads to innovation and adaptation
- Setting up an adaptable, innovative digital business model is achievable with billing & monetization software like Nitrobox.

2 BILLING & INVOICING AUTOMATION

Now that you've successfully established your business in a new market, it's time for the point of the new enterprise: generating revenue. Once you've started receiving orders from customers, you'll need to bill and invoice them, which comes with a host of potential challenges: invoice localization, tax regulations, e-invoicing compliance, country-specific archiving, and localized dunning.

Let's delve into each of these areas in more detail, highlighting key questions to first ask yourselves before providing 'how-to' suggestions that will get you on the right track towards the next step.

INVOICE LOCALIZATION

KEY QUESTIONS

- How can we generate invoice documents in the new country's native language?
- How can we generate invoices that follow a country's local regulations around invoice formatting or content?

For basically all customers, it is crucial that they can communicate with the provider in their own language. This not only lowers the initial hurdles but also builds trust. Moreover, you cannot expect all customers to be multilingual or to have the willingness to do so. Language localization and sending invoices in the market's respective language is therefore the basic building block when expanding into new markets.

But it's much more than just making sure customers can understand the invoices. Before you begin to sell abroad, it's essential to get up to speed with each market's invoicing localization requirements.

With invoice localization, it's not enough to simply send out invoices with the correct figures. Some countries have specific regulations around formatting and content—for example, in Germany, all invoices must include a unique sequential number, full details of the goods or services provided, and the VAT rate applied (or details to support zero VAT, such as export, reverse charge, or intracommunity supply). Conversely, the U.S. is far more relaxed when it comes to invoices.

With billing automation software like Nitrobox, configuring invoice templates for different markets at scale is a simple process, and enables faster rapid expansion to new markets because worrying invoicing becomes a topic of the past.

Beyond simply knowing how to structure and format invoices correctly, there's the obvious issue of digital invoices, or e-invoicing.

"Before you can begin to sell abroad, it's essential to get up to speed with each market's invoicing localization requirements."

Your company logo
Your company name and address

Rechnung

Your company contact person's name
Your company contact's phone number
Your company contact's e-mail address
Your company website

Further company details like business hours,
office locations, international numbers, etc.

Your company`s postal sender address

Client company name	Lieferdatum	(Delivery date)	DD.MM.YYYY
Client name	Auftragsdatum	(Order date)	DD.MM.YYYY
Client address	Seiten-Nr.	(Page number)	1
Client VAT # (if applicable)	Datum	(Invoice date)	DD.MM.YYYY
	Kunden-Nr.	(Client number)	XXXXXX
	Rechnung-Nr	(Invoice number)	Unique invoice number

Rechnungsdetails (invoice details)

Please find the breakdown of services provided during the period of DD.MM.YYYY - DD.MM.YYYY

Artikelnummer	Beschreibung	Anzahl	Preis pro Einheit	USt. [%]	Gesamtbetrag
XXXXXXX	Sales Consulting Pipeline Analysis Reporting	40 Hours	100,00 EUR	---	4.000,00 EUR
↑ You must assign a unique item number to each service or product you offer	↑ Product or service description	↑ Number of items, like hours, pages, words, etc.	↑ Price per item, like per hour, per page, per word, etc.	↑ VAT charge such as none, 7% or 19%	↑ Total charge

Add unique tax schemes like reverse charge, if applicable
Die Berechnung der Leistungen erfolgt als Reverse Charge
(Steuerschuldnerschaft des Leistungsempfängers).
Ihre VAT/ UID-Nr.: xxxxxxxxxxx

USt.: 00.00 EUR

Add your terms of payment
Zahlungsbedingungen: 30 Tage

Netto: 4.000,00 EUR

Add information about agreed discounts
2% Skonto bei Zahlung innerhalb von 14 Tagen ab Rechnungseingang

Gesamt: 4.000,00 EUR

Add payment details/ method like bank transfer, direct debit, Paypal, etc.
Bitte überweisen Sie den fälligen Betrag auf das unten genannte Konto.

If applicable, add confirmation, if an invoice has already been paid.
Der Betrag wurde bereits dankend am DD.MM.JJJJ per Überweisung erhalten.

Your company name Your managing directors	Your company's VAT ID Your company's tax ID Your company's commercial register number Your company's registry court	Your company's bank name Your company's IBAN number Your company's BIC code

EXAMPLE 1

This is a standard German invoice. It is important to note that invoicing requirements are very strict in Germany. That is why invoices can and often are sent back for corrections in B2B relationships. Best to get it right the first time.

Disclaimer: This is not legal or compliance advice, do your own research to finalize your invoices.

Your company logo

Your company name
Your company address
Your contact e-mail
Your company website

Invoice

Customer name

Customer address line 1
Customer address line 2
Customer address line 3
Postcode

FAO:
(to whom the invoice is addressed)

PO number:
(Purchase order number)

Invoice date:
DD.MM.YYYY

Invoice number:
xxxxxxx

Details	Quantity	Unit Price	Amount
Sales consulting	40 hours	100.00 GBP	4.000,00 GBP
		Invoice total	4.000,00 GBP

Payment details like accepting credit card payments, bank transfers, using paypal, wise, etc.

Also, information about agreed discounts or additional needed info to explain the invoice

Your company name
Your company address
Your company phone number
Your company e-mail address
Your company website

Bank details:
Your company bank's name
Your company account name
Your company sort code
your company account number

Payment Terms:
Net 30

Further company details like business hours, other office locations, international numbers, other e-mail addresses, etc.

EXAMPLE 2

A more minimalist invoice than the German requirements, UK invoices stick to pretty much only the bare minimum, but there is quite a bit of variance across industries. Certain industries have significant requirements for their invoices (like insurance or healthcare).

Disclaimer: This is not legal or compliance advice, do your own research to finalize your invoices.

E-INVOICING COMPLIANCE

KEY QUESTION

How do we ensure ongoing e-invoicing compliance when expanding into new markets?

Many countries have specific compliance requirements that, if violated, can come with sizable business consequences.

Consider the Portuguese invoicing requirements, for example. Portugal requires all companies to invoice customers through certified billing software, while Britain's Making Tax Digital (MTD) initiative means that companies must keep digital records and use software to submit their VAT returns. Falling foul of the MTD requirements could see your business fined 100% of the VAT due, so your business must have a plan in place to ensure ongoing compliance.

Unfortunately, that's not all. Some countries (such as Italy) have introduced continuous transaction controls. These regulations require that all businesses based in Italy first send their invoices to the government before sending them over to their customers.

Issuing invoices to your customers is just one piece of the puzzle—you also must send e-invoices to the relevant tax authority. Let's briefly outline how various countries ask businesses to report their invoices.

> "Many countries have specific requirements that, if violated, can come with sizable business consequence."

ITALY

Traditionally, businesses only needed to comply with Italian taxation laws if they had a permanent establishment (PE) in Italy, like a physical shop. However, recent regulatory changes mean that VAT-registered businesses with a PE must now submit cross-border invoices via the Sistema di Interscambio (SDI) at the point of issuance. This ensures that the Italian tax authorities verify taxable transactions in real-time. If companies fail to submit invoices via the SdI system, they are liable to pay fines of 90 – 180% of the VAT due.

> "In Italy a permanent establishment (PE) is deemed to exist in the case of a significant and continuous economic presence in the territory of the state, even if it does not have a physical presence in the country."

PORTUGAL

In Portugal, all large companies that deal with Portuguese public entities (e.g., governmental organizations) currently have to issue e-invoices to eSPap, the agency in charge of accepting e-invoices.

However, from December 31st, 2022, companies of all sizes will have to also do the same. Invoices must include the relevant QR code, and from December 31st, 2022, must also include digital signatures to make them valid.

Regarding B2B e-invoices, companies must first notify the Portuguese tax office before sending an invoice. They should stipulate the invoice number, the classification of the document type (as per Portugal's SAF-T coding), and the start date of the issuance of the first invoice in the series.

Then, they will be granted an 8-digit validation code for the series. They should include this unique document code (ATCUD) on all invoices, which companies must then submit via eSPap.

GERMANY

Germany already mandates B2G (business to government) e-invoicing, but the new coalition has recently announced that it plans to introduce mandatory B2B e-invoicing soon. By doing so, the government hopes to reduce VAT fraud and improve administrative efficiency.

THE UNITED KINGDOM

Similarly, the UK only requires businesses dealing with public entities to use an e-invoicing system. That said, the Making Tax Digital (MTD) scheme stipulates that companies must keep their VAT records in digital archives and submit them online via the government gateway.

FRANCE

As with Portugal, Germany, and the United Kingdom, France mandates B2G e-invoicing via the Chorus Pro platform. In fact, it was one of the first to do so, implementing the system back in 2017. The French government announced mandatory e-invoicing for all businesses starting from July 1st, 2024.

TAXATION

KEY QUESTION

How do I meet tax regulations in country X and Y for my business?

Taxes can be quite taxing—especially if you're trying to get to grips with a host of new regulations. Every country has its own tax rules and regulations. Unfortunately, ignorance is no excuse.

Your company will face hefty consequences if it falls foul of a country's tax laws—while you will also waste valuable time and energy trying to resolve these issues with the tax authorities. Understand your company's tax obligations and prepare your finance processes before entering a new market. This is an absolute must.

DIFFERENT TAX RATES

Each country has different tax regulations and rates (i.e., what to tax and how much). In this section, we'll outline a variety of tax regulations and rates to highlight the potential billing complexity, even within single markets.

Jumping right into it, the VAT rate of countries varies broadly. Germany has a 19% value-added tax (VAT), 20% in France, and 22% in Italy. There's no VAT or sales tax in Bermuda, Kuwait, or Qatar. Australia has a 10% goods and services tax (GST), China's VAT rate is 13%, while Russia, the UK, and Armenia have a 20% VAT rate. There's a lot of variety.

Noticeably, despite the eurozone sharing a common currency, there's no one-size-fits-all tax rate. From here, it gets even more complex; tax rates sometimes vary across states or provinces. The Canary Islands have a different tax rate than mainland Spain, for example.

Another example is the USA. Each U.S. state has its own tax regulations and rates. There is a sales tax (similar to VAT) variance within each US state, ranging from 0% to 7-9% by county or postal code. In some cases, even different streets have sales tax differences. Tax rates aren't always tied to a location, though.

They are also determined by the type of product, when the purchase was made, where the product is coming from, and where it is going. Such is the case in Canada where these variables matter greatly. There is, for example, the provincial sales tax (PST), a retail sales tax levied by the provinces, but also the goods and services tax (GST) / harmonized sales tax (HST), a value-added tax levied by the federal government that applies to most goods and services produced in Canada. However, companies need to look very carefully, as there are also certain exemptions for each of these taxes.

Most countries also have reduced rates that apply to specific goods and services. For example, Germany's 7% reduced tax rate applies to books, cultural services, and some foodstuffs, while Puerto Rico applies a 4% sales tax specifically for business-to-business services. There are also exemptions.

For tax regulations and rates, nothing is set in stone. They are subject to constant change. And sometimes on very short notice. So when the Second Corona Tax Relief Act in Germany in 2020 cut the sales tax from 19% to 16% and from 7% to 5% for six months, businesses had to implement it in a matter of weeks.

The bottom line is that billing internationally is made more complex due to tax requirements - that much is clear. Therefore, businesses must take the necessary steps to comply with international tax regulations before expanding.

Better still, they should implement an automated invoicing software solution that makes configuring the latest tax rules for each market and jurisdiction hassle-free. With Nitrobox, users benefit from a smart tax rule manager where they can map the various tax scenarios in detail and for which time periods they should apply. In addition, Nitrobox allows easy integration with tax providers such as Avalara, enabling simple, fast, and efficient management and compliance with international tax regulations.

> " The ideal solution to configure the latest tax regulations for each market and jurisdiction is to implement an all-in-one invoicing automation system such as Nitrobox. "

INTERNATIONAL TAX SCHEMES

Some countries have set up international tax schemes to 'ease' taxation across borders. Ironically, however, this arguably can complicate matters even further.

Consider the European Union's One Stop Shop (OSS), which was introduced to simplify tax returns for EU member states operating throughout the eurozone. The OSS requires businesses to pay VAT according to the rate of the member state where their goods/services were delivered/ provided.

Furthermore, the Import One Stop Shop (IOSS) means that overseas companies selling goods to EU-based consumers can collect VAT from buyers upon payment before declaring this VAT to the relevant authority when submitting their monthly IOSS returns.

International tax schemes are endlessly complex and ever-changing. Businesses must keep up or pay the price (namely, fines arising from non-compliance). Companies might also have to account for the reverse charge system—this requires the recipient (i.e., the customer) to declare both their purchase (input VAT) as well as the supplier's sale (output VAT) on their returns. This means that the two entries will essentially cancel each other out.

COUNTRY SPECIFIC-ARCHIVING

Each country has its own rules regarding how long businesses need to keep their billing documents. For example, in Germany, companies must maintain their invoice records for ten years, but the UK only asks businesses to store invoices for six years.

The ideal solution is for businesses to implement an all-in-one billing automation system where they can legally store their documents for all countries, a compliant document archive.

For example, Nitrobox lets users store legally compliant documents for 80+ countries in a certified digital archive. It provides certified immutability and web-based access for auditors, making it ideal for long-term invoice storage.

LOCALIZED DUNNING

No matter how wonderful your products or services are, some bills will remain unpaid after the due date passes.

On a large scale, unpaid, overdue invoices can even jeopardize the liquidity of companies, which—depending on the size of the company—can become a major threat.

In the UK, 58% of small-to-medium-sized enterprises (SMEs) and a staggering 94% of medium-sized enterprises are currently awaiting late payment from unpaid invoices. In Italy, late payments amount to 56% of the country's total value of B2B invoices, while just 40% of all Euro-zone businesses state they are paid on time.

Therefore, dunning localization must be an urgent priority when expanding into new markets.

> Dunning is an incredible area of growth with digitization. Interpreting your customer's repayment habits from their communications and financial data is a groundbreaking opportunity.

First, you must adjust the language you use for your existing approach. There's little point in sending out a well-thought-out series of dunning messages if you use a non-native language that consumers might not even understand. And even if they do, they likely won't appreciate you communicating with them in their non-native tongue.

You should also consider country-specific communication habits. For example, in Brazil, 98.9% of the country's mobile users are on WhatsApp—making it a great channel for customer communications. Conversely, in Australia, this figure stands at just 32.9%.

Beyond the languages and channels, you use, it's worth digging deeper into each market's communication preferences and norms.

Consider that in Germany, most professionals tend to use direct, to-the-point language—so your dunning messages should reflect this tone.

However, in Japan, communication is usually far subtler and more nuanced, so it should differ greatly from the tone of voice you use with German customers.

KEY TAKEAWAYS

- Managing countless different rules and regulations as an international business is a tremendous undertaking
- Manually complying with those rules and regulations is incredibly inefficient.
- For scaling businesses, implement an automated invoicing software such as Nitrobox. They make configuring the localized invoices, tax rules, languages, and currencies for each market and jurisdiction hassle-free, and facilitate dunning and document archiving.

3 PAYMENT MANAGEMENT

KEY QUESTION

- How do we make it as easy as possible for our customers to pay us, and in every market?
- How can we manage different payment providers across different markets?

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Now that you have new customers and are invoicing them, the next step is managing their payments. Like billing and invoicing, each country and market have countless different payment preferences and practices.

In the case of digital business models, this can range from credit card, direct debit, bank transfer to mobile payments, buy now pay later (BNPL), or even payment in installments.

Therefore, it is important to take a close look at the respective market and check which payment methods are most popular and expected—and which new methods could even represent a competitive advantage.

Then, you can determine which payment providers your company wants to work with for each country to accept payments in the appropriate currencies or even work with cryptocurrencies as well.

This variety of types of payment options and payment providers can be trying and taxing to keep track of manually.

An important step in managing payments on an international level is knowing how to set up a payment management strategy that maximizes payment success. Does PayPal work better than Klarna? Does BNPL work better than direct debit?

> Each country and market has countless different payment preferences and practices, you have to consider to be successful.

It's important to, once again, understand your market deeply and work to adapt to it, rather than the other way around. Additionally, it's essential to connect this cocktail of payment methods and payment providers to your accounting and finance systems.

How does your system work? Does each market operate as at a subledger level, which reports to the G/L? Your finance and accounting systems should be no-brainers.

It should be easy to configure different payment methods and different providers across any market, and even more deeply, offer different a multitude of options in each market.

Your growing international businesses need to seamlessly integrate existing payment providers, and payment gateways, and accept your customers' most well-loved digital payment options into one payment management solution. You can easily integrate your needed payment providers into Nitrobox to make this international monetization requirement a painless process.

With a solution like Nitrobox, you can automatically collect, trigger, or refund payments from multiple international markets from a single source of truth.

KEY TAKEAWAYS

- Understanding your market's payment ecosystem is obligatory
- Offering a wide variety of payment options is great, offering the correct payment providers and options is better
- Using a software with a payment management platform, such as Nitrobox, will save time and effort you didn't know you'd lost.

4 INTERNATIONAL ACCOUNTING

KEY QUESTION

- What does an international business need to know about accounting for multiple markets?
- How do we manage multiple currencies?
- How do we handle currency fluctuations and currency exchange rates?
- How do we segment financial reports for our international business?

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Once you've received payment for your latest digital business, you (or your team) must do bookkeeping and reporting.

While it is exhilarating to take the leap into the world of global commerce and international expansion, you can't simply sit back and leave your financial process as is.

You need to plan to ensure that your new revenues across multiple markets are booked correctly. Specifically, you need to focus on two major international accounting hurdles: multi-currency accounting and segmenting financial reports.

MULTI-CURRENCY ACCOUNTING

> "Without software, multi-currency accounting can feel impossible to truly wrap your head around."

It's traditionally been incredibly tedious for global enterprises to accurately report revenue across different markets when dealing with multiple ever-adjusting currencies. It's like a 6-dimensional Rubik's cube. For an invoice sent in Euro, paid in USD, from a Japanese credit card. It can get messy.

Billing document currencies often differ from the organization's general ledger currency. On top of that foreign exchange rates come into play—meaning the valuation of one transaction may change over time as the exchange rate fluctuates.

Imagine you're a German company whose general ledger is in euros, but you sell an item to a US-based customer for $100. When the invoice was created, $100 amounted to 95€—but when your customer pays two months later, the same $100 only amounts to 92€ due to exchange rate fluctuations. In other words, your company has lost 3€ due to no fault of its own, which you must then recognize as a currency loss in the foreign currency booking.

While the above scenario is obviously an issue, it doesn't mean you should stop billing and invoicing customers in different currencies—far from it. Having an international approach (complete with billing and invoicing in different languages and currencies) is a huge competitive advantage. Fortunately, software can help you when it comes to handling and booking accompanying currency fluctuations. Here's how.

EVALUATING POSITIONS & BOOKING CURRENCY FLUCTUATIONS

It's obvious, but companies must evaluate foreign currency positions in their base currency. Taking the above example, you need to account for the dollars you receive from US customers in euros. That's why you should look for software, like Nitrobox, that automatically values foreign currency bookings in your G/L currency.

If your base currency is euros, all other currencies you receive (whether American or Australian dollars, British pound sterling, Swiss francs, or Japanese yen) will instantly be valued in euros without you needing to lift a finger.

MANAGE CURRENCY EXCHANGE RATES

The next thing regarding multi-currency accounting is currency conversions. Conversion rates allow you to value your foreign currency position for accounting purposes while ensuring you can appropriately handle any currency fluctuations.

Fortunately, you don't need to become a forex expert. You just need a way to manage and monitor foreign exchange rates in an efficient way. It's torture to keep a google browser open with forex, and manually update your ledger. We recommend using dedicated software, but it's important to DYOR (do your own research) to solve your international accounting challenges the most effectively.

In international accounting, a variety of challenges come together. Smart accounting and mone-tization platforms like Nitrobox can help your company overcome them. For example, thanks to data-driven posting rules that can be defined individually, Nitrobox can post all business transactions in a highly automated way and summarize them in a G/L report that can then be transferred to your company's general ledger.

SEGMENTING FINANCIAL REPORTS BY COUNTRY OR BY MARKET

Finally, you must segment financial reports for compliance and tax purposes, specifying which currency and in which country the sales were made.

But, like many other tasks we've written about segmenting financial reports can become a tiresome, confusing process when you're grappling with multiple international markets simultaneously and doing it without a dedicated tool or automation.

Working hard won't cut it when you're grappling with multiple global markets—you need to work smart instead. Software like Nitrobox allows you to create your own flexible reporting, which can be associated with a specific currency or market.

As a simple example, a usage-based electric charging service in England is in a different market than one in Germany, and it should be easy to report on these differences.

KEY TAKEAWAYS

- When evaluating foreign currency positions, look for a tool that automatically values bookings in currencies different than those in your G/L. Some software, like Nitrobox, can even clear related entries once an OPOS (open position) is balanced
- Use a dedicated accounting tool or billing platform to manage forex. Nitrobox for example offers a variety of options (API connection to your preferred records or Nitrobox's native daily exchange rates)
- Use a software (like Nitrobox) that can automatically post business transactions through data-driven posting rules. These business transactions can then be summarized in a G/L report that can then be transferred to the general ledger.
- Use a dedicated tool to segment your financial reporting. No, Excel does not count :-)

5 TIME FOR ACTION

You probably noticed a red thread through the document: international billing and monetization is completely achievable. It's already been done successfully for centuries. What this playbook is designed to do is give you the knowledge and understanding that it is not only achievable but hassle-free when you partner with a solutions provider like Nitrobox. Manual tasks can be replaced by automation. Manual record keeping can be less error-prone and painful with dedicated tools. Expanding internationally is easier than it's ever been before. Now is the time to see and seize that possibility and act.

Remember: you're not alone. Seek out partners who can help carry the load, providing industry-leading software to help tie your global billing and monetization infrastructure together in a single place. For example, such as Nitrobox. We're passionate about helping businesses achieve their potential through technology. Our smart software provides the accounting and finance support you need to enter new markets with confidence and build a global business with ease.

We'll be there to support you every step of your journey. Sign up for a free trial to see how our platform works—and to understand the impact it will have on your growing, international digital business.

SIGN UP NOW FOR A FREE TRIAL!

To learn more about how Nitrobox can become a key part of your new billing system, schedule a personal demo with one of our monetization experts.

Or, get the free 30-day Nitrobox trial and try out how easy it can be to automate and globally scale billing for complex international business models with Nitrobox.

ABOUT NITROBOX

Nitrobox is an innovative SaaS solution, helping enterprises to automate and scale their complex revenue processes, and manage smart billing and pricing models, such as subscriptions, pay-per-use, digital one-time transactions, or any hybrid model.

Nitrobox provides all order-to-cash capabilities in one central platform ranging from smart contracts, billing and invoicing, and revenue recognition to payments and dunning.

Based in Germany, Nitrobox operates globally and collaborates with clients from more than 70 countries worldwide, enabling them to achieve top-line growth while reducing costs and increasing customer lifetime value by ensuring great customer billing and payment experience.

Learn more about Nitrobox: www.nitrobox.com