

SimCorp

SimCorp Grows Annual Recurring Revenue with Capacity-Based Subscriptions

SimCorp's Axioma division is a leader in financial modeling solutions, empowering global banks and investment firms to manage risk and optimize performance through advanced analytics tools.

The sophisticated software runs detailed simulations, allowing portfolio managers to assess market volatility, measure exposure, and make informed decisions.

The Axioma product line has leveraged Revenera's **software licensing solutions** for over 20 years, ensuring in-house engineers can focus on core product development rather than building and maintaining back-office infrastructure to enable their subscription model.



CHALLENGE

- Customer expectations for a seamless user experience
- Evolving demands for new solutions and feature enhancements
- Limited resources to design and manage a homegrown licensing system



SOLUTION

- Prioritize product innovation by outsourcing licensing functionality
- Adopt Revenera's out-of-the-box capabilities for capacity-based tokens
- Sell token subscriptions that allow a specified number of processes to run concurrently



BENEFITS

- A reliable monetization platform with expert support
- Faster and more effective product development and delivery
- Sustained double-digit annual revenue growth protected by Revenera

Complex Calculations

Professional asset managers are typically responsible for thousands of portfolios, and they need to make daily trading decisions based on variable factors to hit their targets. This is where Axioma applications help, crunching the numbers to determine optimal trades.

The analytics suite has steadily expanded over the course of 20 years, and Revenera's software licensing service has played a key role in its commercial success.

Pam Vance, Managing Director of Portfolio Construction Products at SimCorp, states: "We offer annual subscriptions for a given capacity of processes that can be run concurrently. For example, an entry-level customer may purchase three tokens, allowing them to run three processes at the same time. However, most users automate hundreds or even thousands of analyzes per day, so they'll subscribe accordingly.



"When it comes to monetization, our main concern is to ensure we're appropriately compensated for the volume of product usage. Revenera enables our capacity-based subscription model, and we continue to see double-digit annual revenue growth for all products protected by Revenera."

—PAM VANCE, MANAGING DIRECTOR OF PORTFOLIO CONSTRUCTION PRODUCTS, SIMCORP



The Build vs. Buy Debate

Despite having a talented in-house team to create the mathematical engines at the heart of Axioma products, they decided to partner with Revenera for licensing.

Pam notes: "We want to dedicate our time to thinking about the analytics that add value to our customers rather than mechanisms to make sure they're abiding by contracts. Licensing isn't our expertise, so we'd rather outsource that functionality to Revenera."

By integrating Revenera's FlexNet Licensing into their back-office workflows, SimCorp's Axioma team has been able to streamline operations, ensuring they can concentrate on product roadmaps without getting distracted by licensing logistics.



"It's easy to be short-sighted and think you can build it yourself, but industry metrics suggest the initial cost of builds is only 20% of the lifetime cost of maintenance, so it's a false economy. Our engineering team specialize in quantitative finance, and it would be a very poor use of their time to work on licensing instead of the features our clients value."

—PAM VANCE, MANAGING DIRECTOR OF PORTFOLIO CONSTRUCTION PRODUCTS, SIMCORP

Reliability Builds Trust

Ultimately, product leaders are incentivized to deliver solutions that solve problems for their customers, so the more they can empower engineers to focus on core competencies, the faster they can improve user experiences and reduce time-to-market for new releases.

This has been Pam's experience with the Axioma product line, and she trusts FlexNet Licensing to work seamlessly in the background, concluding:

"One of the reasons we didn't want to build our own system is we didn't want to take care of it. Revenera's platform does what it's supposed to do. It's reliable, and there have been very few issues requiring support over the past 20 years – which is impressive."

—PAM VANCE, MANAGING DIRECTOR OF PORTFOLIO CONSTRUCTION PRODUCTS, SIMCORP

As SimCorp's Axioma team looks toward the future, Revenera's agile technology is positioned to support its growth, enabling new monetization and deployment models as business strategies evolve.

If you need advice on your software monetization journey, please contact the Revenera team today.

NEXT STEPS

Monetize What Matters and Provide the Best Customer Experience.

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Revenera provides the enabling technology to take products to market fast, unlock the value of your IP and accelerate revenue growth—from the edge to the cloud. **www.revenera.com**