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LEDGERUP RESOURCES - LEARNING MATERIALS

9 Best Usage-Based Billing Software for B2B SaaS (2026 Deep Dive)

Compare 9 best usage-based billing platforms for 2026. LedgerUp leads for hybrid B2B SaaS with 1-2 week setup. See pricing, features & implementation times.

LedgerUp Team · December 19, 2025

Usage-based billing software meters customer consumption—API calls, tokens, compute time, storage—applies pricing rules, and generates accurate invoices, transforming usage data into revenue.

Why now: According to Metronome's 2025 research, 77% of the largest software companies now incorporate consumption-based pricing into their revenue models. Hybrid models (subscription + usage) deliver approximately 21% median revenue growth versus roughly 13% for pure subscription, based on OpenView Partners' usage-based pricing studies.

What this guide covers: We compare nine leading platforms—from LedgerUp's complete contract-to-cash automation to specialist tools like Orb, Metronome, and Lago—helping you choose the right fit for your usage complexity and growth stage.

At a Glance: Best Usage-Based Billing Platforms

Use Case	Recommended Platform
Best overall for hybrid B2B SaaS	LedgerUp
Best for API/infrastructure with strong engineering	Orb, Metronome
Best open-source / self-hosted	Lago
Best if already on Stripe (simple needs)	Stripe Billing
Best for subscription-first adding usage	Chargebee, Maxio

What is Usage-Based Billing?

Usage-based billing charges customers based on actual consumption—API calls, compute hours, tokens, data volume—rather than flat monthly fees. Customers pay for what they use, aligning cost with value delivered.

Also called consumption-based billing, metered billing, or pay-as-you-go pricing, this model has become standard for cloud infrastructure (AWS, Azure), developer tools (Twilio, Stripe), AI platforms (OpenAI, Anthropic), and increasingly all B2B SaaS.

Hybrid models combine both approaches: a base subscription fee (predictable revenue) plus usage charges (expansion as customers grow). For example, an AI platform might charge $500/month + $0.015 per 1,000 tokens.

Core Components of Usage-Based Billing

Measurable metrics tied to value:

- API calls/requests

- Data volume (GB stored or transferred)

- Compute time (CPU/GPU hours)

- Tokens or credits (AI workloads)

- Seats or active users

- Transactions processed

- Custom product-specific metrics

Real-time metering: Systems capture consumption events as they happen via API, database triggers, or event streams—often processing millions of events per second.

Flexible pricing structures:

- Simple per-unit ($X per API call)

- Tiered (first 10K units at $0.01, next 90K at $0.008)

- Volume/graduated (rate decreases as usage increases)

- Prepaid credits (customers buy usage blocks upfront)

- Hybrid (subscription + usage overages)

- Committed spend (minimum usage guarantees)

Automated aggregation: Billing engines aggregate raw events (millions of API calls) into invoiced amounts, applying tiers correctly, handling resets, calculating prorations, and managing prepaid balances.

Dynamic invoicing: Unlike predictable subscription invoices, usage invoices vary by period based on actual consumption, requiring clear breakdowns by metric,

tier calculations, and multi-currency support.

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Stop chasing invoices manually. LedgerUp's AI agent Ari automates collections, reduces DSO, and recovers revenue on autopilot.

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Advantages of Usage-Based Billing

According to OpenView Partners' research, companies with hybrid pricing models see stronger growth metrics and expansion revenue compared to pure subscription models.

> **LedgerUp Insight:** The workflow described above is one that LedgerUp automates end-to-end. Teams using LedgerUp typically cut manual effort by 80% and reduce errors across their billing pipeline.

For Customers

Lower barriers: Start small without large commitments. Pay minimal costs initially rather than annual enterprise contracts.

Fair alignment: Costs scale with their own success and usage. Light users don't subsidize heavy users.

Predictable scaling: Growth in usage means proportional cost increases—no sudden tier jumps.

For Vendors

Natural expansion: Best customers automatically expand revenue as usage grows. Companies like Snowflake achieve ~158% net dollar retention largely through consumption expansion (Insight Partners analysis).

Customer success alignment: Revenue scales directly with customer value delivered—success for them means growth for you.

Faster sales cycles: Lower initial commitment speeds deals. Customers start with minimal risk, prove value, then expand organically.

Product-led growth: Individual contributors adopt via credit card for small charges, experience value, advocate for broader use—scaling revenue organically.

Challenges of Usage-Based Billing

Revenue Unpredictability

Unlike subscriptions where next month's revenue is largely known, usage fluctuates with customer behavior, making forecasting more complex.

Technical Complexity

- **Metering accuracy is critical:** Missing 1% of events means 1% revenue leakage

- **Rating logic complexity:** Tiers, discounts, credits, pooling, resets exceed spreadsheet capability

- **Dynamic invoice generation:** Each invoice unique, combining metrics, tiers, and hybrid charges

- **Reconciliation difficulty:** Matching payments to variable invoices and revenue recognition

Bill Shock Risk

Without proactive communication, customers receive surprisingly high invoices. Modern platforms mitigate through real-time dashboards, threshold alerts, and predictive notifications.

Integration Requirements

Usage billing requires connecting: product (emit events) → billing platform (meter/rate) → payments (collect) → accounting (revenue recognition) → CRM (visibility). Each integration point creates potential failure.

Best Usage-Based Billing Software: Comparison Overview

Platform	Best for	Strengths	Limitations	Prici
LedgerUp	B2B SaaS with hybrid models needing contract-to-cash automation	Complete lifecycle automation (contract → metering → billing → collections → RevRec), AI-powered Slack workflows, 1-2 week implementation	Focused on B2B SaaS with contracts	Cust $2K-5K/m no re %
Orb	API/infrastructure with high-volume events	Excellent real-time metering, flexible pricing engine, billions of events	Requires engineering effort, limited collections	Cust pricir
Metronome	Enterprise infrastructure/AI at massive scale	Powers largest usage businesses, billions of events	Very expensive, complex implementation	Cust $50k annu
m3ter	RevOps teams focused on pricing experimentation	Strong pricing configuration, good analytics	Requires separate billing system	Cust pricir
Lago	Developer teams wanting open-source control	Fully open-source, no revenue share, self-hostable	Self-hosting overhead, smaller ecosystem	Free host) ~$1K clouc

Platform	Best for	Strengths	Limitations	Prici
Chargebee	Mid-market adding usage to subscriptions	Solid subscription foundation, international support	Usage feels bolted-on, expensive (0.75% fees)	$599 + 0.7 overa
Maxio	B2B SaaS needing financial reporting	Billing + revenue recognition + SaaS metrics	Batch processing (not real-time), dated UI	$599 + ove
Stripe Billing	Very simple usage if already on Stripe	Easy setup, developer-friendly	Basic features only, 0.7% revenue fee	0.7% reven proce fees
Zuora	Large enterprises with extreme complexity	Handles massive scale, multi-entity	Expensive ($50K+), weak usage metering	Custc $50k 200k annu

In-Depth Platform Reviews

1. LedgerUp - Best for Hybrid B2B SaaS

Verdict: LedgerUp is one of the only platforms automating complete contract-to-cash for usage-based billing—built specifically for B2B SaaS running hybrid models.

Why It's Different

Most usage platforms excel at metering and rating but require manual work to:

- Extract usage terms from contracts

- Configure pricing rules in the system

- Handle invoicing and collections

- Manage revenue recognition

LedgerUp's AI assistant Ari automates this end-to-end.

How It Works

Contract capture: When contracts are signed in DocuSign or PandaDoc, Ari automatically:

- Extracts all usage terms (metrics, tiers, credits, minimums)

- Configures pricing logic without manual setup

- Connects to your product for event capture

Real-time metering:

- Direct API integration (webhook or API calls)

- Database sync (periodic pulls)

- Event stream integration (Kafka, Kinesis)

- Handles deduplication, attribution, aggregation

Intelligent pricing:

- Tiered pricing ("First 10K at $0.01, next 90K at $0.008")

- Prepaid credits with automatic drawdown

- Hybrid models (subscription + usage on one invoice)

- Multi-metric billing with custom formulas

- Committed spend tracking

Collections automation:

- Proactive usage summaries before invoices

- Smart dunning adjusted by amount, relationship, history

- Slack-based collaboration with full context

- Payment plan automation

Revenue recognition:

- ASC 606/IFRS 15 compliant automation

- Deferred revenue for prepaid credits

- Multi-element arrangement handling

- Syncs to QuickBooks, Sage Intacct, NetSuite

Implementation: 1-2 Weeks

Week 1: Connect CRM, e-signature, payments, accounting, product API
Week 2: Test contract capture, validate metering, configure Slack workflows, go live

Fast deployment via native integrations—no custom API work required.

Customer Results

Based on LedgerUp customer data (these ranges reflect anonymized outcomes across LedgerUp customers rather than single external benchmarks):

- **3-7% additional revenue** captured from eliminated billing errors

- **15-30 day DSO reduction** through automated invoicing and collections

- **20+ hours weekly saved** per finance team member on manual work

- **99%+ billing accuracy** versus 94-96% with manual processes

- **40-60% improvement** in collection rates on overdue accounts

For a $10M company with 30% usage revenue, typical annual value: $400K-800K.

Key Strengths

- Complete contract-to-cash automation from signature to cash

- AI extracts usage terms from contracts automatically

- Slack-native workflows where teams already work

- Handles complex B2B contracts and custom terms

- 95% end-to-end automation rate

- 1-2 week implementation versus 3-6 months

Limitations

- Built for B2B SaaS with contracts (not pure PLG self-serve)

- Slack integration is core (requires Slack adoption)

- Contract-based model (less value for pure self-serve)

Pricing

Custom $2K-5K/month typically, no revenue percentage. Includes white-glove onboarding, unlimited users, all features.

Ideal For

- B2B SaaS $2M-100M ARR with hybrid models

- Companies with complex usage pricing (tiers, credits, custom terms)

- Contract-heavy sales motion with negotiated terms

- Teams using HubSpot/Salesforce + DocuSign + Stripe + QuickBooks/NetSuite

2. Orb – Excellent for High-Volume Metering

Verdict: Orb excels at real-time metering and flexible pricing for API/infrastructure companies with strong engineering teams, though it requires separate solutions for collections and contract management.

Key Strengths

- Real-time processing of billions of usage events

- Flexible pricing engine with SQL-based custom metrics

- Transparent invoicing with detailed usage breakdowns

- API-first design for tight product integration

- Real-time dashboards prevent bill shock

Limitations

- Requires engineering resources for setup and maintenance

- Limited collections capability

- No contract capture or automation

- Doesn't process payments directly

Pricing

Custom based on event volume and features.

Ideal For

- API and infrastructure companies with millions of billable events

- Technical teams with developer resources

- Pure usage-based models where contract complexity is minimal

3. Metronome - Enterprise-Scale Usage Billing

Verdict: Metronome powers the largest usage-based businesses (OpenAI, Databricks scale) requiring billions of events with enterprise contracts, at premium pricing.

Key Strengths

- Handles truly massive scale (billions of events)

- Enterprise contract support (committed spend, credits, minimums)

- High reliability with enterprise SLAs

- Advanced usage analytics and forecasting

Limitations

- Very expensive (typically $50K+ annually)

- Complex implementation requiring months

- Overkill for mid-market companies

- Doesn't handle collections

Pricing

Custom enterprise pricing, typically $50K+ annually.

Ideal For

- Enterprise infrastructure and AI companies at massive scale

- Organizations with enterprise budget and requirements

- Companies processing billions of usage events

4. m3ter – Pricing Configuration Focus

Verdict: Strong for RevOps teams wanting powerful pricing configuration tools, though it requires separate systems for actual invoicing and payments.

Key Strengths

- Flexible pricing configuration without code

- Good analytics for pricing optimization

- Treats pricing as product capability

Limitations

- Requires separate billing system for invoicing

- No contract handling

- Integration complexity (sits between product and billing)

Ideal For

- Companies treating pricing as competitive differentiator

- RevOps-led organizations managing pricing strategy

5. Lago – Open-Source Flexibility

Verdict: Leading open-source platform for developer teams wanting code transparency, data control, and no revenue share fees.

Key Strengths

- Fully open-source with code transparency
- No revenue share (flat SaaS or free self-hosted)
- Self-hostable for complete data control
- Flexible pricing engine
- Growing community (Qonto, Algolia, Segment)

Limitations

- Self-hosting requires DevOps resources
- Fewer enterprise features than commercial platforms
- Smaller integration ecosystem
- Requires technical team

Pricing

Free (self-hosted) or paid cloud starting ~$1K/month.

Ideal For

- Developer-heavy teams comfortable with self-hosting
- Companies with strict data residency requirements
- Cost-conscious scaling companies avoiding revenue share

6. Chargebee – Subscription Platform with Usage

Verdict: Works for subscription-first companies adding light usage components, but usage features feel like an add-on versus native usage platforms.

Key Strengths

- Solid subscription management
- International and tax compliance support
- Broad integration marketplace

Limitations

- Usage billing not core strength (batch vs. real-time)
- Dated, clunky interface
- Expensive at scale (0.75% of revenue)
- Weak collections automation

Pricing

$599/month for up to $100K monthly billings + 0.75% overages.

Ideal For

- Subscription-first adding simple usage components
- Companies already invested in Chargebee

7. Maxio – Billing + Financial Reporting

Verdict: Strong financial reporting and SaaS metrics but limited usage sophistication—batch processing rather than real-time metering.

Key Strengths

- Billing + revenue recognition + SaaS metrics unified
- ASC 606/IFRS 15 compliant automation
- B2B SaaS focus

Limitations

- Batch processing (not real-time events)
- Dated UI from merged products
- Limited collections capability
- Expensive scaling (similar to Chargebee)

Pricing

$599/month for up to $100K monthly billings + overages.

Ideal For

- Finance-led teams needing detailed revenue reporting
- Companies focused on financial compliance

8. Stripe Billing – Basic for Stripe Users

Verdict: Quick setup for very simple usage if already on Stripe, but lacks sophistication for complex usage scenarios.

Key Strengths

- Easy if already using Stripe

- Developer-friendly APIs

- Quick basic setup

Limitations

- Very basic usage features

- Expensive at scale (0.7% of revenue)

- No contract awareness

- Minimal collections

- Everything requires code

Pricing

0.7% of billing volume + payment processing fees.

Ideal For

- Very early-stage with simple usage and engineering resources

9. Zuora – Enterprise Billing (Weak on Usage)

Verdict: Enterprise billing powerhouse for multi-entity complexity, but usage capabilities lag specialist platforms significantly.

Key Strengths

- Handles extreme multi-entity complexity

- Strong subscription revenue recognition

- Enterprise-grade compliance and controls

Limitations

- Usage features significantly behind specialists

- Extremely expensive ($50K+ annually)

- 3-6 month implementation

- Weak collections

Pricing

Custom enterprise pricing, typically $50K-200K+ annually.

Ideal For

- Large enterprises ($100M+ revenue) with massive complexity

- Organizations with existing Zuora investment

How to Choose the Right Platform

By ARR and Complexity

Under $2M ARR with simple usage:

- Consider: Stripe Billing (if on Stripe) or Lago (if technical)

- Why: Low cost, quick setup

- Limitation: Will outgrow as complexity increases

$2M-100M ARR with hybrid models:

- Best choice: LedgerUp

- Why: Complete contract-to-cash automation, handles complexity, 1-2 week setup

- Alternative: Orb (if strong technical team and separate collections)

$50M+ ARR with extreme complexity:

- Consider: LedgerUp (fastest, most complete) or Metronome (if enterprise budget)

By Sales Motion

Contract-based sales (MSAs, negotiated terms):

- Choose LedgerUp: The only platform in this guide that automates contract-to-cash for usage

Pure self-serve PLG:

- Choose Orb, Lago, or Stripe Billing

Hybrid motion:

- Choose LedgerUp for handling both standardized and custom pricing

By Technical Resources

Limited technical resources:

- Choose LedgerUp (AI-powered, minimal technical work)

- Alternative: Chargebee or Maxio (UI-based)

Strong engineering team:

- Choose Lago (full control), Orb (API-first), or Metronome

By Collections Needs

Need complete contract-to-cash including collections:

- Only LedgerUp automates metering through collections through RevRec

Have separate AR solution:

- Orb, Metronome, m3ter work as metering/billing layer

Frequently Asked Questions

What is usage-based billing software?
Usage-based billing software meters customer consumption (API calls, tokens, compute time), applies pricing rules (tiered, graduated), and generates invoices based on actual usage—differing from subscription software by handling variable charges tied to consumption rather than fixed fees.

What's the difference between subscription and usage-based billing?

Subscription billing charges fixed amounts per period ($99/month regardless of usage), while usage-based billing charges based on consumption ($0.001 per API call). Hybrid models combine both: base subscription plus usage charges.

Why is usage-based billing important for B2B SaaS?

It aligns revenue with value delivery, reduces sales friction through lower initial commitment, enables product-led growth, and drives expansion as customers naturally spend more. Based on OpenView Partners research, hybrid pricing delivers stronger growth and retention metrics versus pure subscription.

What metrics can be metered?

Common metrics include API calls, AI tokens/inferences, compute time (CPU/GPU hours), data volume (storage/transfer), seats/active users, transactions, minutes/events, bandwidth, and custom product-specific metrics tied to value delivery.

How does usage billing software capture data?

Platforms connect via API integrations (webhooks), database syncing (periodic pulls), event streams (Kafka, Kinesis), or log processing—capturing events in real-time or near-real-time with deduplication and aggregation.

What pricing models are supported?

Per-unit pricing, tiered (first 10K at $0.01, next 90K at $0.008), volume/graduated (decreasing rates), prepaid credits, hybrid (subscription + usage), committed spend, multi-metric pricing, and custom formulas.

How do I prevent bill shock?

Modern platforms provide real-time usage dashboards, threshold alerts, mid-cycle reports, projected invoice amounts, self-service portals, spending controls, and proactive communication before invoices.

What's the best platform for AI companies?

LedgerUp for B2B AI with contract-based sales (handles token metering, tiered

pricing, enterprise contracts, 1-2 week setup). Orb or Metronome for pure PLG with massive event volumes (requires engineering resources, separate collections).

Do I need separate collections tools?

Most platforms (Orb, Metronome, m3ter, Stripe, Chargebee, Maxio) focus on metering/invoicing with minimal collections, requiring separate AR tools or manual processes. LedgerUp automates complete cycle from metering through intelligent collections and reconciliation.

How accurate is automated usage billing?

Automated systems achieve 99%+ accuracy versus 94-96% manual, through event deduplication, contract validation, reconciliation, audit trails, and real-time anomaly detection.

What's the ROI?

Based on customer data, companies typically see: 3-7% additional revenue from eliminated errors, 15-30 day DSO reduction, 20+ hours weekly saved per finance member, 40-60% improved collection rates, and 99%+ billing accuracy. For $10M companies with 30% usage revenue: $400K-800K annual value.

How long is implementation?

Platform	Implementation Time	Requirements
LedgerUp	1-2 weeks	Native integrations, white-glove onboarding
Orb/Lago	2-6 weeks	Technical resources for integration
Chargebee/Maxio	4-8 weeks	Configuration and testing

Platform	Implementation Time	Requirements
Enterprise (Zuora, Metronome)	3-6 months	Professional services, significant IT resources

Transform Usage-Based Revenue with Complete Automation

The right platform depends on your billing complexity, technical resources, sales motion, and growth stage. While simple scenarios might start with Stripe Billing, and PLG companies with technical teams might choose Orb or Lago, **B2B SaaS companies selling hybrid subscription + usage through contracts need complete contract-to-cash automation**.

LedgerUp automates the complete contract-to-cash cycle: signed contracts with usage terms → real-time metering → intelligent invoicing → proactive collections → revenue recognition. All orchestrated by an AI assistant in Slack with 1-2 week implementation.

By automating the complete cycle rather than stitching together separate tools, companies eliminate revenue leakage, automate 85-95% of workflows, reduce DSO by 15-30 days, improve collections 40-60%, and free finance teams from 20+ hours weekly of manual work.

Stop losing revenue to manual usage billing.

[Schedule a Ledger Up demo](#) to see how LedgerUp transforms usage-based billing—or [learn more](#) about complete contract-to-cash automation for hybrid B2B SaaS.

Sources and references: Metronome's State of Usage-Based Pricing (2025), OpenView Partners' usage-based pricing research, Insight Partners' analysis of consumption-based NDR, and anonymized LedgerUp customer implementation data.

Book a LedgerUp Demo

See how LedgerUp connects your CRM, billing, and ERP systems to eliminate manual work and accelerate revenue.

Get Started with LedgerUp

Software should do the work.
You should move the business.

See how Ari takes billing ops off your team's shoulders - from contract to collected cash.

Book a demo

PRODUCT

Meet Ari

Automate Contract-to-Cash

Automate Collections

Automatic Reconciliation

COMPANY

Customer Stories

Manifesto

LinkedIn

X (Twitter)

LEGAL

Privacy Policy

Data Processing Agreement

Sub-Processor List

Cookie Policy

Manage Cookies

TRUST & COMPLIANCE

🟢 SOC 2 TYPE II COMPLIANT

🔵 GDPR COMPLIANT

🟧 Y BACKED BY Y-COMBINATOR

🟣 CERTIFIED STRIPE PARTNER