

# SaaS Dunning Checklist

## Phase 1: Proactive Prevention (Before Payment Fails)

- ☐ Activate your payment provider's Automated Card Updater feature to automatically refresh expired card details and reduce hard declines.
- ☐ Segment your customer base to identify cards expiring in the next 30 to 60 days.
- ☐ Send a friendly pre-dunning email notification 30 days before a card's expiration date, including a direct link for updating details.
- ☐ Review your overall Payment Acceptance Rate to identify regional or method-specific issues that increase initial failures.

## Phase 2: Invisible Recovery (Automated Retries)

- ☐ Implement **Smart Retries** or an ML-powered retry engine (like PayPro Global's) that optimizes the retry timing based on the decline code and historical success data.
- ☐ Configure the retry sequence to extend beyond Day 7, maximizing chances for temporary soft declines (e.g., insufficient funds) to succeed.
- ☐ Integrate a Cascading Payment System to automatically route failed transactions through alternative gateways or acquirers, increasing success rates.
- ☐ Set the first automated retry attempt to occur on Day 0, a few hours after the initial failure, or at a different time of day.

### Phase 3: Customer Communication and Friction Reduction

- ☐ Design a clear, multi-step email cadence with a minimum of four personalized emails over seven days.
- ☐ Ensure every dunning email contains a **direct, secure, login-free link** to the payment update form.
- ☐ Send the first dunning email (Subject: "Action Required") on Day 1 to address the issue before the customer forgets about the failure.
- ☐ Use a professional but personal sender address (e.g., "Billing at [Your Company]") to increase open rates over "no-reply."

### Phase 4: Retention and Final Action

- ☐ Implement the "Pause vs. Cancel" strategy: on the cut-off day (e.g., Day 8), revoke service access but mark the subscription as "Paused" or "Delinquent."
- ☐ Send a final Day 7 email clearly stating that service access will be suspended the next day if payment is not updated.
- ☐ Schedule the final, irreversible Subscription Termination only after an extended pause period (30+ days).
- ☐ For high-LTV customers, implement a human-led outreach step (phone call or dedicated Account Manager email) before the service is paused.

### Phase 5: Global Optimization and Compliance

- ☐ Partner with a **Merchant of Record (MoR)** like PayPro Global to offload all global sales tax calculation and remittance requirements.
- ☐ Ensure your provider manages compliance for local payment methods (e.g., SEPA, BACS) to prevent unexpected regional declines.

- ☐ Review Chargeback rates monthly; high chargebacks can indicate poor dunning communication or fraud issues.
- ☐ Leverage the MoR's expertise for managing Cross-Border Payments and optimizing authorization rates in key international markets.