Flat-Rate SaaS Pricing Checklist

Use this actionable checklist to validate, calculate, and implement a flat-rate pricing strategy that ensures profitability while maximizing user acquisition.

Phase 1: Data Gathering & Analysis

- [ ] Export your last 3 months of infrastructure (AWS/Azure) and support costs to <u>calculate an accurate Cost of Goods Sold (COGS)</u> per user.

- [ ] Identify the top 10% of your users based on resource consumption (API calls, storage, seats) to establish a "Fair Use" baseline.

- [ ] Create a spreadsheet listing 5 direct competitors and record their exact price points to find the market median.

- [ ] <u>Calculate your current Customer Acquisition Cost (CAC)</u> by dividing your total sales and marketing spend by the number of new customers acquired last quarter.

- [ ] Segment your churn data to see whether price complexity was listed as a reason for cancellation in exit surveys.

Phase 2: Pricing Strategy Formulation

- [ ] Determine your target Payback Period (typically 6–12 months for bootstrapped or early-stage SaaS).

- [ ] Calculate your minimum sustainable price using the formula: (CAC / Payback Period) + COGS + Desired Margin.

- [ ] Draft a "Fair Use Policy" for your Terms of Service that defines the upper limits of "unlimited" usage to protect against abusive accounts.

- [ ] Select an annual discount rate (recommended 15-20%) to incentivize upfront payments and improve cash flow.

- [ ] Decide on a "Grandfathering" policy for existing users to ensure price changes do not negatively impact them.

Phase 3: Technical Implementation with PayPro Global

- [ ] Configure your new flat-rate product in the PayPro Global dashboard including monthly and annual variations.

- [ ] Activate "Localized Pricing" to ensure customers see the flat rate in their native currency (e.g., USD, EUR, GBP).

- [ ] Set up a grace period for automated dunning and subscription recovery emails to prevent involuntary churn due to failed card payments.

- [ ] Integrate the checkout API with your pricing page to ensure a seamless transition from selection to payment.

Phase 4: Validation & Launch

- [ ] Build two variations of your pricing page: Variant A (New Flat Rate) and Variant B (Hidden/Tiered or Old Pricing).

- [ ] Run a "Shadow Test" or A/B test for 14 days, directing 50% of traffic to each variant.

- [ ] Monitor the "Add to Cart" conversion rate specifically to measure immediate price sensitivity.

- [ ] Interview 5 recent sign-ups to ask specifically if the flat pricing structure influenced their decision to buy.

- [ ] Launch the new pricing publicly only if the LTV/CAC ratio projection remains above 3:1 during the test phase.

Phase 5: Post-Launch Monitoring

- [ ] Review churn rates 30, 60, and 90 days post-launch to ensure the price point is retaining smaller teams effectively.

- [ ] Audit your server costs monthly to ensure your flat rate is still covering the usage costs of your heaviest users.

- [ ] Survey customers who visited the pricing page but did not convert to determine if the flat rate was perceived as too high.

- [ ] Adjust the flat rate annually based on inflation and new feature additions to maintain your profit margin.