Grandfathering & De-Grandfathering Checklists

Part 1: The Grandfathering Audit (Self-Assessment)

Before taking action, you must determine if your current **legacy pricing** is a strategic asset or a growing financial liability. Use these detailed steps to evaluate the health of your cohorts.

- [ ] **Identify Every Legacy Tier:** Export all current plans from your subscription management system. Group users by their specific sign-up "era" (e.g., 2021 Beta, 2023 Early Bird, 2024 V2).

- [ ] **Calculate the "Revenue Drag":** Use an ARPU calculator to find the gap between legacy payments and current market rates. Total the "lost" annual revenue to see the cost of maintaining these rates.

- [ ] **Analyze Support Intensity:** Cross-reference legacy accounts with your support desk data. Determine if low-paying users are consuming a disproportionate amount of customer success resources compared to their revenue.

- [ ] **Audit Feature Access:** Document exactly which features legacy users are using. Are they accessing high-cost tools (like AI, heavy data storage, or premium integrations) that were added after they joined?

- [ ] **Assess Operational Complexity:** Interview your engineering and billing teams. Is maintaining old code or manual billing logic for legacy users slowing down your product roadmap or causing billing issues?

- [ ] **Evaluate Brand Sentiment:** Review NPS scores specifically for legacy cohorts. Are these users your most vocal advocates, or are they "zombie accounts" that have simply forgotten to cancel?

- [ ] **Review Legal Obligations:** Re-read your SaaS contracts and agreements. Ensure no "lifetime price guarantees" were made that could lead to legal disputes or compliance issues.

Part 2: The De-Grandfathering Implementation

Whether you are moving users to a new plan or adjusting their current one, follow these steps to ensure a professional migration.

☐ **Develop the Value Narrative:** Create a document listing every major update, security patch, and new feature added since the legacy plan was discontinued. This is your "Why" for the value-based pricing change.

Choose the Transition Path:

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- **Time-Boxed Lock:** Grant a 6–12 month grace period at the old rate before it matches the current price.
- **Feature Gating:** Keep the old price but lock new valued features behind modern tiers.
- **The Loyalty Step-Up:** Move users to the new rate but apply a permanent "Founder's Discount" (e.g., 20% off) to reward their early support.

☐ **Segment the Communication Channel:** Plan to contact Enterprise clients via a personal account manager, while using automated notifications for smaller accounts.

Establish a Multi-Touch Notification Timeline:

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- **Day 60:** Initial announcement focusing on value-added.
- **Day 30:** Reminder and invitation to a "new features" webinar.
- **Day 7:** Final billing notice.

☐ **Prepare the "Retention Safety Net":** Build a hidden "Down-sell" plan or a "Pause Subscription" option. This prevents total customer churn by offering a lower-cost, limited-feature alternative.

☐ **Sync the Billing Logic:** Configure your revenue infrastructure to handle the automated switch. Ensure that proration is calculated correctly if users upgrade mid-cycle.

☐ **Test the Migration:** Run a pilot transition with a small, 5% cohort of legacy users to identify any technical bugs or unexpected negative reactions before the full rollout.

☐ **Enable Revenue Recovery:** Activate advanced dunning management tools. Higher prices often lead to more frequent credit card declines; you need automated systems to recover that revenue.

Part 3: Monitoring & Post-Transition Audit

Once the changes take effect, track these metrics to gauge the transition's success.

- [ ] **Segmented Churn Tracking:** Measure the specific churn rate of the legacy cohort versus your baseline churn rate.

- [ ] **Expansion Revenue Growth:** Calculate the number of legacy users who proactively upgraded to higher tiers during the transition period.

- [ ] **Net Revenue Impact:** Determine the total gain in Monthly Recurring Revenue (MRR) from the remaining 85–90% of the cohort.

- [ ] **Support Ticket Volume:** Monitor for a spike in billing-related inquiries and ensure your customer service team is equipped with the "Value Narrative" document.