SaaS Dynamic Pricing Checklist

Phase 1: Strategy and Value Mapping

- [ ] **Identify your primary value metric** by analyzing which product features correlate most strongly with customer retention and expansion.

- [ ] **Perform a cohort analysis** to determine if high-volume users are currently under-paying relative to the infrastructure costs they generate.

- [ ] **Select a specific dynamic strategy**—such as usage-based pricing or tiered pricing—based on your product's consumption patterns.

- [ ] **Define your pricing tiers and thresholds** using a formula that encourages higher usage while maintaining your profit margins.

- [ ] **Conduct a competitive landscape analysis** to ensure your new price points remain attractive within your specific SaaS niche.

Phase 2: Technical Infrastructure and Metering

- [ ] **Design an event-logging middleware** that captures every billable action in real-time without adding latency to the user experience.

- [ ] **Deploy an asynchronous message broker** (like Kafka or RabbitMQ) to handle high-volume usage data ingestion.

- [ ] **Implement idempotency keys** for every usage event to prevent duplicate billing during network retries or system resets.

- [ ] **Build a centralized usage database** that serves as the "source of truth" for your pricing algorithm and customer dashboards.

- [ ] **Create a real-time usage API** that allows your billing system to query current consumption levels at any point in the billing cycle.

Phase 3: Billing Integration and Compliance

- [ ] **Connect your usage engine to PayPro Global** to automate <u>subscription management</u> and complex metered invoicing.

- [ ] **Set up geographic price localization** using IP-to-location detection to adjust rates based on regional purchasing power.

- [ ] **Configure global tax rules** for VAT, GST, and sales tax through a <u>Merchant of Record</u> to ensure compliance in every market you serve.

- [ ] **Establish automated dunning workflows** to handle failed payments and minimize <u>involuntary churn</u>.

- [ ] **Verify that your billing system supports 70+ payment methods** to accommodate the preferences of a diverse, global user base.

Phase 4: Transparency and Customer Experience

- [ ] **Develop a customer usage dashboard** so users can monitor their spending and consumption in real-time to avoid "bill shock."

- [ ] **Set up automated budget alerts** that notify users via email or in-app message when they reach 50%, 80%, and 100% of their planned usage.

- [ ] **Draft a clear transition announcement** for existing customers that explains the value-driven reasons for the change to SaaS dynamic pricing.

- [ ] **Update your pricing page** with interactive sliders or calculators that help prospective leads estimate their monthly costs.

- [ ] **Implement a "price protection" period** for loyal users to transition them slowly into the new model over several months.

Phase 5: Monitoring and Optimization

- [ ] **Track your Net Revenue Retention (NRR)** weekly to confirm the dynamic model is driving <u>expansion revenue</u>.

- [ ] **Monitor your LTV:CAC ratio** to ensure that the revenue generated by dynamic tiers justifies the cost of acquiring those segments.

- [ ] **Audit your metering logs monthly** to check for discrepancies between recorded events and final invoiced amounts.

- [ ] **Gather qualitative feedback** from your support team regarding common customer questions or points of confusion about the new billing structure.

- [ ] **Iterate on your algorithm thresholds** every quarter based on shifting infrastructure costs and market demand.