

# How to operate pricing & packaging in B2B SaaS





# What we'll cover

1. Why SaaS pricing & packaging is so complex & brittle architecturally
2. How this is impacting companies and what people say about it
3. The 5 architectural components that would unconstrain pricing & packaging in SaaS





# Our story



**Jas  
Garcha**

**Growth & Ops**  
Twilio, Automox,  
Matcha, Microsoft



**Gio Hobbins**

**Product & Design**  
FullStory, Relay Payments,  
Matcha



**Ben Papillon**

**Engineering**  
Relay Payments, Matcha,  
Umbel, Rackspace



**Fynn Glover**

**CEO**  
Automox, Matcha, RootsRated



# Everyone was frustrated



- Engineering ... by having diverted 3 of our best engineers to work on billing systems.
- Those engineers... as they found the work tedious & stressful.
- Product & Marketing ... by the slow time to value.
- Finance & ops ... by the SKU sprawl & the constant requests to confirm the customers' access lined up with expectations.





It's because of this...

“Monetization is almost never a first-class citizen in the product.”

Justin Gagnon, Growth Engineering, Calendly





# There's no standard in B2B SaaS for implementing Pricing & Packaging

"Trying to reinvent the wheel on packaging has cost us hundreds of thousands of dollars."

*VP Engineering*  
*Series B, SaaS*

"If I could wave a magic wand, I'd make it easier to change packaging without screwing up billing."

*Sr. Software Developer*  
*Series C, SaaS*





# The cost of homegrown systems

**\$3M + 24 months**

To decouple billing & entitlements  
Series F SaaS Co

**\$1.2M + \$250K per year**

To build & maintain provisioning system  
Series C SaaS Co

**\$250K + 6 months**

To build an entitlements system  
Series C SaaS Co

**\$250K + 18 months**

To build entitlements system  
Series A SaaS Co

“80-90% of our portfolio companies can't implement our pricing or packaging recommendations due to technical constraints.”

“We've delayed a pricing study for 2 years. We couldn't action the recommendation in the product even if we had it.”





# The systems that govern pricing & packaging

## **Sales stack**

CRM, CPQ, Contracts

## **Finance Stack**

Billing/Payments, ERP, Subscription Mgmt.

## **Product**

Feature flags, SQL Databases,  
Authentication, Admin Panels, Usage  
tracking





# Okay...

1. No standard for architecting pricing & packaging
2. Engineering & product reinventing the wheel
3. Businesses can't evolve pricing & packaging to meet customer demands





# What might a standard look like?

Would need to:

1. Decouple pricing & packaging logic from code
2. Would need a suite of components or services that help companies control pricing & packaging with great flexibility





# 5 components of flexible pricing & packaging architecture

- The Product Catalog
- Company Profiles
- Metering
- Subscriptions
- Flags





# The Product Catalog

Premium Plan	Price \$50/m	Entitlement 10 Features
Basic Plan	Price \$10/m	Entitlement 3 Features
Standard Plan	Price \$30/m	Entitlement 7 Features
Free Plan	Price \$0/m	Entitlement 9 Features
Legacy Plan	Price \$15/m	Entitlement 10 Features

***“We should think of the SaaS Product Catalog as a unified design environment, rather than a mere SKU registry. It’s the unifier of the SaaS ecosystem.”***

- *Mircea Pana, Product, VMWare*





# Company/Customer Profile

<div><div>Logo</div><div>Acme AI Inc</div><div>Last seen 2 days ago</div></div> <div>Subscription</div> <div>\$349.99 per month</div>		
Plan	Add-ons	Exceptions
Basic	AI Bot, SSO	3 overrides
Seat Limit	Query Limit	Project limit
5 Seats	40 queries/m	5 projects
Hubspot ID		comp_343603
Stripe Customer ID		cmp_390f345
Organization ID		org_6093

***“Lacking a unified customer view across channels leads to analytical hurdles, complicates revenue recognition, and burdens support with tier verification tasks, slowing down our operations significantly.”***

- Jack Roeder, FP&A, Retool





# Metering

Company Entitlements		
Updated instantly		
Seats limit	Usage	Access
5	4	✓
Query limit	Usage	Access
300	302	✗
Storage limit	Usage	Access
100gb	34gb	✓
Pageviews limit	Usage	Access
2000	982	✓

***“Usage-based pricing is here to stay, but not staying the same. The rise of generative AI and continued development of cloud infrastructure and SaaS pricing models will lead to even further innovation in hybrid and success-based pricing.”***

***- James Wood, VP Product, M3ter***





# Subscriptions

Product		Company Profile	
✓ Seats	<div>Customer Subscription</div> <div>\$349.00 per month</div> <div>Billed annually Renews in 1 year</div>	Plan	Premium
✓ AI Queries		Add Ons	Single Sign On
✓ Email support		Hubspot ID	comp_343603
✓ Projects		Stripe ID	cmp_390f345
✓ RBAC			

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# Flags

```
1  import * as schematic from "schematic-  
2  typescript-node";  
3  
4  const client = schematic.init("my-api-  
5  key");  
6  const appContext = { company: { id: "my-  
7  company-id" } };  
8  
9  if {  
10    await client.Features.checkFlag({  
11      key: "my-flag-key",  
12      ...appContext,  
13    }) ) {  
14    <EnabledFeatureComponent />;
```

*“The tight coupling of how we represent  
“what we give to customers”, or  
entitlements, and how we bill customers  
for those plans & entitlements have led to  
a pricing & packaging scheme that is  
costly to change over time.”*

*– Ed Blankenship, Product, Contentful*





It's because of this

“Price is a number.  
Pricing is an architecture.”

Ryan Glushkoff, Vidyad



# Thanks!

Fynn Glover

Co-Founder/CEO, Schematic

