



The 2011 NZ Software Association:  
Pricing for Web and SaaS Entrepreneurs:

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# How to do “Good Enough” Pricing

A highly interactive four-part series combining virtual workshops with working sessions for entrepreneurs or teams wanting to get pricing “good enough” to succeed.

## Purpose of Workshop / Why You Should Attend

Successful ventures must be able to develop a repeatable, scalable business model that attracts enough customers who pay enough money to fund operations. A well thought out pricing model is a “must have”. Without one, success is unlikely but sub-standard performance or failure is nearly certain.

Most early stage ventures want to develop a good pricing model but find it hard because their people may lack experience, time or understanding. This virtual workshop series will give you the tools and shortcuts you need to do a “good enough” job of pricing so pricing won’t stand in the way of your success.

## What Makes This Virtual Event Unique?

Most webinars allow attendees to submit questions via chat box and get answers at the end of the webinar. This workshop lets participants ask questions “live” so there can be an interactive discussion – potentially drawing on the collective experiences of attendees. Several days after each session people are given another chance to discuss the session materials via a group phone call.

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## Workshop Logistics and Participation

Each workshop session is 90 minutes. The session will be highly interactive as phone lines will be open so participants can interact with the workshop leader and others on the call. Between sessions there will be an additional opportunity to participate in a group phone call to address questions arising from the previous session.

There are two levels of participation: “Full Participant” and “Observer”. All workshop participants will receive handouts and a link to the recorded workshop. Participation in the live interaction with the workshop leader or other participants is restricted to Full Participants only.

Both Full Participants and Observers are encouraged to submit questions of specific interest to them in advance of each session. Every workshop session starts with background information and frameworks shaped according to questions received in advance.

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**You can participate fully in the webinar experience or just observe.**

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## Introductory Session FREE

8:30am, 8th July (repeated on 12th July) 30 mins

This introductory session gives an overview of the workshop approach that will be used and some of the materials. It is a chance for prospective participants to see what’s in store, listen to the workshop leader, ask questions and find out how this programme meets their specific needs. Session topics include:

- Workshop overview
- What is “good enough” pricing
- Contents of each session
- Expected benefits
- Levels of participation

## SESSION 1

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### Licensing Structure (Value Metrics & Licence Model)

8:30am, 21st July

Fundamental to any software-based product offering is what you will charge for (the metric), how the license is structured (e.g. perpetual, subscription) and payment stream. Too often “the competition” drives the licensing structure whether that makes sense or not. Session topics include:

- Customer value framework
- Uncovering customer’s economic drivers
- Aligning metrics and licensing with value created and delivered
- Finding, assessing and choosing among candidate metrics
- Impact of licensing approach on company financial model

## SESSION 2

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### Transaction Structure (Packages & Discounts)

8:30am, 4th August

People or companies do not buy products in a vacuum: They buy offerings. Offerings go beyond product features to include different product versions, services and usage plans. A correctly structured offering can increase sales, usage and customer satisfaction. Session topics include:

- Approach to determine which features to include in which versions
- Positioning different versions to increase entry product sales
- Impact of bundling on upgrade rates and timing
- Balancing ease-of-configuration against flexibility
- Using discounts sensibly and strategically

## SESSION 3

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### Pricing Details (Price Levels and Deal Pricing)

8:30am, 18th August

While “the number” always plays a role in the purchase decision, many times its importance is over-rated. When price levels – list or net – can be clearly related to value delivered, customers often respond favorably. When deals are constructed properly, setting the deal configuration comes before setting the price. The primary focus will be determining price levels. We will also cover how to structure and negotiate large transactions to maintain margins.

Session topics include:

- Vectoring in on a “good enough” price
- Keeping prices consistent and (mostly) in line with each other
- Back-office considerations for deals and standard packages
- Dealing with competition – when to ignore it, when to pay attention
- Keeping revenues in line with costs
- Revenue forecasting for products and deals

## SESSION 4

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### Loose Ends Wrap-Up

8:30am, 1st September

The final session is a chance for participants to see how all the pieces come together. Decisions relating to the pricing model affect revenues directly and indirectly. Higher prices that may make customer acquisition more expensive can accelerate upgrade rates and timing. Sometimes lower prices will make it easy to acquire customers but these customers often turn over faster and don’t upgrade as much. Session topics include:

- Revenue modeling and key metrics to watch
- How to mitigate revenue risk
- Discuss special topics
- Revenue, margin, profitability and valuation considerations

This four-part series couples the elements of pricing with the elements of a business model.

You will see how pricing relates to customer acquisition, retention, growth and profitability.

There are two levels of participation: Full Participant or Observer.

Full Participants are part of the workshop interaction – they can ask questions and participate during the workshop. They can also participate in group phone calls to discuss issues in more depth.

Observers will be able to listen in on the virtual workshop and receive copies of the handouts. Observers can also choose to attend individual sessions of particular interest to them.

Full Participants and Observers have access to the recorded and presentation materials as well as the Q&A logs.

Attend the free introductory session to find out more and to meet the virtual workshop leader, Jim Geisman, who led workshops in Auckland and Wellington in 2009.

Jim Geisman is founder and principal of **Software Pricing Partners, Inc.** He is widely published and considered an expert in software pricing strategy and sales negotiations. Jim is a sought after speaker for computer trade and industry association meetings.

Benefit	Level of Participation	
	Full Participant	Observer
Attend Virtual Workshop	Yes	Yes
Workshop Handouts	Yes	Yes
Access to Recordings	Yes	Yes
Workshop Participation	Yes	No
Phone-in Privileges	Yes	No
Price for Series	\$775 excl GST	\$400* excl GST
	NZTE will provide a 50% discount to those companies completing the full course (limit to 15 companies).	* Individual sessions available for \$200.

Pricing software doesn't look more complicated than developing it until you have to actually do it.

Jim's workshop gave us a common framework to start our discussion about prices, it showed what's important and what's not and provided a methodology to follow.

Having had this tool the last time we worked on pricing we'd have saved countless hours and discussions.

- **Braulio Carreno, Web Application Developer and Consultant**

To register:

go to [www.nzsa.org.nz](http://www.nzsa.org.nz) email [events@nzsa.org.nz](mailto:events@nzsa.org.nz)

or call Steve Corbett on 09 281 4546

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PO Box 100274, North Shore Mail Centre, Auckland 0745, New Zealand

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