Case Study | Software Provider of Regulatory Compliance Solutions

81% improvement in deals won, $51M uplift targeted after implementing new product packaging and pricing strategy

BACKGROUND

A leader in the acquisition, diversity recruiting, & OFCCP HR compliance technology space had 3500 compliance customers and 1500 diversity recruiting customers. They had been transitioning from a check-the-box jobs distribution compliance offering into a value-creation platform for enterprise organizations interested in moving the needle from a DEI perspective. The company hoped to increase annual new logos captured from 300-350 a year to 450-500 and was targeting around $51 million in revenue in the next year. These changes drove up new revenue 26%, and renewal revenue up 67% based on higher prices and new packaging strategy.

SITUATION

Pricing had historically been an afterthought within the organization as it focused its efforts on more pressing issues. Previous bundling changes were not data-driven, and previous pricing changes were abandoned once met with pushback. The company had recently seen major advances and improvements to their platform, resulting in greater customer value. However, pricing had not been increased to reflect these shifts.

An opportunity existed to better understand willingness to pay and buying preferences of different personas across Compliance and Diversity offerings. This would assist in driving cross-selling opportunity within the customer base and greater year over year growth.

SOLUTION

1. Packaging:
- New pricing and comprehensive packaging was introduced to define enterprise pricing, replacing the previous customized pricing approach and enabling upsells.
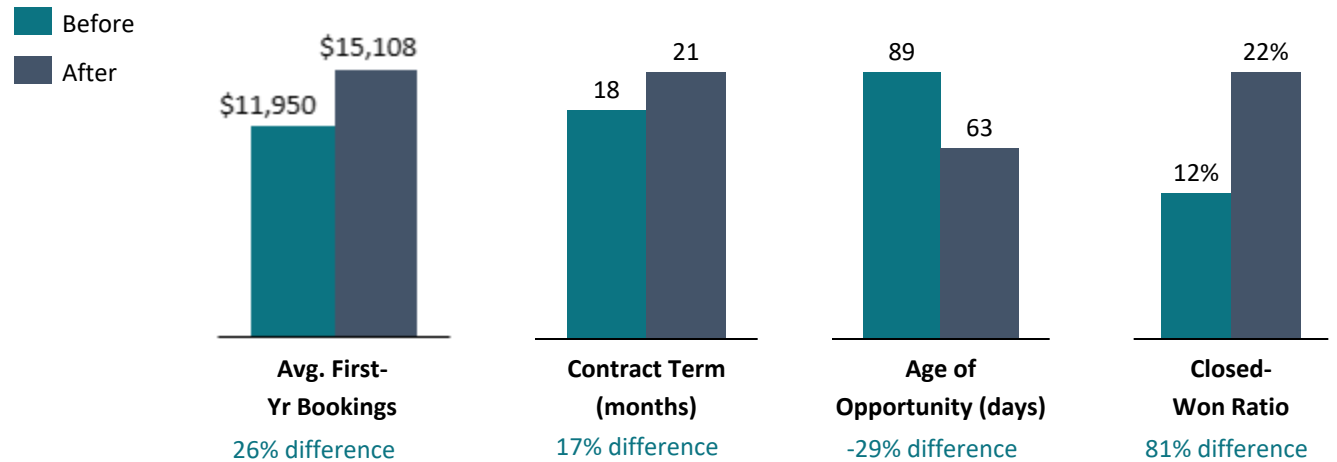
2. Discounts:
- Implemented discounting matrix with tiered discount levels and implementation scaled on contract size.
- Strategically reduced multi-year discounts while boosting annual increases through multi-year add-on rates.

3. Price Increases:
- Implemented annual price increases.

Business Impact: New Business

Legend: Before / After

	Avg. First-Yr Bookings	Contract Term (months)	Age of Opportunity (days)	Closed-Won Ratio
Before	$11,950	18	89	12%
After	$15,108	21	63	22%
	26% difference	17% difference	-29% difference	81% difference

Business Impact: Renewal/Upsell

Legend: Before / After

	Avg. First Yr. Bookings	Contract Term (months)
Before	$6,137	13
After	$10,232	25
	67% difference	92% difference