

How to control your SaaS spending and avoid spiralling costs

In yet another financial crisis, amongst what feels like never-ending tech layoffs, it's essential to adopt proactive strategies and keep that burn rate lower than a lizard's belly.

Temps de lecture : minute

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In today's startup landscape, Software-as-a-Service (SaaS) solutions have become an integral part of operations. It seems subscriptions are everywhere; we have subscriptions for subscriptions.

While they offer numerous benefits, including scalability and flexibility, uncontrolled SaaS spending can quickly spiral out of control, putting a strain on your finances.

In this article, we will delve deeper into practical techniques that will help you control your SaaS expenses, ensuring you make the most of your subscriptions without breaking the bank and an investor's heart.

Evaluate, be as ruthless as Henry VIII, if you don't need it, cut it off!

The first step to controlling your SaaS spending is to be ruthless in evaluating your existing subscriptions. Take the time to review each service and critically assess its necessity and value to your business. Ask yourself, "Do I really need it?" If you find that you rarely use a particular tool or it doesn't align with your current objectives, it's time to cut it. By

regularly evaluating your SaaS stack and eliminating redundant or underutilised subscriptions, you can significantly reduce your overall spending and focus your resources on the most valuable and essential tools.

Negotiate, lather yourself in fake tan & pretend you're David Dickinson if it helps!

When signing up for a new SaaS solution, don't settle for the listed price on the website. Instead, take advantage of the opportunity to negotiate with an Account Executive. Many SaaS providers are open to negotiation, especially if it means securing a long-term customer. Treat the price you see as a starting point, not the endpoint. Be prepared to discuss your specific requirements, usage patterns, and budget constraints. Highlight the value you can bring as a customer and inquire about any available discounts or promotions. By actively engaging in pricing discussions, you can obtain better deals and potentially significant cost savings.

Explore alternatives, West isn't always best!

While it's tempting to rely solely on well-known SaaS brands primarily based on the West Coast, there is immense value in exploring alternative providers, especially emerging European competitors. These agile and venture capital-backed companies often offer similar functionality at a fraction of the cost. Don't be afraid to venture beyond the mainstream and conduct thorough research into less recognised but promising SaaS solutions. Compare offerings, pricing structures, and user reviews from both established and up-and-coming providers. By diversifying your options and exploring alternatives, you can identify cost-effective solutions without compromising on quality.

Leverage investor relationships: make them sweat!

I don't mean tell them you're almost bust, I mean ask them to flex their buying power. If you have investors backing your business, you have an additional resource to help control your SaaS spending. Investors may have pre-negotiated deals with SaaS vendors or established partnerships that can benefit your organisation. Engage in open communication with your investors and inquire about any potential discounts, promotions, or exclusive agreements they have in place. By aligning your interests and goals, you can unlock opportunities for favourable pricing and gain access to exclusive features or services. If no agreements are currently established, ask your investors to reach out to vendors on your behalf. Vendors are often more receptive when approached through trusted relationships, and your investors' involvement may lead to better pricing negotiations.

Managing SaaS spending is crucial for maintaining financial stability and optimising the value of your subscriptions. By adopting a ruthless evaluation approach, negotiating pricing, exploring alternative providers, and leveraging investor relationships, you can effectively control your SaaS expenses and prevent them from spiralling out of control. Remember, it's essential to strike a balance between investing in valuable tools and eliminating unnecessary expenditures. With a strategic approach to SaaS spending, you can align.

Sam Perry is the founder of *ensemble*.

