

How CMMS Software as a Service (SaaS) Pricing Works

(Computerized Maintenance Management System)



Cloud

WHITE PAPERS

Topic:

An overview of the different pricing models for cloud-based CMMS software.

Pages: 5



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Understanding CMMS Pricing Models

So you've started to consider the idea of implementing a computerized maintenance management system (CMMS) into your maintenance department – that's a great first step. This guide is designed to help you understand typical pricing models for cloud-based CMMS software.

You might have googled a few companies, requested some information, but are still unsure as to which solution will be best for you. The most important thing to keep in mind as you go through demonstrations and test trials is how much value you will be getting for the money you will be investing each month or year. To determine that, you need to first understand how different pricing models work. There are three primary types of pricing models for CMMS software, **Variable, Fixed, and Tiered Fixed.**

Understanding how each works, their benefits and their drawbacks, will help you make an informed decision when you're ready to buy.

VARIABLE PRICING

Consider When..

.. the scope of software requirements you have is small and your user base is on the low side, otherwise this model with nickel and dime you to frustration.

This model involves multiple variables that will ultimately make up the total cost of the software. The most popular variable that most companies refer to is the number of users they need to support. In the case of CMMS software, “users” have more administrative rights above and beyond the basic ability to create and view work orders. Those who can only create and view work orders are considered “requestors.” With this model, as users increase or the need for more features, capabilities, or support increases, so does the price. It is the most common model in the industry.

Below is a useful list of variables vendors will leverage to increase the price of their CMMS software.

- number of requestors
- amount of training/support required
- number of work orders processed each month
- facility size (square footage)
- number of buildings (locations/sites)
- availability of certain capabilities or features
- level of customization

Example Scenario

A variably priced vendor will often showcase a low monthly subscription cost to attract your attention. However, at that low pricing level, you will almost always come to find that it will be lacking in features, support, and/or customization. The only way you'll get what you want is to upgrade to something more expensive. These vendors are experts in the up sell.

FIXED PRICING

Consider When..

.. the scope of software requirements you have is large and your user base is high, otherwise you will end up paying for more than you need.

Fixed Pricing is the simplest and easiest to understand. Basically, no matter your situation, the software offering and price remain constant. The drawback to this method is its inflexibility. You may only have three main users and only need to use part of the software's capabilities. In this case, you will be spending the same on the software as others who have hundreds of users and have greater requirements; that's hardly fair.

Very few SaaS CMMS vendors will sell their solutions at a fixed price because of its inflexibility. It is unfair to the customer for the vendor to sell this way because software requirements will vary greatly between customers. This type of pricing will be more common among one-time downloadable CMMS software products that usually offer little to no training, support, setup, or updates.

Example Scenario

You find a vendor that offers an all inclusive CMMS that has everything you want and more. It's great, and you don't have to worry about the subscription price changing as your needs do. Unfortunately, the subscription price is outside of your small maintenance teams budget. This is because they can't change the price from customer to customer while promising the same level of features to each. It fits right for some, but not for everyone.

TIERED FIXED PRICING

Consider When..

.. you expect your organization to stay within the higher limits of a fixed pricing tier. At the higher limits, you are getting the most value.

Tiered fixed pricing takes the simplicity of fixed pricing and adds some of the flexibility of the variable model. Each tier usually represents a range of users example: (1-5, 6-10, 11+) and offers many of the feature and support options as standard and free with a subscription. Tiered fixed pricing also makes it easy to cover your current and future needs without increasing the subscription price.

The drawback to tiered fixed pricing is that you may pay more than variable pricing at the lower user level of each tier. As your organization grows however, and your user requirements increase, you will realize the value of this model because the price will not increase until you reach the user threshold of a tier.

Q Ware CMMS offers tiered fixed pricing based on two ranges of users (1-5, 6+). We also break down our CMMS into individual modules that can be purchased separately and integrated as needed. We offer this because it allows customers to pick and choose which primary capabilities they want, adding another level of flexibility. Not to mention we include a lot of features that variable models would normally charge extra for or tack on to their monthly subscription price.

Example Scenario

Your maintenance team is relatively small and isn't expected to grow too much in the next few years. You want something simple with pricing that's easy to understand. You also want some of the cool features that come with more complex systems. This is perfect for tiered fixed pricing because it is flexible enough to adapt to the size and need of any maintenance team while keeping the pricing structure simple, affordable, and easy to understand.

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