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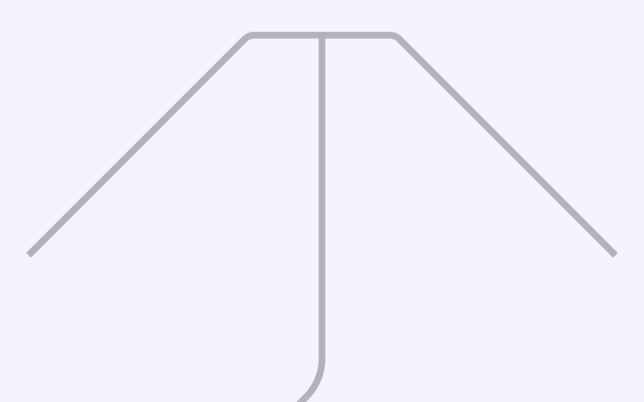
THE GUIDE FOR SAAS BUYING IN 2025
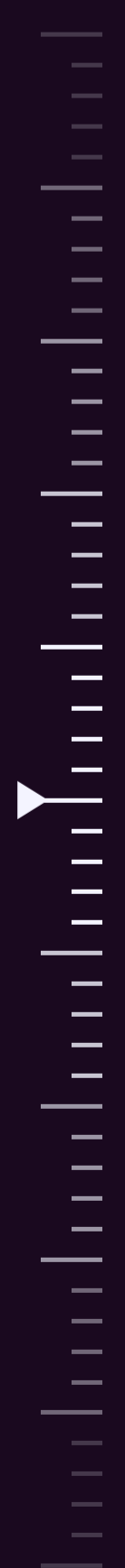
A 5 step method to better negotiate your SaaS contracts

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Contents

Introduction

$295,080,000,000

That's the (huge) amount SaaS spending is expected to reach in 2025 worldwide.

To give you an idea for comparison: it is $191 billion more than in 2020. You are probably experiencing this SaaS boom at your company too, buying more and more licenses for your team. Without surprise, the surge for online softwares has been accelerated even more by the COVID-19 pandemic.

What does this global shift from on-premise tools to SaaS mean for your company? It has several implications, the first one being the change in the way you purchase your softwares.

SaaS buying seems simple – emphasis on the 'seems'.

But when you don't have a buyer background or any dedicated resource in the company – which is the case for most scale-ups and mid-sized companies –, the situation is not that simple. It is a time-consuming, expensive and complex process. While the implementation of tools is getting easier and easier, it is hard to justify the complexity of the SaaS purchasing process itself.

How can you set-up an efficient purchasing process and negotiate prices with SaaS suppliers, even without a dedicated department?

In this guide, we are sharing the tips and tricks from experts in SaaS buying as well as testimonials from peers.

Keep in mind that this 5-step method is the ideal purchasing model for SaaS solutions. You might not be able to do it all. That's not important.

Adapt the recommendations to your company, see what works best, and how much you can save with each action - in money and in time.

Test and learn is the best way to go. Do the math: what is the cost of the time an employee spends purchasing SaaS vs the potential savings?
...

Let's take a look at the 5-step method for the best buying process you can experience $\longrightarrow$

01

Requirements specifications

STEP 1
What are your needs?

Before diving head first into a complex SaaS buying process, you need to define the perimeter of your research. 3 elements constitute it: the context, the timing and the need.

Understanding the context is key

The first step of the SaaS buying process is... to **set the context!**

▶ What is the environment of the company, of your team?

▶ What is the trigger for the purchase?

▶ Is there already a tool used in the company?

▶ Is it a renewal?

▶ Is it a new need?

▶ Etc.

The answers will define the first elements of your SaaS purchasing perimeter. All shareholders (finance, IT, legal, security) will get onboard quickly thanks to these.

⊗ Anticipate your negotiation

It's best not to start your buying process expecting an immediate set-up and activation. The good practice is to **begin your purchasing approach 2 or 3 months in advance**. This way, you are in no urgency, giving you time to negotiate, and you are not caught off-guard.

The saying 'the person winning the negotiation is the most prepared one' applies particularly well for SaaS buying. You have multiple rounds of negotiations awaiting, the legal part can take a good chunk of time. **Start early to be in the best conditions for your purchase**.

The time of the year can have an influence on your SaaS fees. A lot of SaaS suppliers attribute bonuses for their sales team at the end of each semester. If you start your process 1 month prior to the end of the semester, in June or in December, you might get lucky. The salesperson will probably try to get the signature before the end of the month to meet their objectives, and so be more inclined to offer a better discount.

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"Also pay attention to promotional offers. Some vendors, like Adobe, offer Black Friday sales for example."

– Head of Procurement of a French Next40 scale-up

Identify what your needs are

Then comes the definition of the need. It all starts with its **identification**, from the employees who are going to be the future users of the SaaS solution.

Often, the need is expressed in one way or another, even involuntarily, before being identified as such. It could be the explosion of customer support tickets and the difficulty to manage them with the current tool, or workflow breakdowns for example.

"Before diving into a SaaS quest, challenge the need. Do you really need a new solution? Why now? Are you able to describe what you want to achieve?"

– Nicolas Albisser, IT Procurement Consultant

Once the problem has been identified, you need to **establish the specifications to solve it**. They define the functional and non-functional contours of the future SaaS solution that will meet the expressed need.

▶ What are your use cases?

▶ Who will be the users of the solution?

▶ Which tasks need to be accomplished?

▶ Etc.

⊗ How to do it efficiently?

You can use a template spreadsheet with several lines corresponding to the functional needs, matched by categories.

▲▼ In SaaS, suppliers of the same service do not offer the same exact product. By **writing down your needs**, you will be able to use it as a **guide for your suppliers**. Your spreadsheet – or other document you may use – will come handy to make all the offers comparable.

The specification is the foundation of your cloud purchasing process. Having a clear guide from the beginning will help you throughout the whole process, especially during negotiation time.

Do not rush this part!

"You can share a template or a form with standard questions (problem to solve, users, timeline, special requirements...) to ensure all new software needs are well qualified inside the company. It will prevent stakeholders from rushing immediately into sourcing."

– Agathe Cornillet, IT Procurement Consultant

Dos and don'ts to identify your real needs

❌ **Do not express solutions** but problems to be solved.

❌ **Do not skip the definition and sourcing steps.**

This is because you already know which SaaS you want to use. You will probably be taken aback during the negotiation process or stuck with a tool that won't be used.

✅ **Do break down the need into the user story format.**

'As a [persona], when I [context], I want to [action], so that [outcome].'

Example: if you're a hiring manager and looking for a recruiting tool, a user story could be 'as a hiring manager, when I find an interesting profile on Linkedin, I want to add it to my tracking tool, so that I constitute a candidate pool for an open position.'

✅ **Do make the difference between the 'must-haves'.**

What is compulsory – **and the 'nice-to-haves'** – what comes in bonus.

✅ **Do collect the needs from indirectly involved people** as well (IT, legal, security).

If one of them has special requirements, you will know from the start.

Bonus: do workshops with each level of users for each feature to better define your needs.

✅ **Do add any specific criteria** that matter to your company, such as corporate social responsibility (CSR) commitments for example.

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02

Sourcing the right SaaS suppliers
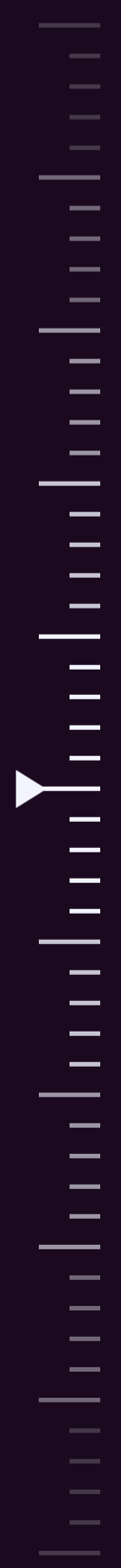
STEP 2
Sourcing the right SaaS suppliers

In an ocean of SaaS tools, how do you find the right one for you, in a time-effective, cost-controlled manner? If you follow these 4 steps and apply our tips, you have some good chances to meet your SaaS grail.

Once your specifications are clear and validated by your teams, it is time to start looking for SaaS vendors that meet the expressed need.

How do you do the sourcing?

⊘ Online research

Online research is the most obvious way. With a Google search, your buyer – or dedicated research collaborator – can already find all the solutions specialised on solving the challenges your team is experiencing.

Tools like ChatGPT, Jasper, or Google's Bard can summarise articles, generate insights, and suggest relevant resources based on specific queries. AI-powered search engines, such as Perplexity or NeevaAI, can deliver contextualised results, highlighting the most relevant data without the need to sift through multiple pages.

These tools can analyse the functionalities of each software, provide insights into available pricing models, and help identify the most relevant options by filtering out suppliers that do not meet your specific requirements.

⊙↘ Specialized websites

Specialized websites, like g2.com, TrustRadius, and Capterra help to find and compare SaaS solutions as they provide real customer feedback and rankings to help you make informed decisions. These sites offer real user insights on tools. Focus on reviews covering usability, support, and integration, while noting challenges like hidden costs or implementation issues. Sorting by industry or company size helps find tools proven effective for businesses like yours.

⊙↘ Network

You are not the first person experiencing the problem. If you ask around, directly, through Slack spaces or other online communities, you will probably get some recommendations. The only downside is that your peers are not experts in SaaS. The tool they use internally for a problem resembling yours might not meet your exact specifications. But it can lead you in the right direction.

> "I'm part of a Facebook group of IT buyers. It is really helpful in such cases."
>
> – Guillaume Jeanneteau, IT Buyer, IBM

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"We have a template to run our benchmark that is used for the first level of sourcing, but also once we receive the formal offers from the vendors. It filters suppliers according to important criteria for us, such as IT requirements, financial and contractual ones, etc."

– Benoit Paternot, Former IT Director, Jellysmack

What to do to source the right suppliers

Do select multiple potential suppliers.

At least 2, ideally 3 or 4 – except if you need a solution for a monopolistic SaaS supplier, like LinkedIn or Salesforce.

Even if you already have a solution in mind, diversify your options. You will have a plan B in case there is a deal–breaker on your plan A (example: the SaaS vendor does not meet the requirements of your IT department).

Plus, it is always useful to benefit from the competition.

"Even if you are contacting only one supplier, send them a request for proposal. They will feel they're not the only ones in the race."

– Burak Ramazanoglu, Global IT Procurement Lead, Coty

✓ Do inquire about the budget.

And set a maximum one. The data is often not public but you can ask your colleagues who used the same tool in previous companies, as well as your network.

▲▼ By getting a first idea of the budget, you will be able to inform other stakeholders (the CFO especially) soon enough. If they do not validate one SaaS budget, you won't negotiate in vain.

✓ Do find out about the suppliers' reputation.

Once again, your network is your best ally. Do their customers complain about the product quality, the service reliability, the customer service speed?

▲▼ You'll usually find some customers' names on the website. Find out which ones are not used in the case studies, contact them on Linkedin and ask for honest feedback.

Which provider size is ideal? There is not one answer to this question, as it will depend on your company and your specific needs.

A general rule of thumb though: do not always go for the biggest company. If you are a scale-up or a mid-sized company, a SaaS vendor looking like you (20–50 employees) is probably the best choice.

Why? First, they have the funds and the team resources to quickly react to your questions and needs. Second, you have more negotiating power – for the price and the overall contract, but also to influence their roadmap if you need new features.

"Mid-sized vendors are able to be flexible. They are more open to a win-win relationship, where they grow as you grow."

– Samia Azouni, Subcontracting & IT Group Purchasing manager, Expleo Group

03

Always request for a proposal

STEP 3
Always request a proposal

Once you have sourced suppliers and selected a few of them, it is time to ask for offers. At this stage of the buying/selling cycle, SaaS vendors should provide you with a formal offer and all the data on the cost of their application or software.

How do you request proposals? Share your requirements specification. Use the one you wrote at the beginning as a base and add any missing information.

Make sure to include:

▶ The context

▶ The detailed requirements

▶ The volumes you expect and their evolution

▶ Your timeline: add the deadlines you wish for so you have the upper hand on the timing: from the 1st round to the 2nd, for the proof of concept, for the implementation, etc. .

▲▼ During the first meeting, take a close look at the variables taken into account in the price calculation. After, go deeper into the metrics and their evolution. You will be able to create a pricing grid to make the different pricing models comparable.

✓ **Do anticipate the hidden costs.**

Especially during the implementation time: integration or interfacing work to be done by your IT team, integration costs, maintenance costs, training costs, etc. Make sur the implementation cost is a fixed-price with obligation of results.

If you are in business with **large vendors**, you can **forget your standard contract**. However, even if you cannot impose your standard contract, it does not prevent you from negotiating clauses that deviate from the General Terms and Conditions.

For example, share your deal-breakers as soon as possible in the process, so you do not get any surprises at the end.

Once you have received all the offers from the SaaS suppliers you selected, you need to **translate them to make them comparable**. Centralize the offers and compare them according to the **single evaluation grid** you build.

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"Prepare your selection criteria while the SaaS vendors work on your offers. Do the product and offer meet your essential needs? Do the security proposals work for you? Is the price in line with your expectations? Etc.

Then, you add a weighting coefficient for each criteria, at each round. It will filter the suppliers. The only rule for the RFP is to share the exact same information with all of the vendors."

– Benoit Paternot, Former IT Director, Jellysmack

04

How to negotiate your contracts better
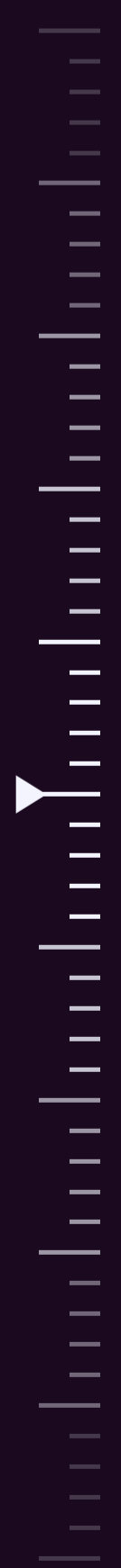
STEP 4

How to negotiate your contracts betters

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All the work you have made so far leads to this step: the **negotiations**! Too often, when you do not have a purchasing department and dispose of little time, it is neglected and overlooked.

Another reason is the missing information on your bargaining power due to the lack of transparency of publishers on their prices.

How to negotiate a SaaS contract?

The first thing to keep in mind is that negotiating a SaaS contract is not only about the price. Included features, service and customer support commitments, renewal model, etc: all these elements can be leveraged to obtain the most advantageous contract.

Give it a try, you will see that the SaaS vendor is ready to negotiate too!

"The first thing to do when you receive the quotations is to tell each supplier if they are well-positioned regarding the price. Give them a chance to make you a better offer."

– Pierre de Bortoli, Senior Global Procurement Category Manager, Doka

✓ Take the time.

If you have started your research soon enough, you have time to negotiate, even if it takes multiple rounds.

The first round of negotiations usually helps you to eliminate some vendors, so there are only 2 (or 3) left in the race. The results of the first round give you bargaining power for the second one.

Do not hesitate to leave some blank periods and wait for the vendor to come back to you with a new offer. By not being in a hurry, you will have the upper hand.

✓ Play bad cop / good cop.

One of the oldest tricks of the book… still effective!

Involve a second person from your company who can play the bad cop. It can be your CFO or your IT team.

✓ Get clarity on the pricing grid.

How does their pricing model work? Is it a function of the number of users? How much will you pay a year from now?

"Understanding the pricing components and their evolution is key. It's important to define the contract for your growth.

Avoid elements where you miss visibility, for example a percentage of your future transactions. Agree on fixed terms, so you know what you will pay in year 2 or year 3 depending on your growth."

– Joaquim De Sa Alves, CFO, Contentsquare

> "Some vendors add trick pricing clauses, such as unilateral price changes or unilateral service changes. Have a really close look before signing the contract. You can also ask to add a clause for a future renegotiation of the prices."
>
> – Nicolas Bodin, Head of Legal, Shadow.

✓ **Leverage your speed**.

Another trick from the book: you can tell the SaaS suppliers that if the price is under a determined amount, you won't have to ask your CFO for approval and the process will be expedited.

They want to save time, as much as you do, and if it is a reasonable price point they will accept it.

✓ **Negotiate on the downside too**.

Negotiations are not always about adding things. It can be suppressing some features or services to bring the price down. For example, some training or integration costs.

✓ **Become a loyal partner** of your SaaS vendor.

As in any business, loyalty is rewarded in SaaS. If you agree to co-marketing actions, you will be able to receive some advantages.

> "A lot of softwares are all-in-one solutions. The vendors usually sell the whole package, but you can list only the modules you really need."
>
> – Stéphane Pédone, IT Procurement Consultant

"Another leverage of negotiation as a loyal customer is when you already have some contracts with a specific SaaS supplier. If you are looking for a new module that they offer, it is a good time to renegotiate the whole contract. Bonus: if your security team has already vetted them, it makes things easier."

– Klara Vankova, IT Procurement Consultant

Protect your data. Going SaaS means that your data are stored in the cloud.

How does it work between your provider and your company? Who owns the data? What happens in case of a data breach? What happens if you want to migrate your data at the end of the contract?

SaaS editors like commitment, so that they are able to plan. If you show them there is a growth potential, they will offer you a **win-win model**.

A longer commitment period often means a lower price. Share your short-term volume previsions but also your growth projections to let them know what to expect.

▲▼ If you are looking to **negotiate with Salesforce**, inform yourself upstream. They are quite transparent about the negotiation leverages they use, so find out the specifics and prepare yourself.

✓ **Do look up close these specific clauses:** the price evolution and the **exit clauses.**

Define the commitment period and the way the partnership ends. Your contract must also indicate the conditions of breach of contract, as well as the competent jurisdiction in case of dispute. It is better to protect yourself beforehand!

> "Of course, when you start a contract, you do not want to think about what could go wrong. But it is necessary. List all the problems that would give you the right to cancel your subscription, as well as the penalties you can apply if they do not deliver on their SLAs."
>
> – Burak Ramazanoglu, Global IT Procurement Lead, Coty

▲▼ **Check the contract.**

As a user of a SaaS solution, one of the most important clauses to look up is the reversibility one. The reversibility of your datas is the time during which you migrate your datas from the old supplier to the new one – or the new solution you found. When you sign your SaaS contract, pay extra attention to this clause. The vendor should commit to helping you and sharing all the information you need so you can get back all your datas in a simple way.

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▲▼ **Define and secure the renewal aspects of the agreement.**

Many vendors increase their prices at the end of the inital period. Secure a fixed price at the renewal or at least get a price cap in case of increase.

▲▼ **Benchmark the pricing.**

Your network, whereas in direct or via Slack groups and forums, is your best friend. Ask around about their negotiations with the SaaS vendor you are interested in. The information they provide can help you better negotiate.
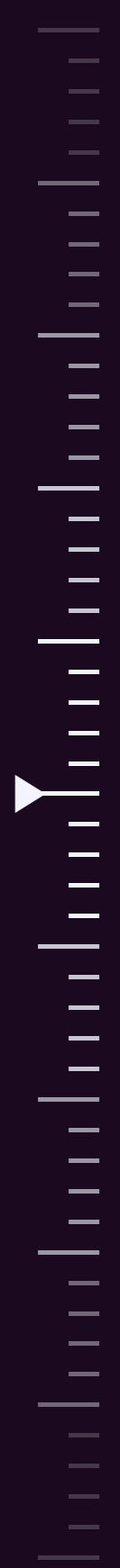
Don't have anyone to ask? Good news: at Najar, we have all the data you need for your SaaS benchmark and we have pre–negotiated prices with SaaS suppliers.

Get a free audit of your SaaS contracts

05

Don't forget to challenge the renewal

STEP 5

Don't forget to challenge the renewal

▲▼ Too often, people buy the SaaS solution and do not question the contract ever again, even if they go through some troubles with the tool. It is a pity, because the renewal is a crucial part of the process.

"It is key to constantly challenge your vendors in order to get the best out of them. It is not only helping you, but also helping them to remain competitive toward their competitors. Monitoring their performance with the final user, and applying the penalties written in the contract in case they do not deliver is also important."

– Pierre de Bortoli, Senior Global Procurement Category Manager, Doka

Once you have signed your contract, what should you do?

✓ Make sure your renewal reminder is independent of the owner.

What does it mean? If the contract owner, the person who purchased the SaaS solution, leaves the company, your renewal reminder will be in limbo... and your contract will get renewed, even if you don't want to.

It's best to set up reminders for upcoming renewals and keep the contracts in a centralised location to have a comprehensive overview of your whole tech stack. Thanks to the Welii platform, you can do just that and never miss a renewal again!

✓ How is the solution used?

After a few months, it is time to assess the real use of the SaaS tool you have implemented. Has the team integrated the tool in their day–to–day process? Does it meet the needs it was purchased for? Do you need more licenses? Has customer support been available? Check the situation, to adjust it if necessary.

✓ Debrief the software performances with your supplier.

Did the tool help the team make its objectives? Are the expected quality of service and performance achieved? Review each term of the contract and renegotiate if needed. Do not forget you are the customer and you should be satisfied with the service you are using!

Conclusion

There you have it! The ideal process for purchasing SaaS. It is methodical and rigorous. Implementing such a structured process optimizes the time your team spends on SaaS procurement, while ensuring you get a fair price.

We hope the tips we have shared for each step will help you be more efficient and successful in your SaaS journey. If you have some experiences you would like to talk about, do not hesitate to share them with us.

We know that setting up such a process can be intimidating and seen as a burden when you are not a SaaS specialist. This is why we created **Najar** to help you streamline your SaaS processes. You define your requirements, we handle the rest.

About Najar

Whether you're new to negotiation or lack the time to run a rigorous procurement process, you shouldn't be overpaying for your SaaS tools.

According to our benchmark, high-growth companies may go **from an annual SaaS cost per employee of €2,500/year to €5,900+/year** when growing from 100 to 1500 people.

Our platform helps companies regain control over their SaaS spend by providing:

▶ A **complete inventory** of the SaaS tools, their usage and costs, thus detecting savings opportunities like inactive licenses or redundancies

▶ The support of a **dedicated SaaS buyer** during the negotiation of new purchases and renewals.

Discover our real success stories

Spend smarter, not harder
Calculate your savings today

Select the tools in your SaaS stack on the following slides to get an immediate estimate of your potential SaaS spend.

Which CRM are you using?*

☑ Hubspot ☐ Pipedrive

☐ Salesforce ☐ Other

‹ PREVIOUS   10% Completed   NEXT ›

Try our free SaaS calculator

Thanks to our SaaS price benchmark and market knowledge, we give you the assurance that you are paying the **right price for each tool**, while freeing your time from the cumbersome back-and-forth with the vendors.

Want to know more? Contact us to get a demo or to get a free audit of your current SaaS stack to estimate your potential savings.

Book your free demo!

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Acknowledgements

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Build stronger, spend smarter