

# WHITEPAPER

## WHY WE DECIDED TO BE 100% TRANSPARENT ON PRICING (AND WHY THAT'S A GOOD THING)

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As part of our competitor analysis, I asked my team to investigate the pricing practices of our competitor tax technology companies. Knowing the tax tech industry reasonably well, I was pretty sure we would not find much data in this respect. It was even worse than I expected... we found nothing. None of them are publishing their pricing online for the world to see.



### So, why are our competitors non-transparent on their pricing?

The first reason may be the non-transparent nature of the tax industry. Although TaxModel is transparent and welcomes any enterprise, big or small, the largest tax technology providers (for example, Thomas Reuters, SAP, Longview, Cross Border Solutions, as well as Big 4 audit firms) are not.

Typically, they target large enterprises where complex price calculations are common practice within a non-transparent framework. The rationale is that they aim to sell consulting hours and keep a project open-ended as long as possible. The actual software subscription costs, in the end, are only a fraction of the overall project cost.

Another reason could be that many of our competitors think that it's within their best interests to be as private as possible. That way they don't have to worry about competitors seeing their pricing and undercutting them to win a deal. In some ways, that's fair enough.

What's less "fair enough" is that, unlike TaxModel, they choose not to keep their pricing simple and straightforward. Keeping pricing under wraps allows them to change prices and packages without having to re-price their base of customers. This means their clients never know whether what they pay is actually in line with the value they get.

Finally, many sales leaders believe they stand a better chance of striking a deal if they lead with value while hiding their price. At TaxModel, we believe in the power of our tools. That's why we're open with our prices and our value. This is not the case for many of these companies. They fear that a potential buyer may feel the value is overpriced and alt-F4 the heck outta there. How do they get around this? One of the silver-tongued members of their sales team is tasked to find a way to showcase their tool offline to more executive decision-makers. This method gives them a better chance of convincing an initially skeptical buyer to agree to a deal.

### Our disruptive answer to this is ...

*TaxModel wants to embrace a new ethos.*

*Rather than being opaque and hard to do business with, like enterprise software companies of yesteryear... the SaaS company of the future has nothing to hide.*

We are friendly to our buyers, we are transparent, and we don't waste their time by making them talk to a sales rep just to get basic pricing info – this is what we believe in.

**“And now my competitors, I speak directly to you...”**

Please publish your pricing so I can finally finish my competitive analysis!”

Hank Moonen  
CEO & Founder TaxModel