

Strategic Approach for Structuring and Scaling Enterprise Software Products

Arjun Raj Bhalla

Independent Researcher, India

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ABSTRACT

The rapid evolution of enterprise software necessitates a structured and scalable approach to product strategy. This paper presents a comprehensive framework for structuring and scaling enterprise software products, integrating key elements such as business models, pricing strategies, sales motions, and product-led growth. By leveraging data-driven monetization techniques and go-to-market strategies, enterprises can optimize revenue, enhance customer adoption, and sustain competitive advantage. The proposed strategic playbook synthesizes existing research with industry best practices to provide actionable insights for enterprise software leaders seeking sustainable growth and market expansion.

Keywords : Enterprise Software, Product Structuring, Scaling Software, Business Model, Monetization Strategies, Business Strategy, Go-to-Market Strategy, Sales Motion, Software Packaging, Pricing Strategy, SaaS, Subscription Model, Product-Led Growth (PLG), Sales Channels, Customer Segmentation, Market Expansion, Revenue Optimization, Product Tiers, Competitive Pricing, Demand Analysis, Software Growth, Product Strategy, Profitability, Software Playbook

1. INTRODUCTION

The evolution of enterprise software has reshaped business operations, efficiency, and customer engagement. As organizations increasingly rely on software for growth, structuring and scaling products strategically becomes essential. Success depends on optimizing monetization, go-to-market execution, and pricing.

This paper presents offers a framework to drive sustainable growth. By leveraging key levers—business models, pricing strategies, sales motions, and product-led growth—this paper helps enterprises navigate software monetization and expansion.

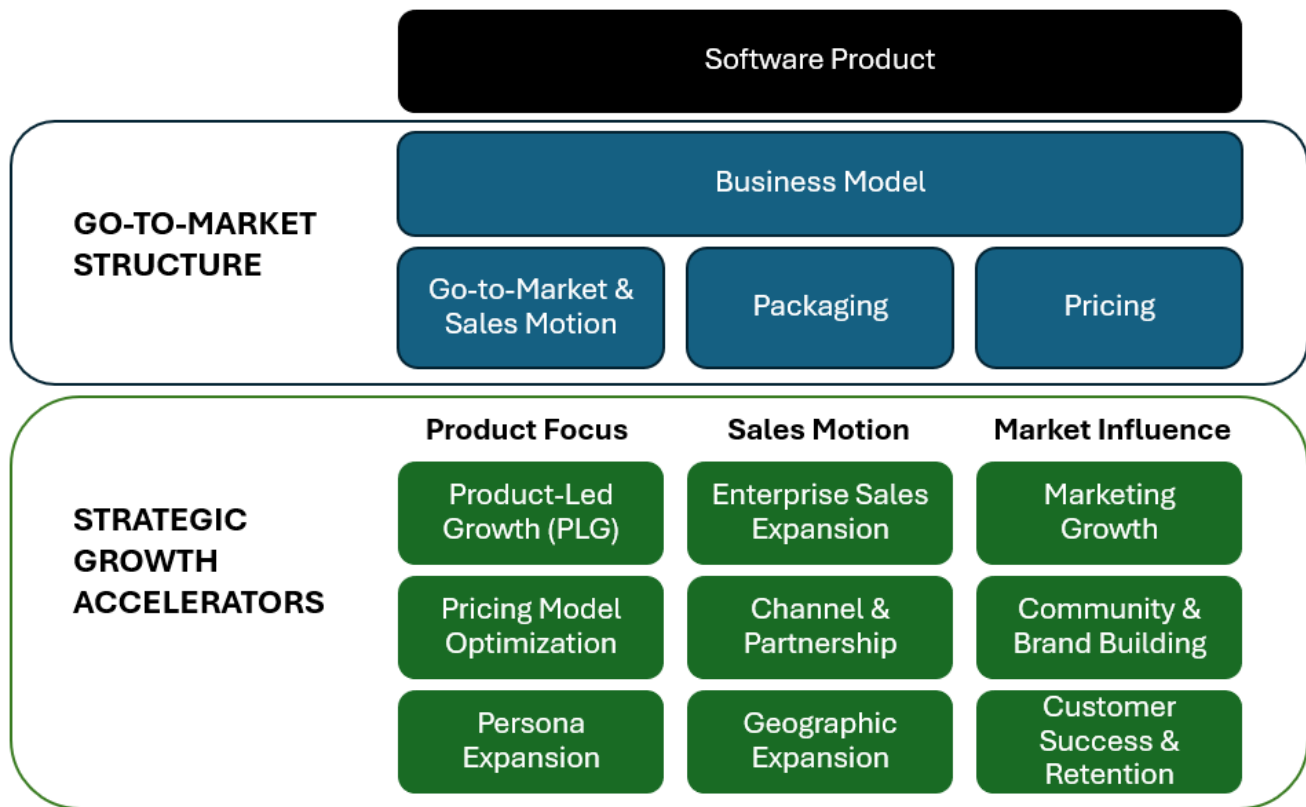


Figure 1: Framework for Go-to-Market Structure and Strategic Growth Accelerators for SaaS companies

2. LITERATURE REVIEW

Research on enterprise software growth spans business model innovation, pricing, go-to-market (GTM) strategies, and revenue scaling. This section reviews existing insights that inform the proposed strategic playbook.

2.1 Business Model Innovation

Osterwalder and Pigneur (2010)¹ introduced the Business Model Canvas, outlining key revenue elements. SaaS models—subscription, freemium, pay-per-use, and license-based—dominate the software industry (Teece, 2018)². The shift toward subscription models has driven predictable revenue and customer retention (Cusumano et al., 2019)³.

2.2 Go-to-Market Strategies

Effective GTM strategies define how software reaches and converts customers. Moore's (2014) "Crossing the Chasm"⁴ framework highlights challenges in transitioning to mainstream adoption. Sales motions include direct sales, account-based marketing (ABM), PLG, and channel partnerships (Hendrikse & Northfield, 2021)⁵. The PLG model, where the product drives adoption and expansion, has gained prominence. Companies like Slack, Zoom, and Atlassian use PLG to accelerate growth (Bush, 2020)⁶. Meanwhile, enterprise sales remains crucial for B2B software targeting large accounts (Kotler et al., 2021)⁷.



2.3 Pricing and Monetization Strategies

Pricing is key to software adoption and profitability. Nagle and Müller (2017)⁸ emphasize value-based pricing, where price aligns with perceived customer value. Pricing methodologies—such as competitive benchmarking, demand curve analysis, and Van Westendorp price sensitivity—help determine optimal price points (Hinterhuber & Liozu, 2020)⁹. Tiered pricing, feature bundling, and usage-based models maximize revenue potential while ensuring scalability (Clemons & Gu, 2019)¹⁰. Pricing strategies must evolve to reflect competitive dynamics and customer willingness to pay.

2.4 Market Expansion and Segmentation

Expanding market reach requires customer segmentation and geographic expansion. Kim and Mauborgne (2005)¹¹ introduced the Blue Ocean Strategy, urging companies to seek uncontested market spaces. Effective market segmentation strategies help tailor offerings to specific customer needs (Kotler et al., 2021)¹². Global expansion necessitates localized pricing, multilingual support, and regional GTM adaptation (Hofstede, 2011)¹³.

2.5 Literature Gaps

While individual components of software growth are well-studied, there is no comprehensive framework integrating business models, GTM strategies, packaging, pricing, and revenue optimization. This paper fills that gap, synthesizing best practices into a structured approach for scaling enterprise software effectively.

This review establishes the foundation for the strategic playbook outlined in the next section, which presents actionable strategies for structuring and scaling enterprise software products.

3. GO-TO-MARKET STRUCTURE FRAMEWORK

In building and scaling enterprise software products, structuring the offering strategically is critical to meeting customer demands, ensuring long-term growth, and optimizing revenue streams. A comprehensive framework must address the key components that influence monetization, sales strategies, packaging, and pricing. The following sections provide a detailed breakdown of these components, offering insights and examples from successful companies to guide enterprises through structuring their software products.

Table 1: Summary of go-to-market structure framework

Component	Component Description	Key Questions to Answer	Options
1. Business Model	Defines how the software will generate revenue through different monetization strategies.	How will the product generate revenue? What pricing model best aligns with customer needs and business goals?	<ul style="list-style-type: none">• Subscription-Based• Freemium• Pay-Per-Use• License-Based• Ad-Supported• Transaction-Based• Affiliate Marketing• Data Monetization• Marketplace/Platform
2. Go-to-Market &	Outlines strategies for reaching, engaging, and	What is the most effective way to acquire and convert	<ul style="list-style-type: none">• Freemium-to-Paid• Direct Sales



Sales Motion	converting customers into paying users.	customers? Which sales strategy aligns with customer behavior?	<ul style="list-style-type: none"> • Enterprise/ABM • Product-Led Growth • Reseller/Channel Sales • E-commerce/Self-serve Sales
3. Packaging	Organizes the product in a way that offers value to different customer segments and encourages upselling.	How should the product be structured to appeal to different customer needs? What features or plans should be bundled together?	<ul style="list-style-type: none"> • Tiered Pricing • Metering • Customer Segment • Bundling & Add-ons
4. Pricing	Determines the optimal price point based on market analysis, customer preferences, and perceived value.	What is the right price for the product? How much are customers willing to pay? What pricing strategies should be used to maximize revenue?	<ul style="list-style-type: none"> • Competitor Price Benchmarking • Conjoint Analysis • Gabor-Granger • Van Westendorp Pricing • Monadic Pricing Test • Demand Curve Analysis

3.1 Business Model—Devising Path to Monetization. A well-defined business model is essential for ensuring sustained revenue growth and scalability. It defines how the product will generate revenue and dictates pricing and sales strategies. There are several business models that companies can adopt, each offering distinct benefits:

3.1.1 Subscription-Based Model

Description: Customers pay a recurring fee, often monthly or annually, for access to the product.

Examples: Salesforce and Microsoft 365 both use subscription-based models to provide ongoing value to customers.

Benefits: Predictable and stable revenue streams, customer loyalty, and better retention due to continuous service delivery.

3.1.2 Freemium Model

Description: A basic version of the software is offered for free, while premium features are available at a cost.

Examples: Slack and Dropbox successfully use this model, offering essential features at no cost while charging for advanced capabilities.

Benefits: Broad user base and the potential for high conversion rates to paid plans as users experience the value of premium features.

3.1.3 Pay-Per-Use (Usage-Based) Model

Description: Customers are charged based on how much they use the software (e.g., number of transactions, data storage, or computing power).

Examples: AWS (Amazon Web Services) and Twilio follow this model, charging users based on their consumption of services.



Benefits: Scalability for both the provider and the customer, as customers only pay for what they use, and revenue scales with customer growth.

3.1.4 License-Based Model (Perpetual or Term License)

Description: Customers pay a one-time fee or recurring fee for the right to use the software.

Examples: Autodesk and Oracle often use this model, offering perpetual or renewable licenses for their software.

Benefits: Predictable upfront revenue, although less flexible for customers compared to subscription models.

3.1.5 Ad-Supported Model

Description: The software is free to use, but revenue is generated through advertising.

Examples: Spotify uses a freemium model with ads for non-paying users.

Benefits: Large user base and the potential for significant revenue from advertisers, especially when the product garners a large audience.

3.1.6 Transaction-Based Model, including Microtransactions (e.g., in-app)

Description: Customers pay for each transaction or make small payments (microtransactions) for extra features or content.

Examples: Steam and Epic Games often utilize in-game purchases to monetize their platforms.

Benefits: High margins on small transactions, as well as the potential for viral growth.

3.1.7 Affiliate Marketing

Description: Software products earn revenue through referrals and partnerships with other services or products.

Examples: Amazon Associates Program and many SaaS platforms integrate affiliate programs for increased revenue.

Benefits: Low operational overhead and scalability, as the revenue is generated through external partnerships.

3.1.8 Data Monetization

Description: Companies sell or leverage user data to generate revenue.

Examples: Google and Facebook generate revenue by monetizing user data to serve targeted ads.

Benefits: High scalability as the cost of acquiring data is relatively low, and it can be repurposed for different revenue channels.

3.1.9 Marketplace/Platform Model

Description: A platform allows third-party developers or service providers to create and sell products or services within the software ecosystem.

Examples: Apple App Store and Salesforce AppExchange allow external parties to sell their offerings.

Benefits: Generates ecosystem growth, providing more value for users while generating fees for hosting third-party services.



3.2 Go-to-Market & Sales Motion—Selling Product Effectively

The sales strategy is essential for effectively reaching and engaging customers. Different approaches can be leveraged depending on the market segment, product complexity, and customer lifecycle.

3.2.1 Freemium-to-Paid Sales

Description: The sales motion begins with a free version that transitions into paid plans after users see value.

Examples: Dropbox and HubSpot utilize this model to transition users from free services to paid plans.

Benefits: Low barrier to entry, high conversion potential as users become familiar with the software's value.

3.2.2 Direct Sales (Full Sales Cycle), including Inbound and Outbound

Description: Sales representatives manage the entire process, from lead generation to closing deals.

Examples: Salesforce and Oracle employ a direct sales approach to target large enterprise clients.

Benefits: Personalized selling experience, strong relationships with key accounts, and better control over customer acquisition.

3.2.3 Enterprise or Account-Based Sales (ABM)

Description: Sales are targeted at high-value enterprise accounts with a tailored approach.

Examples: LinkedIn and Marketo employ ABM strategies to engage large clients.

Benefits: Focused resources on high-value accounts, often leading to more significant deals and better retention.

3.2.4 Product-Led Growth (PLG)

Description: The product itself drives user acquisition and conversion, with little or no need for traditional sales teams.

Examples: Zoom and Atlassian use PLG to grow their customer base without heavy reliance on sales teams.

Benefits: Low customer acquisition costs and organic growth as customers experience the value of the product firsthand.

3.2.5 Reseller or Channel Sales

Description: Sales are driven through third-party resellers or distribution channels.

Examples: Microsoft and Cisco utilize reseller channels to scale sales in different regions.

Benefits: Expanded market reach, especially in regions where the company lacks a direct presence or resources.

3.2.6 E-commerce or Self-Serve Sales

Description: Customers purchase or subscribe to the product directly through an online platform without requiring sales interaction.

Examples: Shopify and Mailchimp both thrive on self-service models where customers can easily purchase and scale their usage.



Benefits: Scalability with minimal human resources and the ability for customers to easily onboard themselves.

3.3 Packaging—Structuring Product in a Compelling Way

Effective product packaging helps customers understand the value of the offering and choose the appropriate product version. A strong packaging strategy should offer clarity and flexibility for customers, making it easier for them to find a plan that suits their needs.

3.3.1 Tiered Pricing (Good, Better, Best)

Description: Offering multiple product tiers with increasing functionality or features.

Examples: Netflix and AWS use tiered pricing to segment customers based on their needs and willingness to pay.

Benefits: Caters to different customer segments and allows for upselling as customers grow or require more features.

3.3.2 Metering (Licenses, Usage, Time)

Description: Charging based on factors such as number of users, storage space, or time spent using the software.

Examples: Microsoft Azure and Zendesk use metering to tailor the cost to actual usage patterns.

Benefits: Aligns pricing with customer value and usage, ensuring fair pricing while increasing revenue potential.

3.3.3 Customer Segment (Geography, Buyer Persona, Use Case)

Description: Product packages or offerings are tailored based on specific customer segments.

Examples: HubSpot and Freshworks use customer segmentation to offer specific features that align with the needs of different industries or customer sizes.

Benefits: Increases relevance to different markets and improves conversion rates by providing tailored solutions.

3.3.4 Bundling and Add-ons

Description: Offering complementary products or services as a bundle, or offering additional features as add-ons.

Examples: Salesforce bundles its core CRM with additional marketing automation and analytics modules.

Benefits: Increases perceived value, encourages customers to purchase more features, and improves average deal size.

3.4 Pricing—Choosing the Right Price Point

Determining the right price point is key to maximizing revenue while ensuring customer satisfaction. Several pricing strategies and methods can help guide these decisions.

3.4.1 Competitor Price Benchmarking

Description: Analyzing competitors' prices to determine a competitive pricing strategy.



Examples: Slack benchmarks its pricing against other collaboration platforms.

Benefits: Ensures pricing remains competitive while maximizing potential revenue.

3.4.2 Conjoint Analysis

Description: A statistical technique to understand how customers value different product features and their willingness to pay for them.

Examples: Used by companies like Apple to optimize product bundles and features.

Benefits: Enables precise pricing that aligns with customer preferences and maximizes perceived value.

3.4.3 Gabor-Granger Technique

Description: A technique to gauge customer willingness to pay for different price points.

Examples: Often used by SAP when pricing enterprise software.

Benefits: Provides insights into price elasticity and helps determine optimal pricing tiers.

3.4.4 Van Westendorp Price Sensitivity Meter

Description: A technique for understanding customer price perception by asking what price is too low, too high, or just right.

Examples: Spotify uses this method to understand subscription thresholds.

Benefits: Offers valuable insights into price thresholds, helping to avoid pricing that may deter customers.

3.4.5 Monadic Pricing Test

Description: Customers are exposed to a single price point to determine its appeal and acceptability.

Examples: Netflix conducts monadic testing to find the best pricing for new plans.

Benefits: Allows for focused testing of specific price points to assess customer acceptance.

3.4.6 Demand Curve Analysis

Description: Analyzing customer demand at different price points to determine the most profitable price range.

Examples: Airbnb uses demand curve analysis to optimize pricing for various rental properties.

Benefits: Maximizes revenue by understanding how price changes impact customer demand.

This framework offers a comprehensive guide to structuring and scaling enterprise software products, ensuring a strategic approach to monetization, sales, packaging, and pricing that aligns with business goals and customer needs.

4. STRATEGIC GROWTH ACCELERATORS FOR SAAS COMPANIES

The competitive landscape of Software-as-a-Service (SaaS) companies requires a well-structured Go-To-Market (GTM) strategy to achieve rapid growth. A successful GTM approach combines product, sales, marketing, partnerships, and customer success to drive acquisition, conversion, and retention. By leveraging key GTM levers, SaaS companies can create scalable and sustainable growth while optimizing customer experience.

4.1 Product-Led Growth Activation



Description: Position the product itself to become the primary driver of customer acquisition, conversion, and expansion. This model relies on intuitive design, seamless onboarding, and inherent value to encourage adoption without heavy reliance on a sales team.

Example: Slack's freemium model allows teams to use the platform for free, experiencing its benefits before upgrading to paid plans. This self-serve approach reduces sales friction and accelerates viral growth.

Benefits:

- Lower customer acquisition cost (CAC)
- Faster adoption and scaling
- Improved customer satisfaction through self-discovery

4.2 Enterprise Sales Expansion

Description: A sales-led approach focuses on outbound and inbound sales strategies to acquire customers, often targeting mid-market and enterprise segments. Levers include increasing size of salesforce, presence across geographies, increasing enablement & training, and one-time sales incentives.

Example: Salesforce employs a structured sales process with account executives and sales development representatives (SDRs) to engage potential customers, nurture leads, and close deals.

Benefits:

- Stronger customer relationships and high-touch engagement
- Higher contract values through enterprise deals
- Ability to upsell and cross-sell effectively

4.3 Marketing Growth

Description: Marketing-driven strategies leverage SEO, content marketing, paid advertising, and events to attract and nurture potential customers.

Example: HubSpot uses inbound marketing by providing free educational content, blogs, and webinars to attract businesses interested in marketing automation tools.

Benefits:

- Scalable lead generation and brand awareness
- Lower CAC through organic inbound channels
- Stronger brand credibility and trust

4.4 Channel & Partnership Strategies

Description: Partnering with complementary businesses, resellers, or affiliates can help SaaS companies expand their market reach and acquire customers through trusted third-party channels.

Example: Shopify collaborates with agencies, developers, and influencers to promote its eCommerce solutions, growing its user base exponentially.

Benefits:

- Faster entry into new markets
- Increased brand visibility
- Lower marketing spend due to third-party advocacy

4.5 Community & Brand Building



Description: Establishing a community fosters **user engagement, advocacy, and organic growth** by encouraging knowledge-sharing and networking.

Example: Notion's online community and user-generated templates drive engagement, turning customers into brand ambassadors.

Benefits:

- Higher customer loyalty and retention
- Word-of-mouth referrals
- Lower churn rates

4.6 Pricing Model Optimization

Description: Tailoring pricing models, such as freemium, tiered, or usage-based pricing, aligns customer value with revenue generation.

Example: AWS employs a pay-as-you-go pricing model, allowing businesses to scale their usage cost-effectively.

Benefits:

- Maximized revenue potential
- Increased accessibility for different customer segments
- Better customer retention through flexible pricing

4.7 Customer Success & Retention Strategies

Description: Ensuring customers achieve their desired outcomes with a product is crucial for retention and expansion.

Example: Gainsight provides customer success management tools that help SaaS businesses track user engagement, prevent churn, and drive expansions.

Benefits:

- Increased customer lifetime value (LTV)
- Improved user experience and product adoption
- Enhanced brand reputation through positive testimonials

4.8 Geographic Expansion

Description: Expanding into new geographic markets can significantly increase the total addressable market (TAM) for a SaaS company. This requires localization, regulatory compliance, and strategic market entry planning.

Example: Zoom localized its platform to support multiple languages and adapted pricing for different regions, enabling global adoption.

Benefits:

- Access to untapped customer bases
- Diversification of revenue streams
- Competitive advantage in emerging markets

4.9 Persona Expansion



Description: Broadening the target customer persona by addressing adjacent use cases or industries can drive new growth opportunities. This involves adapting messaging, product features, and sales strategies to fit additional buyer profiles.

Example: Airtable initially targeted small teams but expanded its positioning to enterprise users by enhancing security, permissions, and integrations.

Benefits:

- Increased market penetration
- Greater revenue potential through multiple segments
- Enhanced product scalability and adaptability

5. RESULTS AND DISCUSSION

For SaaS companies, leveraging multiple GTM levers creates a synergistic approach to scaling growth. Whether focusing on viral adoption, high-value deals, or marketing-driven growth for brand awareness, an integrated GTM strategy ensures sustained success. By optimizing these levers and continuously iterating based on customer feedback, SaaS companies can accelerate their trajectory in an increasingly competitive market.

Combination of innovations in business model, go-to-market, pricing, and packaging have been instrumental in helping companies achieve the “T2D3” growth trajectory—tripling revenue for two years, then doubling for three. These proven strategies drive scalable, repeatable growth by optimizing key areas like demand generation, customer acquisition, retention, and revenue expansion. By leveraging these levers, SaaS companies can accelerate their journey from early traction to market dominance.

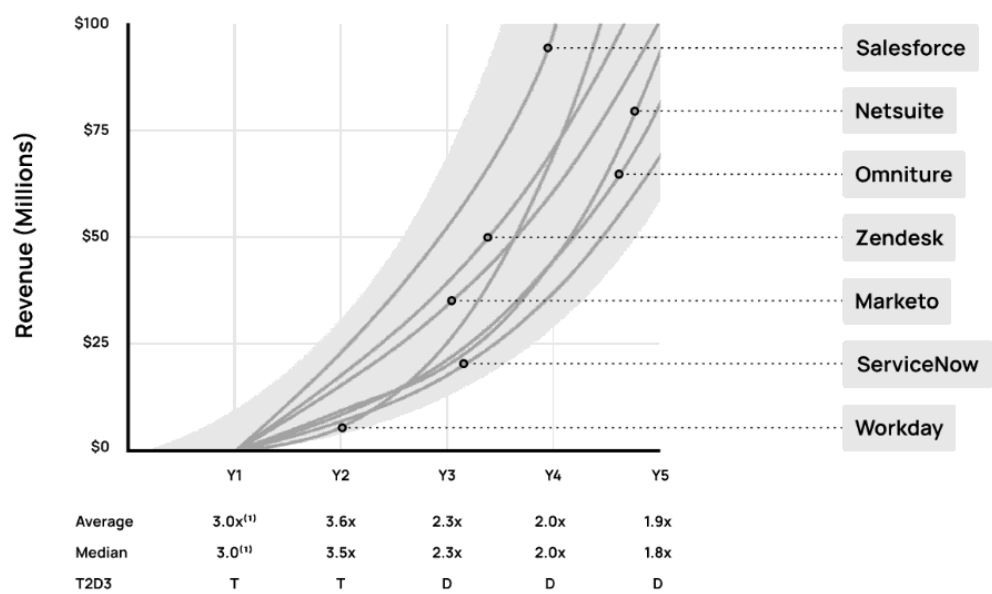


Figure 2: “T2D3” growth trajectory for select SaaS companies¹³

6. CONCLUSION

Successfully structuring and scaling enterprise software products requires a holistic approach that aligns business models, go-to-market strategies, pricing, and sales motions. The framework outlined in this paper

provides a strategic roadmap for enterprises to maximize revenue, optimize customer segmentation, and drive long-term growth. By leveraging proven methodologies such as tiered pricing, product-led growth, and enterprise sales expansion, companies can achieve scalable, repeatable success. Continuous iteration based on market feedback and evolving customer needs is crucial for maintaining a competitive edge in the rapidly changing enterprise software landscape. Ultimately, integrating these strategies ensures that enterprise software products can navigate growth challenges and unlock new revenue opportunities.

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