

CHAPTER 8

Pricing, Packaging, and the Consumption Shift

Pragmatic Remix: Pricing • Packaging • Business Case • Profitability

The per-seat licensing model that has been the foundation of SaaS economics for two decades is built on a simple assumption: value is proportional to the number of humans who use the product. Agents break that assumption. When a single user can deploy an AI agent that performs work equivalent to what five users used to do, the per-seat model collapses. The user count goes down while the value delivered goes up. Under per-seat pricing, this is a revenue problem.

Pricing is positioning. How you charge for something tells the market what you think it's worth, and how it should be valued relative to alternatives.

This chapter covers the three pricing models converging in enterprise software, why pricing is fundamentally a PMM problem, how agent-powered pricing intelligence works in practice, and a practitioner's playbook for getting a seat at the pricing table.

Figure 1: The Three Pricing Models

Three models are converging in enterprise software. Most companies will deploy a hybrid — but understanding each in isolation clarifies the strategic trade-offs.

Dimension	Per-Seat	Consumption	Outcome / AI-Credit
Value alignment	Weak. More users ≠ more value when agents do the work.	Strong. Pay scales with actual usage of compute, storage, queries.	Strongest. Customer pays for results delivered, not resources consumed.
Predictability	High. Fixed cost per user per month. CFOs love it.	Medium. Requires committed-spend tiers or capacity blocks to smooth.	Low. Defining and measuring “outcomes” is genuinely hard.
Complexity	Low. Simple to sell, simple to buy, simple to model.	Medium. Requires usage metering, alerts, and spend governance.	High. Requires outcome definition, measurement, and attribution.
Best for	Collaboration tools, comms platforms — where AI hasn’t changed work-per-user ratio.	Data platforms, analytics, infrastructure — usage-proportional value.	AI-native products where the agent does the work and the human reviews.
Competitive risk	High. Competitors moving to consumption expose your model as misaligned.	Medium. Must package well or customers fear unpredictable bills.	Low risk, high execution bar. First mover advantage if you get it right.
PMM challenge	Defend the model or plan the transition.	Design packaging that balances usage alignment with spend predictability.	Define what an “outcome” is, price it, and make it sellable.

Figure 1. The three pricing models of the agentic era. Per-seat is stable but increasingly misaligned. Consumption is proven but requires packaging discipline. Outcome-based is the frontier — philosophically right, operationally hard.

Figure 2: The Pricing-Positioning Connection

Every pricing decision is three decisions at once. The PMM who treats pricing as “just a finance thing” is ceding positioning, competitive strategy, and buyer psychology to people who don’t own those disciplines.

Pricing Model	Positioning Signal	Competitive Implication	Buyer Psychology
Per-Seat	“Our product is a tool for people. Value comes from human users doing human work.”	Vulnerable to competitors who price on value delivered. Must articulate why human-in-the-loop matters.	Feels safe and predictable. But increasingly feels misaligned — “Why am I paying for seats my agents are using?”
Consumption	“Our product delivers value proportional to how much you use it. We’re confident you’ll use it a lot.”	Advantage against per-seat competitors in high-usage scenarios. Requires packaging to counter “unpredictable spend” objection.	Feels fair but risky. Buyers want transparency on what drives consumption and guardrails against runaway spend.
Outcome / AI-Credit	“We’ll tie our revenue to your outcomes. That’s how confident we are in the value.”	Strong differentiation if credible. Forces competitors to either match or explain why they won’t.	Feels aspirational — buyers want this. But skepticism is high: “How do you define and measure the outcome?”

Figure 2. The Pricing-Positioning Connection. Pricing is not a finance decision with marketing inputs — it is a positioning, competitive, and psychological decision that requires PMM leadership.

The competitive intelligence dimension is particularly important. Your competitors are going through the same pricing transition you are, and their choices create opportunities and constraints. If your main competitor moves to consumption pricing and you stay on per-seat, you need to articulate why per-seat is better for the customer — and in some cases, it genuinely is.

Figure 3: The Pricing Intelligence Pipeline

Three layers of agent-powered pricing intelligence. The signal layer runs continuously. The synthesis layer contextualizes. The response layer arms the team.

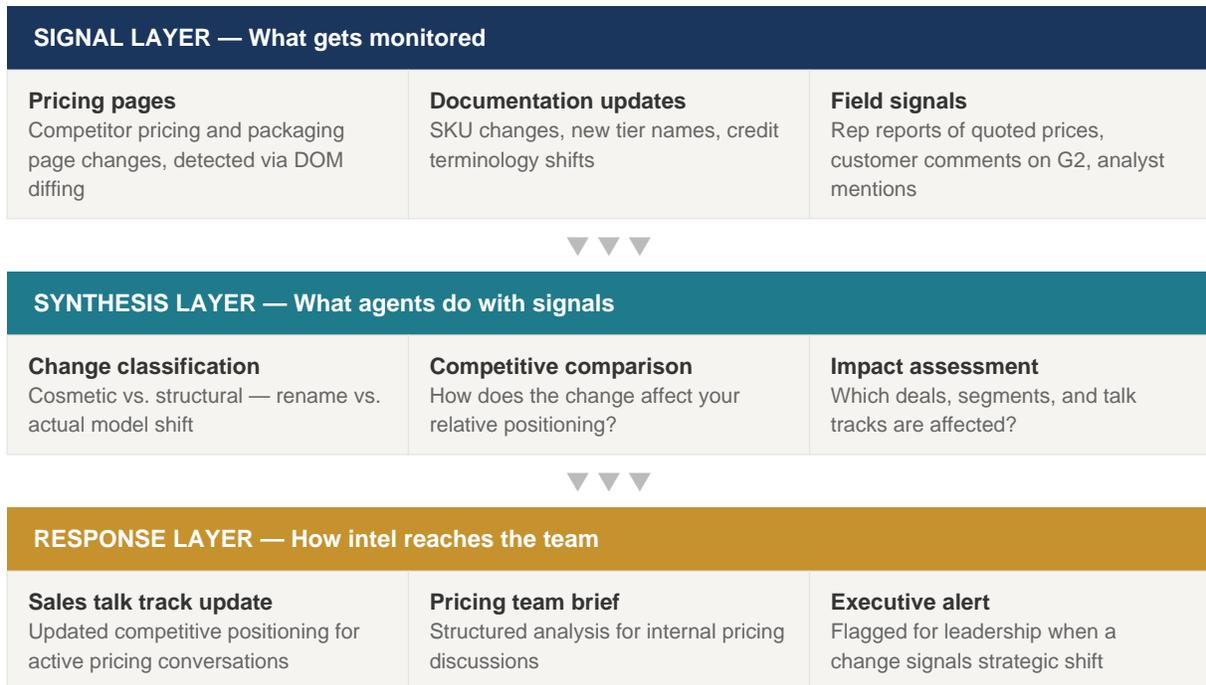


Figure 3. The Pricing Intelligence Pipeline. Without this pipeline, pricing decisions are made blind. With it, you caught the competitor's shift from "credit-based compute" to "AI workload units" within hours — not weeks.

Figure 4: The Pricing Practitioner's Playbook

Three moves for any PMM who wants to own the pricing conversation — regardless of whether you currently have a seat at the table.

01

Get in the Room

Lead with intelligence, not opinion

Walk into the pricing meeting with data nobody else has: what competitors charge, how they've changed packaging, what buyers say about pricing expectations. Competitive pricing intelligence is your ticket in. Finance owns the model. Product owns the features. Nobody owns the market context — until you do.

02

Build the Pipeline

Continuous monitoring, not quarterly snapshots

Add competitor pricing pages to your CI monitoring system. Track documentation changes as leading indicators of strategic shifts. A competitor changing "credit-based compute" to "AI workload units" tells you something. An agent catches it in hours. You catch it in months.

03

Own the Narrative

Translate mechanics into meaning

Turn the pricing model into a story a rep can tell in a meeting without a spreadsheet. A consumption model that's well-explained feels transparent and fair. The same model, poorly communicated, feels unpredictable and risky. Same model, different outcome.

The sales narrative test: If a rep can't explain your pricing model in a customer meeting without opening a spreadsheet, the model isn't ready for market — no matter how elegant the financial engineering.

Figure 4. The Pricing Practitioner's Playbook. Three moves that work regardless of company size, pricing maturity, or whether you currently have a seat at the pricing table.

Key Takeaways

- The per-seat-to-consumption shift is the biggest enterprise software business model change since on-prem-to-cloud.
- Agents break the per-seat assumption: user count drops while value delivered rises. Under per-seat pricing, this is a revenue problem.
- Three models are converging: per-seat (stable, misaligned), consumption (proven, packaging-dependent), and outcome-based (frontier, hard to execute).
- Pricing is positioning — every pricing model choice sends a signal about who your product is for and how it delivers value.
- PMMs must own continuous competitive pricing intelligence, not quarterly snapshots.
- Every pricing model needs a “sales narrative test”: if a rep can’t explain it without a spreadsheet, it’s not ready.

The CMO Perspective

Pricing is the area where the gap between what PMMs typically contribute and what the business needs is widest. The transition from per-seat SaaS to consumption-based pricing is the most significant business model shift in enterprise software since the on-prem-to-cloud migration.

What the business needs from PMMs on pricing:

- **Continuous intelligence** instead of quarterly pricing snapshots.
- **Customer research** on willingness-to-pay and value perception — especially around AI features where expectations aren’t established.
- **Packaging recommendations** grounded in buyer segmentation and competitive positioning, not just financial optimization.
- **A pricing narrative** the sales team can actually deliver — because the most elegant pricing model is useless if the rep can’t explain it.

***Pricing is positioning.** The companies that get the AI pricing transition right will gain market share from those that don’t.*