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A MUNRO AGENCY GUIDE

Efficient growth for *B2B SaaS*.

Market, pricing, retention and marketing — a playbook for product managers, founders and growth leaders who have to grow with a clear path to profit.



THE MUNRO AGENCY LIMITED · GLASGOW

Contents

Who this guide is for	Three personas
1. Why SaaS is the best business model	Recurring revenue, margins, multiples
2. The growth path	Product-market fit to escape velocity
3. Know your market	Customer conversations and feature triage
4. Competing against incumbents	Price, sales model, product
5. Building a moat	Four real moats and one false one
6. Siren songs	Distractions that look like growth
7. Pricing for growth	Six models and the cost of underpricing
8. Monetising AI	Pricing value that has a compute cost
9. Predicting and preventing churn	Benchmarks, signals, alerts
10. Moving from on-premises to SaaS	Six steps for established vendors
11. The metrics that matter	80/20 SaaS metrics and the four cheat codes
12. Marketing that earns its place	Finding and scaling the channels that work
Closing	Build the system, not just the product

Who this guide is for

"Growth at all costs" is over. Cloud costs are up, investors scrutinise every pound, and the people accountable for growth are expected to find it efficiently. This guide brings together the bootstrapper's playbook for building a multimillion-pound SaaS with the product manager's playbook for monetisation and retention — and adds what we see from the marketing side.

PERSONA	ACCOUNTABLE FOR	READ FIRST
SaaS product manager	Feature decisions that drive revenue and retention; pricing and packaging; churn	Chapters 3, 7, 8, 9
Founder / CEO	Market choice, moat, funding path, team, metrics	Chapters 1, 2, 5, 6, 11
Head of marketing / growth	Repeatable acquisition channels, positioning against incumbents, pipeline	Chapters 4, 7, 11, 12

Frameworks in this guide draw on Rob Walling's *The SaaS Playbook* and Revenera's *SaaS Product Managers' Growth Guide* and Monetization Monitor research, synthesised and extended with the Munro Agency's experience in B2B SaaS marketing.

CHAPTER 1

Why SaaS is the best business model

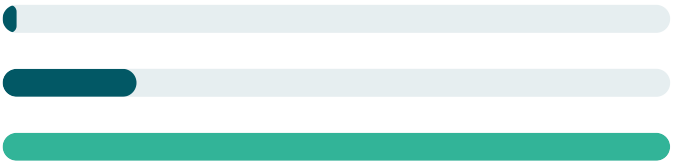
SaaS looks dull from the outside — no viral app, no marketplace, no hardware. What it has instead is the most forgiving economics in software: customers pay in advance, every month, for a product that costs almost nothing extra to serve.

~90%
gross margin achievable at scale — the marginal customer costs very little to serve

50%+
net margin reachable for mature, capital-efficient SaaS businesses

4–8×
annual revenue is a common exit multiple for a growing £1–2m ARR SaaS — revenue, not profit

WHAT £1,000 OF MONTHLY RECURRING REVENUE IS WORTH



Every £1,000 of MRR you add creates roughly £60,000 of company value at a mid-range multiple. Few business models reward effort like this.

Five structural advantages

ADVANTAGE	WHY IT MATTERS
Recurring revenue	Paid in advance, compounding month on month. Every other business model tries to bolt this on; SaaS has it built in.
Recession resistance	One-off licence revenue can fall 80% in a month when a downturn hits. Subscriptions plateau rather than collapse.
Low dependence on luck	Solve a real problem businesses will pay for and you have a business at one, ten or a hundred customers — unlike winner-takes-all consumer or marketplace plays.
One front, not two	No supply side to bootstrap alongside demand. You market one thing to one audience.
Funding optional	High margins mean SaaS can be built profitably with no outside capital — and, if you want it later, capital efficiency makes it easy to raise.

PRODUCT MANAGER
Your feature decisions move retention, and retention compounds. Retention is the highest-leverage metric you own.

FOUNDER
Every £1k of MRR is ~£60k of value. Price and retain accordingly.

MARKETING LEAD
Recurring revenue means CAC can be recovered over years, not one sale — which changes what channels you can afford.

TAKEAWAYS

- SaaS economics forgive slow starts and reward compounding — optimise for durable revenue, not launch spikes.
- Value is created in MRR, so pricing, expansion and churn are worth more attention than any single feature.
- You don't need permission or funding to build a serious SaaS business.

CHAPTER 2

The growth path

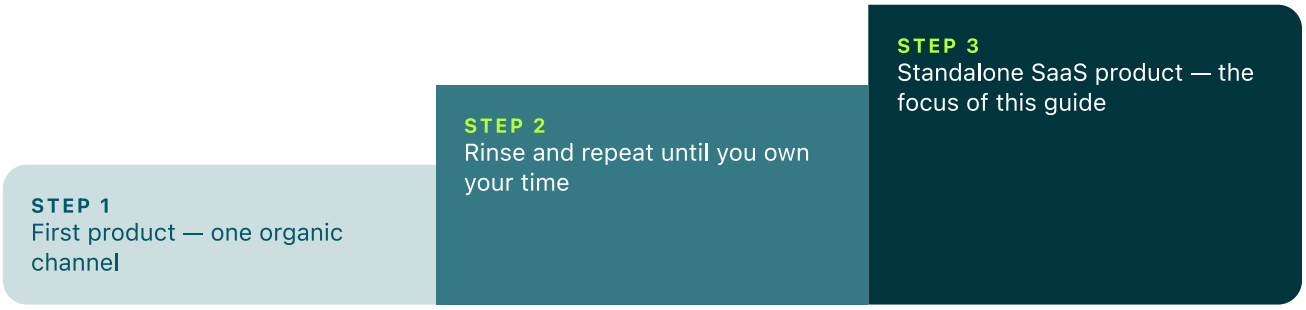
Two milestones define a SaaS company's early life. **Product-market fit**: you've built something businesses want and will pay for — typically starting weak and strengthening around £10–20k MRR. **Escape velocity**: you can find more of those customers every week through one or more repeatable growth channels.



Getting from the middle box to the right-hand one is the work of this guide: build for your ideal customer, find channels that work, build moats, re-price, build the team, unlock the cheat codes and fix the bottlenecks in the funnel.

The stair-step method

Many bootstrapped founders don't start with a standalone SaaS. They climb: a first small product sold through one predictable organic channel (an app store, a plugin directory, search); repeat until the products buy back their time; then use that time and cash to launch a standalone SaaS.



Bootstrapped or funded? It's a spectrum

PATH	WHAT IT MEANS	TYPICAL OUTCOME PROFILE
Bootstrapped	Grown from customer revenue; full control; slower	**High probability of a "base hit"** — hundreds of thousands to millions; a business that only dies when you quit
Self-funded	Profits from a previous product fund the next one	
Mostly bootstrapped	A modest round (roughly £100–500k) from angels or bootstrapper-friendly funds; run as if bootstrapped	
Venture-funded	Raise every ~18 months; billion-pound outcome or bust	**Low probability of a very large outcome**; most that seek funding don't get it, and most that do still fail

ROUGH ODDS OF A LIFE-CHANGING OUTCOME



Illustrative estimates from the bootstrapped-SaaS community; higher still if you avoid the common mistakes in chapters 3–7.

TAKEAWAYS

- Product-market fit is the ticket to play; escape velocity — repeatable channels — is the game.
- "Bootstrapped" is an approach to growth (capital-efficient, customer-funded), not a bank balance.
- Build the business, not the slide deck.

CHAPTER 3

Know your market

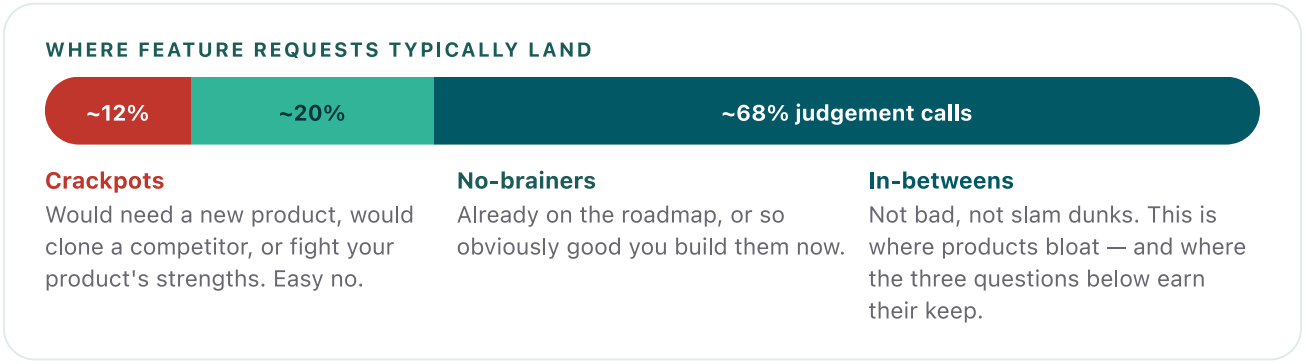
Deep understanding of your market and ideal customer is itself a moat. The most reliable way to build it is also the one most teams skip: conversations — with prospects, customers, people who chose not to buy, and people who cancelled.

TALK TO	BECAUSE THEY TELL YOU
Prospects	How they describe the problem, what they use today, what frustrates them
Customers	Which features carry the value; what they'd miss
People who didn't buy	The objection, the competitor, or the missing piece
People who cancelled	Where value broke down — the truth about churn

Ask open questions — walk me through how you do this today; what problem are you solving; what have you tried; what's most frustrating — and leave your product out of it. Showing a mock-up and asking "would you use this?" produces politeness, not data.

Triaging feature requests

Once you have customers, requests arrive daily. A useful sort puts them in three buckets.



Three questions for every in-between

1
What's the use case?
Customers ask for a button; they want an outcome. Often the product already does it — fix discoverability instead.

→

2
What share of customers will use it?
Under ~10%: probably not — unless they're power users, in which case build it hidden. 20%+: worth considering.

→

3
Does it fit the vision?
Every hour on this feature is an hour not spent on another. If it doesn't fit, it's a no — even if it's good.

For the big-lift requests, look at integrations first: a problem that would take you months is often already solved by a product you can connect to in days.

PRODUCT MANAGER

The three questions are your prioritisation framework. Add "% of customers" and "vision fit" columns to the backlog.

FOUNDER

Until you hire a PM (usually past £1m ARR) you are the gatekeeper. Saying no to good ideas is the job.

MARKETING LEAD

Customer conversations are positioning research. The words prospects use are your copy.

TAKEAWAYS

- Talk to prospects, customers, non-buyers and churned customers — regularly, with open questions.
- Solve the problem behind the request, not the request.
- Focus means saying no to a hundred good ideas; bloat is the price of not doing so.

CHAPTER 4

Competing against incumbents

A mature, competitive market is proven demand. Once you have a foothold it can be a very good place to grow, because incumbents carry weight you can use against them: slow reactions, dated interfaces, legacy code and a base of frustrated default users.

Three levers

LEVER	HOW IT WORKS	CAVEAT
Price	Offer more than 80% of the product for around half the cost. Incumbents' pricing power leaves room to undercut and still keep strong margins.	A launch tactic, not a permanent identity. Add value and raise prices as you mature.
Sales model	Where incumbents demand a demo before revealing price, or charge set-up fees, publish pricing and offer a free trial. Early adopters reward the lower hoop.	Low-touch works best when the product is self-explanatory and pricing is clear.
Product	Modern UX and fast shipping against 10–15-year-old code bases. Accounting, CRM and email are full of refugees from clunky leaders.	Temporary. Your code ages too — by then, have breadth.

MARKETING JUDO

You won't out-spend an incumbent, so use their size. Find their frustrated users, make migration easy, and let those refugees talk — the competitor's strong brand becomes your word-of-mouth lever. People also like a scrappy underdog: "not [the big three]" positioning has launched more than one category challenger.

How much to watch the competition

PAY ATTENTION TO	IGNORE
Big announcements — funding, major features, repositioning. Read them for what they say about the market, not as instructions.	**Low-level details.** A polished exterior tells you nothing about whether they know what they're doing.
Deals you're losing — and why: features, price, compliance (SOC 2)? Fix the objection or reposition away from it.	**Their funding.** Most rounds are spent within 18 months. (Exception: a very large raise may signal a race to the bottom on price.)
	Being copied. Inevitable if you're winning. Manage your mindset; build a moat.

TAKEAWAYS

- Competitive markets are proven markets — enter on price, sales model or product, then out-execute.
- Use the incumbent's weight: their frustrated users are your best marketing channel.
- Keep your eyes on your own paper unless you're losing specific deals.

CHAPTER 5

Building a moat

The more you succeed, the more you'll be attacked and copied. A moat is a durable advantage that protects share and margin — and, by definition, it should get stronger as you grow. Four kinds exist in SaaS; one commonly mistaken for a moat does not.

MOAT	HOW IT WORKS IN SAAS	DURABILITY
Integrations (network effect)	Every integration a customer switches on — especially one that pushes their data into your product — is a reason not to leave. Private API partnerships make you very hard to replicate.	Very high
Brand	Your reputation — what people say when you're not in the room. A strong brand moves you from commodity comparison to "unique offering". Positioning for a specific segment (and speaking its language) is part of this.	High, slow to build
Owned traffic channels	Ranking first for high-volume search terms, or owning a marketplace category, lets even a commoditised product win.	Medium — algorithms change
High switching costs	APIs, deep workflow, stored history and organisation-wide buy-in are expensive to leave. Tools with no history and one-click set-up are easy to leave.	High
Unique features (false moat)	A great differentiator for a few months, until a competitor copies them. A brand for shipping fast is real; relying on a stream of features is a hamster wheel, not a moat.	Low

PRODUCT MANAGER

Prioritise integrations and data-in features: they compound retention more than any new screen.

FOUNDER

Pick the moat you'll invest in for years; it shapes hiring and roadmap.

MARKETING LEAD

Brand and owned channels are marketing's moats to build — SEO, positioning, community.

TAKEAWAYS

- A moat endures and strengthens with scale; if it needs constant feeding, it isn't one.
- Integrations and switching costs are the most accessible moats for a bootstrapped SaaS.
- Positioning is brand: own a segment competitors find hard to cross into.

CHAPTER 6

Siren songs

When growth is slower than hoped, founders reach for moves that look like growth and behave like distractions. The real fix is almost always stronger product-market fit or better marketing and sales.

SIREN SONG	WHY IT DISAPPOINTS	WHEN IT'S ACTUALLY FINE
Translating the product	You're not translating an app — you're translating marketing, support, documentation, social and email for a whole new market.	When end-users speak another language but your buyers (and your marketing) don't need to.
White labelling	Most enquiries are from people with no audience or distribution who want you to build their business. You lose the brand moat.	A large player who pays a substantial upfront fee (tens of thousands) to prove commitment.
Adding verticals early	Adjacent-looking audiences have different needs; product complexity balloons.	When you already dominate one niche, or you are genuinely pivoting.
Underpricing	Psychological, not logistical: fear of rejection, undervaluing your own work, benchmarking against cheap rivals. See chapter 7.	Briefly, as a deliberate entry tactic against incumbents — with a plan to raise.

TAKEAWAYS

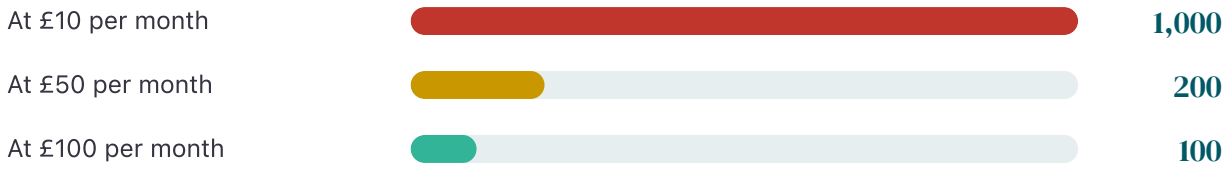
- If the company isn't growing, find the root cause — it's rarely fixed by a new language, a licensee or a new vertical.
- Charge for anything that consumes your roadmap on someone else's behalf.
- Protect the brand; it's a moat you can't buy back.

CHAPTER 7

Pricing for growth

Pricing is where growth is most often won or lost — and the moment hyper-growth ignites in many SaaS companies is a customer-informed revamp of pricing and packaging. The single most common mistake is pricing too low.

CUSTOMERS NEEDED FOR £10K MRR



Underpricing hurts twice: you need ten times the customers, and the marketing channels you can afford shrink because every customer is worth less. It is often the difference between a £250k business and a multimillion-pound one.

Traditional software vs SaaS pricing

On-premises software was sold with a large upfront licence and occasional maintenance fees. SaaS lowers the barrier with monthly or annual subscriptions — and, because the product evolves continuously, pricing can too: tailored bundles, pay-per-use, hybrids. Revenera's Monetization Monitor finds outcome- and usage-based plans now growing as fast as subscriptions, which used to dominate.

Six pricing models

MODEL	HOW IT WORKS	BEST FOR
Good / Better / Best	Tiered plans of increasing value; customers self-select and upgrade as they grow. Needs entitlement guardrails so users only access what they pay for.	Most B2B SaaS — the default starting point
Freemium	A free tier with limited features; upgrade to unlock. Attracts users to experience value first.	Products with viral or self-serve motion and low marginal cost
Per user / per seat	Price scales with the number of people using it.	Collaboration and productivity tools
Usage-based	Credits, metered billing, overage, elastic access — charge for consumption.	Variable-consumption services: data, storage, APIs, AI workloads
Feature-based	Customers assemble their own plan from add-ons; often combined with GBB tiers.	Broad products serving distinct use cases
Hybrid	Subscription for the core plus pay-per-use for peaks or premium capabilities.	Increasingly common; covers diverse usage patterns and opens expansion revenue

Align price with value

Study usage
Which features drive value and adoption? Price and package around those.

Experiment
A/B test tiers, terms and feature bundles; measure conversion and churn, not opinions.

Centralise entitlements
One system connecting CRM, billing and provisioning enables self-service, renewals visibility and upsell signals.

PRODUCT MANAGER
Packaging is a product decision. Own the tier boundaries and the usage data behind them.

FOUNDER
Raise prices sooner than feels comfortable. The discomfort is psychological.

MARKETING LEAD
Published pricing and a clear value ladder are conversion assets — and higher ACV unlocks paid channels.

TAKEAWAYS

- Underpricing is the most common — and most expensive — SaaS mistake.
- Start with Good/Better/Best; add usage or hybrid components as consumption patterns emerge.
- Price to value, informed by usage data and experiments, not by the cheapest competitor.

CHAPTER 8

Monetising AI

AI features deliver value through real-time predictions and decisions — and they carry real compute costs on every use. Pricing them like ordinary features risks margin. Three approaches work, often in combination.

APPROACH	HOW IT WORKS	WATCH OUT FOR
Outcome-based	Charge on measurable results — revenue lifted, cost removed, time saved.	Requires trustworthy measurement and a shared definition of the outcome
Tiered AI features	Basic AI in lower tiers; advanced capabilities reserved for premium plans.	Heavy users in a low tier can erode margin — cap usage
Usage-driven	Pay-as-you-go for AI workloads — often prepaid credits — blended with a subscription for the core product.	Customers want predictability; offer credit bundles and alerts

COMPUTE AS A UTILITY

The direction of travel is metered: AI and cloud consumption tracked, priced and billed like kilowatt-hours. Prepaid credits give flexibility, balance customer expectations, and let you optimise vendor costs against revenue. Whatever the model, monetising AI comes down to delivering value while counteracting cloud expense — which needs monetisation analytics to see usage patterns and refine pricing over time.

TAKEAWAYS

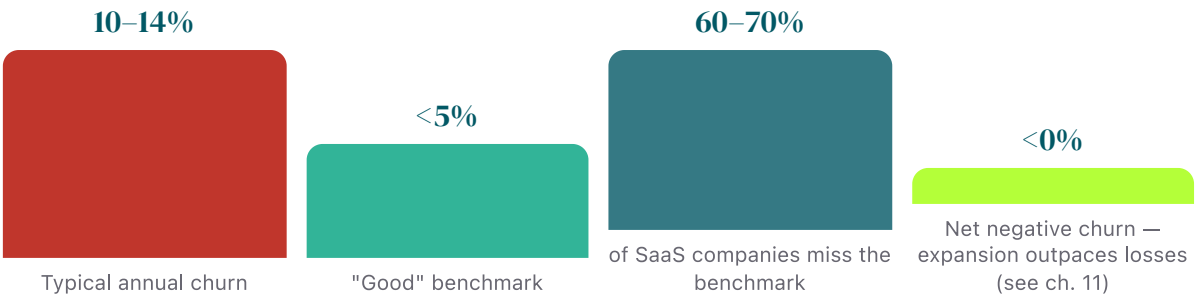
- Every AI call costs money; price so that heavy use is profitable, not a subsidy.
- Blend a subscription for the core with credits or usage for AI workloads.
- Instrument usage from day one — you can't price what you can't measure.

CHAPTER 9

Predicting and preventing churn

All the effort in engineering, marketing, selling and onboarding is undone if customers don't fully adopt the product. As product lines mature and profitability comes into focus, retention is the growth lever with the highest return.

ANNUAL SAAS CHURN BENCHMARKS



Aggregated industry benchmarks as cited in Revenera's growth guide. The gap between typical and good is where most of the value sits.

Why surveys alone miss churn

LIMITATION	WHAT HAPPENS
No behavioural data	CSAT and NPS measure sentiment. A customer can be satisfied and still churn because they never really used the product.
Delayed, infrequent	Quarterly or annual surveys miss real-time signals of disengagement.
Response bias	Engaged customers answer; disengaged ones — the churn risk — ignore the survey.

Blend surveys with usage data. Three views do most of the work:

Feature usage & denials
Under-used features flag risk and education needs; denied access flags upsell.

Fulfilment
Bought vs activated. Gaps are where Customer Success should call.

Renewals
Upcoming expirations by account and region, with automated alerts inside a set window.

ALERTS THAT DRIVE RETENTION

Configure conditional notifications for three events — expiration approaching, utilisation below threshold, and service denials — routed to account managers or your BI platform. Low utilisation is a churn signal; denials are an expansion signal. Both need a human within days, not at renewal.

PRODUCT MANAGER

Instrument activation and feature adoption; they are leading indicators of churn you can act on in-product.

FOUNDER

Talk to churned customers (ch. 3). Their reasons are your roadmap and your positioning.

MARKETING LEAD

Retention marketing — onboarding sequences, education, case studies — is cheaper than replacing revenue.

TAKEAWAYS

- Most SaaS companies churn two to three times the "good" benchmark; closing that gap compounds.
- Sentiment surveys lag; usage data leads. Use both.
- Automate alerts on low utilisation, denials and expirations, and act within days.

CHAPTER 10

Moving from on-premises to SaaS

For established vendors, moving to SaaS is a transformation, not a lift-and-shift. Roughly 43% of software producers say a typical migration takes one to three years — realistic, if approached with discipline.

STEP	ACTION	WHAT GOOD LOOKS LIKE
1	**Lay the strategic groundwork**	Name internal champions; use a RACI matrix so roles are unambiguous; consider a hybrid step (perpetual licence → on-prem subscription) to learn before committing.
2	**Make usage data your north star**	Track feature events and user flows in the legacy product; apply 80/20 — rebuild the 20% of features that deliver 80% of value.
3	**Centralise entitlement management**	ERP, CRM, provisioning and billing speaking one language; self-service access; real-time visibility of usage, activation and renewals.
4	**Run a beta programme**	Selected accounts pilot the full quote-to-cash process, not just licensing. Find the process gaps before go-live.
5	**Commit to change management**	Clear, transparent end-of-support timelines; no hard cut-overs; a proactive Customer Success function armed with usage data.
6	**Be willing to pivot**	Plans change. Stay customer-centric and keep delivering continuous value.

SaaS is not a deployment model. It is a mindset: continuous delivery, customer-centricity and data-driven decisions.

TAKEAWAYS

- Budget one to three years and treat it as a company change, not an IT project.
- Use the migration to shed the 80% of features that carry 20% of the value.
- Stand up Customer Success before launch — SaaS revenue is earned every month.

CHAPTER 11

The metrics that matter

SaaS has more metrics than any team can watch. A handful explain almost everything; the rest are diagnostics.

METRIC	WHAT IT TELLS YOU	OWNER
MRR / ARR and growth rate	The scoreboard. Watch new, expansion, contraction and churned MRR separately.	Founder / finance
Gross and net revenue churn	Gross: what you lose. Net: what you lose after expansion. The gap is your best growth story.	Product / Customer Success
Lifetime value (LTV)	Average revenue per account ÷ churn rate. Rises with price and retention.	Product / finance
Customer acquisition cost (CAC)	Fully loaded sales and marketing spend per new customer. Payback under 12 months is healthy for bootstrapped SaaS.	Marketing
LTV : CAC	3:1 or better signals a channel worth scaling.	Marketing / founder
Activation and adoption	Leading indicators of retention — did new customers reach the moment of value?	Product

The four SaaS cheat codes

Four super-strategies grow a SaaS business at a pace ordinary tactics can't match. Get even one right and the metrics above bend in your favour.

Expansion revenue

Existing customers pay more over time — more seats, more usage, higher tiers. Pricing that scales with the customer's value is the mechanism.

Virality

The product spreads through use — shared documents, invited collaborators, customer-facing outputs that carry your name.

Net negative churn

Expansion from retained customers exceeds revenue lost to churn. The base grows even with zero new sales.

Dual funnels

Self-serve and sales-assisted motions running side by side — low-touch for smaller accounts, human-led for larger ones — so no segment is left unserved.

ILLUSTRATIVE: £100K MRR COHORT AFTER 12 MONTHS



Same cohort, no new customers. Net negative churn turns the retained base into a growth engine.

TAKEAWAYS

- Watch new, expansion and churned MRR separately — the mix is the story.
- Net negative churn is the most powerful cheat code and depends on pricing design (ch. 7) and retention (ch. 9).
- Scale channels at LTV:CAC of 3:1 or better with payback under a year.

CHAPTER 12

Marketing that earns its place

Escape velocity means one or more channels that reliably deliver customers every week at a cost you can recover. Most SaaS companies try too many channels shallowly. Our approach: pick by fit, test to a decision, double down on what works, then add.

CHANNEL	FITS WHEN	TIME TO SIGNAL
Search (SEO)	Buyers already search for the problem or category; a durable moat once owned	6–12 months
Paid search	High-intent terms exist and ACV supports the click cost	4–8 weeks
Paid social (LinkedIn, Meta)	A definable persona; best with a gatekeeper funnel that trains the algorithm on qualified leads	6–10 weeks
Content & webinars	A considered purchase where education builds trust and captures the anonymous research phase	3–6 months
Integrations & marketplaces	Your product plugs into platforms with their own audiences	2–4 months
Marketing automation & nurture	Trials and leads that need time; expansion and retention campaigns to the base	Immediate on existing base

1 **Position**
One ICP, one problem, one outcome — in the words customers used in ch. 3

→

2 **Test two channels**
Budget and time-box to a decision; measure CAC and payback, not clicks

→

3 **Double down**
Scale the winner until returns flatten

→

4 **Add the next**
Layer channels only once one is repeatable

WHERE THE MUNRO AGENCY FITS

We run this loop for B2B SaaS companies as one growth engine — positioning, paid media, SEO, content and webinars, marketing automation and reporting against pipeline — so founders and product teams can stay on product and retention while acquisition becomes repeatable.

TAKEAWAYS

- Escape velocity is a channel problem: find one that repeats before you add another.
- Higher ACV (ch. 7) widens the set of channels you can afford.
- Measure marketing on CAC, payback and pipeline — never on leads alone.

CLOSING

Great SaaS companies don't just build products. They build *systems*.

Systems that adapt to customer needs, scale with usage and deliver measurable value at every stage: a market you understand deeply, a moat you invest in for years, pricing aligned to value, retention driven by usage data, and one or two acquisition channels that repeat. Profitability is no longer a future milestone — it is the present-day test of every decision.

For product managers

Triage ruthlessly, package to value, instrument adoption, and treat churn as a product metric.

For founders

Choose your moat, raise your prices, ignore the siren songs, and build the business rather than the deck.

For growth leaders

Position against the incumbent, find one repeatable channel, and report in CAC, payback and pipeline.

Want a growth engine built for your SaaS? Talk to the Munro Agency team.

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