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Spendflo's AI Tool Negotiation Guide:
API Call-Based Pricing Models

In conversations with our customers, we've realized that most procurement teams aren't equipped to negotiate their SaaS stack to their fullest potential. We decided to address this gap in the quickest and simplest way possible and put together this resource for you!

Best Practices:

- Understand your usage patterns and projected growth

- Analyze the pricing structure and identify potential volume discounts

- Compare pricing with competitors and alternative solutions

- Prepare a clear use case and demonstrate potential value to the vendor

- Be ready to commit to longer contracts for better rates

- Consider a proof of concept or trial period before full commitment

Negotiation Levers:

- **Volume commitments:** Offer to guarantee a certain number of API calls

- **Contract length:** Propose longer-term agreements for reduced rates

- **Upfront payment:** Offer to pay in advance for better pricing

- **Feature trade-offs:** Negotiate for core features you need, deprioritize others

- **Custom pricing tiers:** Request tailored tiers based on your usage patterns

- **Partnership opportunities:** Explore co-marketing or case study collaborations

- **Multi-product bundles:** If applicable, negotiate for multiple tools/services

- **SLA guarantees:** Negotiate for higher uptime or performance guarantees

- **Technical support:** Request enhanced support options

- **Training and onboarding:** Ask for complimentary training sessions

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Real-Life Examples:

- **Natural Language Processing API:**

  Lever: Volume commitment

  Outcome: 20% discount on pricing for guaranteeing 1 million API calls per month

- **Computer Vision API:**

  Lever: Longer contract + upfront payment

  Outcome: 15% discount for a 2-year contract with annual upfront payments

- **Speech Recognition API:**

  Lever: Custom pricing tier

  Outcome: New tier created with 25% discount for exceeding 5 million monthly calls

- **Speech Recognition API:**

  Lever: Partnership opportunity

  Outcome: 30% discount when bundled with entity recognition and keyword extraction APIs

- **Speech Recognition API:**

  Lever: Multi-product bundle

  Outcome: 10% discount and priority support in exchange for featuring as a case study