



SaaS Savings Playbook



1Password Pricing Overview

1Password is a password manager that helps businesses securely store, manage, and autofill passwords and sensitive information across devices. It uses encryption to protect passwords, credit card details, and personal data, offering a single master password to access all stored credentials. 1Password enables users to generate strong, unique passwords for each account, reducing the risk of security breaches.

For password management, the company offers three plans based on the number of users in the organization - as well as personal and family plans. After a pricing change two years ago, customers had seen annual increases close to 10-20%, but we've seen that settle into a more standard 3-8% in recent months. That said, since it's seen as the leader in the password management space, they typically don't match competitive pricing due to their market position.

By the Numbers

Pricing Variability

-17.39% → +18.52%
25th percentile 75th percentile

+16%

Average Tropic Savings
on top of previously negotiated prices

36.03%

of Tropic users are using 1Password

Current Pricing Model:

Trial Period: 1Password typically offers a 14-day trial for all plans.

Personal and Family Plans

- **Individual Plan:** Unlimited passwords and items, 1GB document storage, secure sharing, 1Password Watchtower, Travel Mode, 24/7 email support
- **Family Plan:** Covers up to 5 family members (can add more), shared vaults, item recovery, 5GB document storage

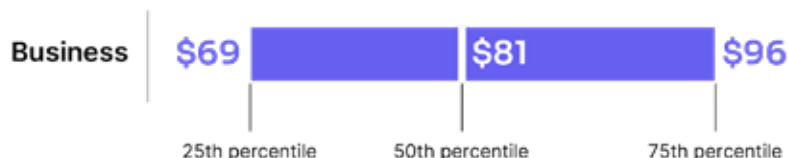
Team and Business Plans

- **Teams Starter Pack:** \$19.95 up to 10 users per month (paid annually)
- **Business:** \$7.99/user/month (paid annually). List price includes unlimited passwords, shared vaults, access control, activity logs, 1GB document storage per user, 24/7 email support, free family accounts for team members
- **Enterprise and Extended Access Management:** This includes custom pricing based on size and requirements. It typically includes all Business features plus custom onboarding, dedicated account manager, advanced integrations (Okta, Active Directory), custom security policies, SLA. It can also include access to Trelica via a recent acquisition.

Pricing Variability Analysis

While 1Password has several options, we find **90% of Tropic users are satisfied with 1 Password Business**. Without pricing benchmarks, you'll accept "standard" rates and leave tens of thousands on the table. Case in point:

PRICING VARIABILITY BY LINE ITEM & UNIT PRICE



1Password Negotiation and Contract Strategy Guide

1 | Establish Financial Pressure Early

Express budgetary constraints immediately and reference them throughout negotiations. Explain that while your organization values 1Password's functionality, finance teams are forcing spend reevaluation given current economic conditions. This works best when tied to specific executive KPIs (e.g., 2025 budget targets, gross margin improvement).

2 | Navigate Pricing Changes

After a pricing change two years ago, customers had seen annual increases close to 10-20%, but we've seen that settle into a more standard 3-8% in recent months. There is still an opportunity to minimize even that impact by:

- **Growth:** Leverage organic growth or commit to additional licenses - 1Password works off tiered discounting
- **Volume thresholds:** 1Password typically offers additional volume discounts if 25+ Business users are added at renewal
- **Multi-year commitment:** While multi-year contracts may not inherently lower rates, locking in a one-time discount for longer term can yield overall savings

3 | Strategic Growth Positioning

- **Conservative approach:** Never share 100% of anticipated usage upfront
- **Quarterly true-ups:** 1Password includes language permitting quarterly true-ups - leverage expected growth over first 3 months for better pricing
- **User ramp-ups:** 1Password used to offer user ramp-ups through a 12-month contract, allowing for better pricing even if growth is not immediate. While this is very rare in today's economic state, it may be worth bringing up in the right negotiation
- **Institute growth tiers:** Ask about multi-year ramp schedules (e.g., Year 1: 250 users; Year 2: 300 users)
- **Volume discounts:** At 1,000+ user count, volume discounts typically apply when volume increases by 400-500+. When below 1,000+ 25 to 50 users added during renewal should yield cost savings as well.

4 | License Management

- Around renewal, request a user audit to ensure all licenses are utilized
- Restructure for current needs - potentially down-grade plans or reduce license counts
- Both Family and Guest users are typically free/no cost

Contract Optimizations

Discounting Structure

- One-time discounts: 1Password offers discounts through one-time, lump-sum discounts
- Unit cost discounts: More advantageous to push for discount to unit cost so you can roll over discount to next renewal term
- New discounting model: Shifted discounting has reduced historical discount levels across the board

Payment Terms Strategy

- Standard Terms: Annual upfront payments (paid annually)
- Annual vs Monthly: Switching from monthly to annual billing can secure lower costs, with potential savings of up to 20%
- Flexibility Available: Can push for monthly or semi-annual payments but requires persistence to avoid uplift
- Negotiation Lever: Use payment term flexibility as bargaining chip if hard savings difficult to achieve

Auto-Renewal and Notice Periods

Critical consideration: Ensure auto-renewal terms align with organization policy

Best Practice: Start renewal conversations at least 60-90 days in advance

Recommendation: Remove auto-renewal clause if included for additional flexibility

Multi-Year Strategy

- 1Password typically doesn't reserve additional savings for multi-year agreements
- They will sometimes consider 2-year agreement for potential ~5% incremental discounting or one-time discount (not guaranteed)
- Main advantage positioned as price lock rather than cost savings

Leverage Points & Tactics

1. Competitive Strategy

- While there are many competitors, 1Password is typically rigid in matching competitive bids due to market leader position
- They are more open to lowering unit costs when alternatives introduced in negotiations
- You must create genuine belief you're considering alternatives and decision boils down to pricing
- Bring competitive quotes early in negotiations to pressure better rates

Key competitors:

- **LastPass:** Had security incident in 2022 causing customer exodus to 1Password
- **Bitwarden:** Cost-effective alternative
- **Keeper Password Manager:** Enterprise-focused option
- **OneLogin:** Part of broader identity management suite
- **JumpCloud:** Recently rolled out password management tool - bundling can be advantageous

2. Timing Leverage

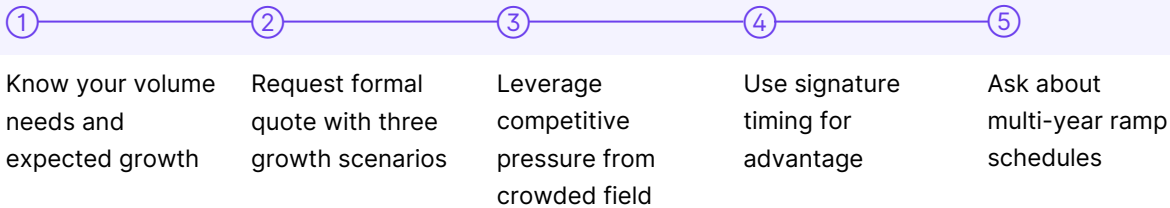
- Leverage end of month/end of quarter for quick turnaround signatures
- Pull renewal dates early if aligning with 1Password's slower periods (summer months)
- Use signature timing to your advantage for final pricing push

3. Executive Escalation

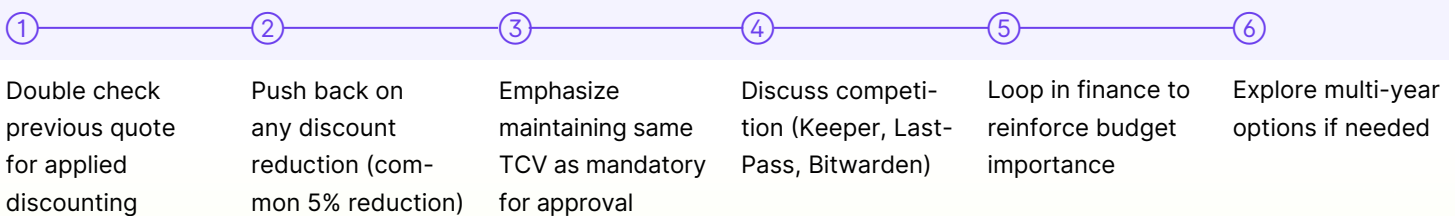
- Loop in Finance or C-Suite to reinforce budget constraints
- As already mentioned, 1Password has become more rigid at renewal, so internal escalation is often necessary
- Connect leadership from both organizations for last-minute concessions

Negotiation Workflow

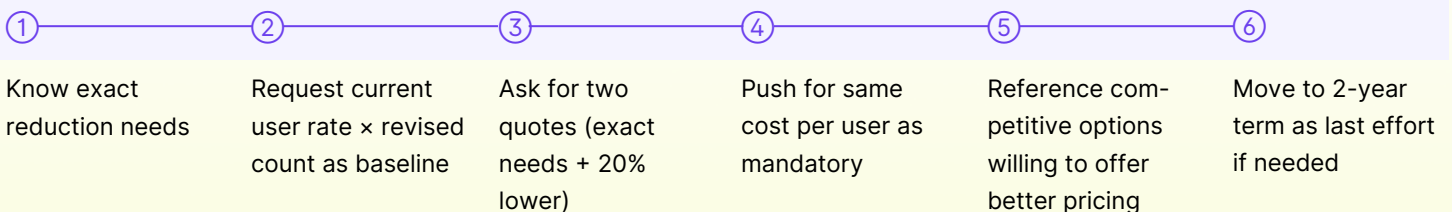
For New Purchases



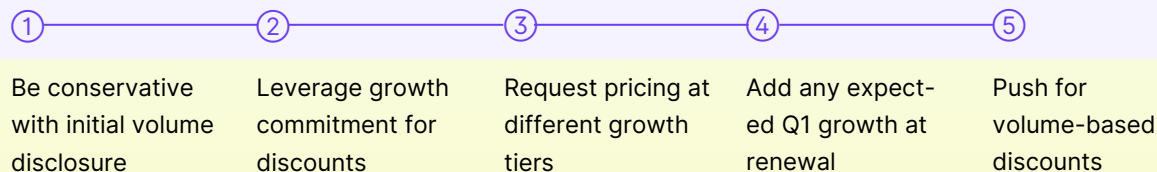
For Flat Renewals



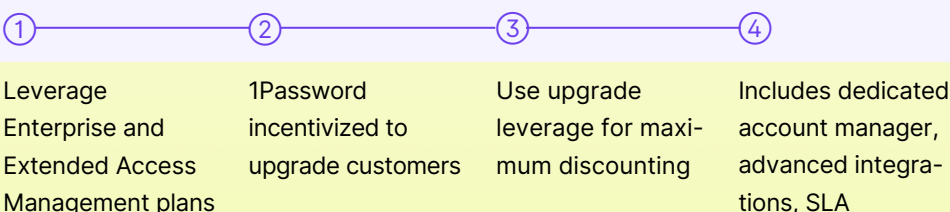
For Renewals with Reduction



For Growth Scenarios



For Enterprise Upgrade





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