Fictional exchange. Companies, people, operational inputs, interviews and reviews are invented. Updated 15 September 2026. Listed attachments are rendered pages in this PDF, not native downloadable files.

# Recommendation: specialize before changing the price

FROM IQ256 | iq256.com/contact

TO Marta Lindevar, CEO, PlantThread B.V. <marta.lindevar@plantthread.example>

DATE 17 September 2025, 11:42 CEST

Hi Marta,

Our recommendation is clear: do not launch Starter and do not raise every customer's price by 25%. For 12 months, focus on European food and beverage operators with 3-12 plants and sell one site-based package.

PlantThread has three businesses hidden in one average. Single-site customers show weaker retention and expansion economics. Large enterprises pay more but absorb custom work. Multi-site food and beverage customers buy, expand, refer peers, and fit the product you already have.

The cheap tier would scale the weakest behavior. A blanket increase would charge the weakest cohort more while leaving enterprise custom work underpriced. The attached 90-day plan makes specialization reversible. IQ256

ATTACHMENTS (3)

- **IQ256_recommendation.pdf** — PlantThread commercial decision review — 01
- **PlantThread_90_day_plan.xlsx** — Actions, evidence, and pass conditions — 02
- **Assumptions_and_watchlist.pdf** — What could change confidence — 03

# Specialize before changing the price

PlantThread commercial decision review

Fictional worked example: scenario inputs, calculations and proposed actions.

RECOMMENDATION

**Do not launch Starter. Do not raise every customer's price by 25%. Focus new sales on European food and beverage operators with 3-12 plants and sell one site-based offer.**

1. Make food and beverage operators with 3-12 European plants the default customer profile.
2. Replace Team, Network, and bespoke new-customer pricing with one site-based Network offer.
3. Stop active acquisition for new single-site customers.
4. Repair the existing Enterprise cohort from 55% to at least 70% gross margin by year end through repricing, reusable scope, or paid implementation.
5. Accept new enterprise work only when it reuses the standard product, carries at least 76% deal-level gross margin, and leaves forecast company gross margin at or above 75%.
6. Delay broad DACH spending until one German reference and two required integrations are ready.

GOVERNING INSIGHT

**This is a customer-mix problem disguised as a pricing problem.**

## What the averages hid

| Fact | Evidence status | Decision effect | Confidence |
|---|---|---|---|
| 88% NRR in single-site accounts | Supplied | More of this cohort raises the replacement burden | High |
| 121% NRR in multi-site accounts | Supplied | Expansion is natural to the product | High |
| 55% enterprise gross margin | Supplied | Large contracts hide a services business | High |
| 46% food and beverage win rate | Supplied | Message, proof, and need are aligned | High |
| Only two losses to cheap rival | Supplied | EUR 499 is visible but not the main threat | Medium-high |
| Starter lacks 2,900 trial sources | Derived | Year-one demand is an assumption, not a plan | High |

## Weighted decision check

| Criterion | Weight | Raise 25% | Starter | Specialize |
|---|---|---|---|---|
| Probability of EUR 1.6M net ARR | 25% | 2 | 2 | 4 |
| Cash efficiency | 20% | 5 | 1 | 4 |
| Margin quality | 15% | 2 | 3 | 4 |
| Repeatability | 15% | 2 | 2 | 5 |
| Evidence in 90 days | 10% | 4 | 1 | 5 |
| Defensible difference | 10% | 2 | 2 | 4 |
| Reversibility | 5% | 3 | 2 | 4 |
| Weighted result / 100 | 100% | 57 | 37 | 85 |

The score is a consistency check, not the reason for the recommendation. Cohort economics and activation requirements are decisive.

# Strongest case for each option

## Raise prices everywhere

Best case: fast revenue with no product launch. Rejected because the EUR 760k forecast assumes no retention response, while the most price-sensitive cohort already has 88% NRR. Repair underpriced contracts selectively instead.

## Launch Starter

Best case: a broad acquisition wedge that later feeds Network. Rejected because only 18% activate without a workshop and the forecast has no source for 76% of trials. At EUR 499 per month, 268 retained customer-years are needed to add EUR 1.6M ARR before churn, more than twice today's 111-customer base.

## Specialize

Best case: scales an observed pattern of wins, expansion, references, and short payback. Main objection: it makes the market look narrower. Response: a repeatable beachhead is a stronger growth story than three weak motions described as one large market.

## Starting offer for the 90-day price test

Proposed test hypothesis, not an established optimum: validate the price and scope across 20 real opportunities before broader rollout. No willingness-to-pay study was conducted for this fictional sample.

| EUR 39k | EUR 7k | EUR 15k |
|---|---|---|
| Platform + 3 sites | Additional site | Implementation |
| Per year | Per year | Fixed fee |

- Include platform access, cross-site workflows, two onboarding workshops, and standard support.
- Use a 24-month term that matches the multi-site adoption cycle.
- Price each named reusable integration at EUR 12k.
- Do not discount the platform fee. Reduce scope or delay a site's activation instead.
- For existing customers, cap the first-year transition increase at 12%.

## Gross-margin bridge

[Calculated from supplied cohort data] Current annual gross profit is EUR 1.15M x 82% + EUR 2.65M x 76% + EUR 1.24M x 55% = EUR 3.639M, or 72.2% of EUR 5.04M ARR. Raising the existing EUR 1.24M Enterprise cohort from 55% to 70% adds EUR 0.186M gross profit and lifts the current mix to 75.9%.

[IQ256 planning bridge] Require all new and expansion ARR in this plan to carry at least 76% gross margin. Even the strong specialization scenario reaches only about 73.4% if Enterprise remains at 55%; after the Enterprise repair, the modeled year-end mix remains about 75.9%. Recalculate if the mix shifts.

HARD MARGIN GATE

**By year end, existing Enterprise gross margin must be at least 70% and company gross margin at least 75%. Do not scale DACH or add commercial hiring until the forecast clears both.**

## Primary customer for 12 months

European food and beverage operators with 3-12 plants, a named operations owner, repeat cross-site workflows, and a first site that can start with standard exports or one supported integration.

> Proposed copy: Make every plant learn from the last one. Start with one plant. Improve the next one faster.

## Minority view: build Starter first

A cheap entry product could define the category and feed Network. We would support it only after a 30-customer pilot proves every condition below.

| Starter condition | Required | Current evidence |
|---|---|---|
| Median setup time | Under 2 hours | 22-140 assisted hours |
| Activation without workshop | 70%+ | 18% |
| Monthly support | Under 1.5 hours | Not measured |
| Blended CAC | Under EUR 1,500 | Not measured |
| Monthly logo churn | Under 2% | Not measured |

## Reverse or broaden if

- Target-cohort win rate stays below 30% after 20 decisions.
- Median CAC payback exceeds 12 months.
- Fewer than 30% of first-site customers commit a second site within six months.
- Qualified target pipeline falls below EUR 2.4M despite focused outreach.
- Two adjacent vertical tests outperform on win rate, payback, and time to live.

DECISION

**For 12 months, win a narrow, repeatable multi-site market before funding a second commercial motion.**

# Delivery record and remaining work

This fictional assignment is complete when the agreed review and documents are delivered and checked. Its business recommendations and future execution are separate from that completion.

| Agreement | Boundary in this example |
|---|---|
| Delegated work | Analyze the supplied segments and commercial evidence, recommend a focus, and prepare a price hypothesis, margin bridge and 90-day validation plan. |
| Work illustrated as delivered | A commercial review, proposed offer, budgeted plan and assumptions/watchlist. No real interviews, price experiment, sales campaign or revenue outcome was produced. |
| Completion checks | Reconcile cohort totals, weighted scores, margin repair and ARR scenarios; label price/expansion assumptions and preserve reversal evidence. |
| Authority retained by customer | Marta retains segment focus, customer pricing, spending, outreach and hiring decisions. The prepared recommendation does not authorize IQ256 to change quotes or contact customers. |
| Remaining checks | Validate account-level exports, willingness to pay, qualified pipeline, enterprise cost allocation, references and the proposed 20-opportunity test. |
| Fee and timing | Agree the review scope, price and deadline before paid work. This sample illustrates an agreed document collection; operational execution needs its own scope and quote. |
| Business budget | The EUR 450k cash envelope, EUR 1.6M growth objective and proposed PlantThread prices are fictional business figures, separate from the IQ256 fee. |

Where human input is agreed, IQ256 selects, briefs, coordinates and pays contributors. IQ256 integrates the agreed work and performs baseline completion checks. Extra verification answers a specified additional concern. External information packets require explicit customer approval; no approval is needed for every internal step within the agreed mandate.

If scope, price, deadline, sharing or customer effort changes materially, agree the next course before exceeding the mandate. A recommendation may name one option while the customer retains the decision; permission to act or commit money is agreed separately.

## Discuss a defined assignment

https://iq256.com/contact

Start with a short, non-confidential description. Initial human reply normally within 2-48 hours, distinct from the agreed delivery deadline.

# 90-day decision plan

Actions, evidence, and pass conditions

Fictional worked example: scenario inputs, calculations and proposed actions.

| Timing | Action | Evidence | Pass condition |
|---|---|---|---|
| Days 1-10 | Classify ARR and pipeline by site count, vertical, implementation, expansion | Clean cohort dashboard | 95% classified |
| Days 6-15 | Interview 8 won, 6 lost, and 6 expanded target accounts | Buying, risk, price map | Repeated problem in 12 interviews |
| Days 10-20 | Build one Network proposal and disqualification checklist | Repeatable offer | Sales quotes without custom pricing |
| Days 15-30 | Confirm German design partner and two integration scopes | Local proof plan | Signed letter and fixed scopes |
| Days 21-75 | Price 20 real opportunities | Win and concession data | 30% win rate; median ARR EUR 58k |
| Days 76-90 | Review thresholds | Written decision memo | Continue, adjust, or broaden |

## EUR 450k 90-day cash envelope

| IQ256 proposed use | Maximum |
|---|---|
| Reusable integrations and product work | EUR 150k |
| German reference and readiness work | EUR 80k |
| Customer interviews and commercial test | EUR 70k |
| Enterprise margin remediation | EUR 55k |
| Pricing, packaging, and revenue operations | EUR 45k |
| Controlled contingency | EUR 50k |
| Total incremental cash | EUR 450k |

The EUR 450k is a hard commitment ceiling before 1 December 2025. Move money between lines only with CFO approval; do not raise the total.

## Expected 12-month range if gates pass

| Source | Conservative | Base | Strong |
|---|---|---|---|
| Opening ARR | EUR 5.04M | EUR 5.04M | EUR 5.04M |
| Baseline single-site contraction | -EUR 0.14M | -EUR 0.14M | -EUR 0.14M |
| New target ARR | EUR 0.98M | EUR 1.37M | EUR 1.79M |
| Multi-site expansion [IQ256] | EUR 0.31M | EUR 0.46M | EUR 0.62M |

**PlantThread_90_day_plan.xlsx**

| Source | Conservative | Base | Strong |
|---|---|---|---|
| Single-site contraction avoided [IQ256] | EUR 0.06M | EUR 0.10M | EUR 0.14M |
| Ending ARR | EUR 6.25M | EUR 6.83M | EUR 7.45M |
| Net ARR effect | EUR 1.21M | EUR 1.79M | EUR 2.41M |

Baseline single-site contraction = EUR 1.15M x (1 - 88% NRR) = EUR 0.138M, rounded to EUR 0.14M. New target ARR = EUR 3.90M qualified pipeline x 25% / 35% / 46%, rounded to EUR 0.98M / EUR 1.37M / EUR 1.79M. Multi-site expansion is a provisional IQ256 estimate anchored to the supplied EUR 0.54M recent expansion. Avoided single-site contraction of EUR 0.06M / EUR 0.10M / EUR 0.14M is provisional, capped at the baseline, and implies single-site NRR of about 93.2% / 96.7% / 100%. Ending ARR = opening ARR - baseline contraction + new target ARR + expansion + avoided contraction. Validate the allowances from account-level data.

# Assumptions and watchlist

What could change confidence

Fictional worked example: scenario inputs, calculations and proposed actions.

## Assumptions used

- ARR, retention, margin, pipeline, and win/loss exports use consistent definitions.
- The EUR 3.90M food and beverage pipeline is genuinely qualified.
- Capacity can move from Starter to two reusable integrations.
- No enterprise contract requires undisclosed unfunded development.
- A 24-month term is acceptable when the first-site milestone is explicit.

## Watchlist

| New evidence | Likely change |
|---|---|
| Pipeline audit removes over 40% of target value | Lower forecast and broaden outbound earlier |
| Wins accept an entry price above EUR 60k | Raise platform fee after 20-opportunity test |
| German partner activates without local staff | Delay hiring and use partner-led model |
| Starter pilot meets every threshold | Fund Starter after specialization stabilizes |
| Enterprise work sells at or above 76% deal margin | Reopen bounded enterprise acquisition |

CONFIDENCE

**High for the 90-day test and medium-high for the 12-month direction. The gates are designed to reveal quickly if the focused story is weaker than the historical data suggests.**