
Collaborative Business Tools or Applications (CBA)

Collaborative business tools or applications (CBA) or apps help business units to make the workforce more efficient and productive. These tools help a team in collaborating between themselves so that ideas and discussion points are shared efficiently. While there are many tools used by organizations such as emails, share documents etc which help in collaboration within an organization, these are not very scalable tools for an organization to effectively collaborate.

Some of the major factors that drive the adoption of CBA are discussed below:

- **Efficiency improvement:** It is found that organizations which adopt CBA show increased efficiency in operations. Since CBA helps employees to collect the information faster, it helps in faster decision making and coordination among team members.
- **Time Management:** CBA can be used to connect with team members spread across different geographies. CBA helps in scheduling the work, and updating the progress of work which results in better time management for the team members.
- **Cost optimization:** Collaboration apps help the team members to work from anywhere in the world, resulting in lower costs of real estate rentals and travel expenses.
- **Better quality of work:** Better collaboration among team members limit the errors in the projects thanks to the sharing of documents and discussion threads. This will improve the quality of project works.
- **Increasing use of Mobile devices and social media:** Higher penetration of smartphones and tablets has forced organizations to give access to desktop tools through mobile devices. Instant messaging and web conferencing are examples of such tools available on mobile devices. Further, expansion of social media necessitates the use of social networks within an organization's workforce. Such social networks can drive new ideas and innovation.

Typical collaborative business tools will have the following features as part of its design:

- **Chats and discussion forum:** It helps a team communicate, share and discuss
- **A centralized storage platform:** It helps in storing files and other resources
- **Features such as task assignment, scheduling, and trackers**

Pricing strategy

Collaboration tools need a proper pricing strategy to win customers. If the pricing of the product

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is not right or not suited to the market needs, the product may fail in the long-term. It is important to look at the broader pricing trends within the industry and strategies to be adopted for an optimum pricing for collaboration apps.

Generally, pricing of collaboration tools can be divided into the following broad categories:

- Billing cycle based pricing
- Free trials and offers based pricing
- Feature loaded pricing
- Customized pricing
- Client segment-based pricing
- Number of users based pricing

The above categories are discussed in detail below:

Billing cycle based pricing

Companies offer different prices to the clients based on the billing cycle. Some tools are offered on quarterly, monthly or annual subscription basis. Some clients may prefer monthly billing cycle while some other clients may prefer annual or quarterly billing cycle. Having different pricing based on the billing cycle will be advantageous to sell the products to potential clients. For example, Slack, a collaboration app, offers per month and annual subscription options for its clients.

Free trials

Some of the basic collaboration tools or apps can be offered as free trials which can be limited to 30 days use. Customers who use the tools for a limited time may come back and subscribe for the full version tools. Such clients may be offered some discounts and offers of new features. Most of the software products sold in the market adopt free trials options to sell and market their products. Collaboration apps such as HipChat or Stride, and Podio offer free trials.

Feature loaded pricing

Certain sophisticated tools may be offered with additional features which will appeal to some clients. In such cases tools may be priced higher based on the needs and the tools will be offered to select clients. Features such additional storage space for files, and higher security options are examples of feature loaded pricing. Slack, for example, offers unlimited workspaces, security, and 24x7 support as part of its enterprise grid product offering.

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Customized pricing

There are cases where clients prefer customized products. Certain features such as easier integration with another software package, scalability for future requirements etc which can be custom-built into an application as per client needs. Such products can be priced based on the needs and requirements of the clients. Wrike, a collaboration tool, offers customizable tools for clients.

Client segment-based pricing

Every product can be priced based on the pricing expectations of its final client base. Small businesses may prefer simple or base versions of collaboration tools which could be priced lowest. The pricing for products in this group can be termed "base pricing".

When a product is targeted to the medium-sized companies, the pricing offered can be different from the "base pricing". The requirements of medium-sized companies will be different from small companies, hence the pricing will be mostly on the higher side. Such a pricing can be termed "medium pricing".

The third client base can be a bigger corporate who look for more feature rich and sophisticated tools. These clients can be offered customized or standardized solutions as the case may be. The pricing can be termed "enterprise pricing". While there are some products which cater to the specific client base, there are products which cater to a wide range of clients. Zoho Cliq, for example, caters to small, medium and large businesses, whereas Flock, a collaboration app, focuses on small businesses.

Number of users based pricing

Pricing based on a number of users is another popular pricing strategy. In this case, pricing per user is decided first and when more than one user subscribes to a product, the pricing is arrived at by multiplying the number of users with the price per user. The pricing can be standardized for a group of users such as five users charged a specific amount followed by 10 users charged double the amount for five users. There can be offers such as discounts for higher user numbers.

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