Emma Lo Russo says Altium is changing the way it does business to capture a bigger share of developing markets.

Altium's big overhaul to pricing structure

Sue Hoban

FRENCHS Forest software developer Altium has slashed its licence fees and introduced a subscription-based pricing option in a radical overhaul of the way it does business.

The internationally successful company, which counts NASA among its clients, is also changing the way it builds its electronics-design software. Company president and chief operating officer Emma Lo Russo said it would now move from large-scale upgrades to continuous streaming of new technology.

"This is not just about price, it's about who we target, how we package our solution and what gets included to allow a greater number of people to be able to build the next generation of intelligent connected products," she said.

"A key part of it is moving from perpetual licence sales to a subscription-based model, so it's a lower cost where you pay per month, but then you stay hooked in to a continuous stream of technology."

Ms Lo Russo said the changes, which would see perpetual licence costs drop from $US10,000 ($14,183) to $US3990 and a new subscription option of $195 a month, were partly driven by falling sales in the US and Europe and its push to capture a share of developing design markets such as China.

"Price can be a barrier when you look at who the designers of the future are," she said. "No longer is the western world the only creator of new IP and new products, when you consider the amount of development and new patents being registered in places like China and India and even Eastern Europe."

She said Altium was confident increased sales volumes resulting from more accessible pricing would ultimately lead to increased profitability.

"We feel very confident; we're backing a whole business on this," she said. "We do see growth is going to come from China and Asia in the short term and that is going to offset delays in purchasing decisions in the US and Europe."