

How to build a SaaS product with \$50k in 90 days



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Introductions



GlobalLogic is a US headquartered outsourcing firm with offices in India and Eastern Europe.

GlobalLogic made over 100 SaaS product releases in last 12 months for 40 different SaaS customers.



Is it really possible to create SaaS products in 90 days with \$50k?

- . Yes. And we are not the only ones doing it.
- . Like everything worthwhile in life, it's a little bit of art and a little bit of science.



Some Data Points

Recent SxSW festival (in Austin, TX) looked at 5 real-life web 2.0 apps:

- **DropSend** (email large files)
- **FreshBooks** (web-based invoicing)
- **Maya's Mom** (social networking for parents)
- **Mobissimo** (travel aggregator)
- **Wesabe** (personal finance)

The management of the teams were asked details around how long it took for them to build the app and how much was the cost.



Data Points

Answer:

Median cost for design, development, testing and hosting for version 1.0 was : **\$50k**

Median time from design to production was: **3 months**

Median cost of maintaining (and enhancing) version 1.0 release forward (for first 12 months) was: **\$25k / month**

(More details at: <http://www.carsonified.com/sxsw.pdf>)



How is it possible?

Several factors have come together to decrease the cost of software development and hosting since Web 1.0 :

Factors that reduce your time and cost



- Hosting and Infrastructure is now a science.
- The art of off-shoring is now better understood and people understand the pros and cons.
- Frameworks like RoR provide significant improvements in time and cost for development and testing for green-field applications.
- Art of Agile is getting more common among web-development groups.

Some numbers

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This means if it traditionally takes you 10 months and \$500k to build version 1 of your product, now it will take you **3 months and \$50k !!!**



Where is the catch?

This requires a lot of moving parts to work correctly and

A team that understands the challenges around those moving parts

Thank You



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