
AUTHOR'S FOREWORD

So, it happened. You want to start your own tech company but have close to zero experience in tech development or website promotion. This book is here to help you. But first, let me introduce myself.

My name is Katia Myroniuk, born and raised in Kyiv, Ukraine. After getting my master's in marketing, I worked for several tech companies as an SEO¹ and project manager. This experience helped broaden my expertise in online website promotion, yet, I always wanted to work for myself. You know that gut feeling when you are not comfortable with being where you are at now? Well, I know. That is why I quit my nine to five high-paid job and went on a month-long trip to South America. My friend and I wanted to cross this continent from one coast to another, from Rio to Lima, in one month. But more than anything else — from one life to another. That is the way I entered the self-employed world and have been happy with myself ever since.

Later after the trip, I started a boutique content marketing and SEO agency for SaaS companies. Throughout years we worked with a wide range of online businesses, starting with small food blogs with no ideas for monetization to big multimillion product companies, whose programs you might use right now. This experience resulted in the knowledge of what software companies need to succeed in a market, regardless of the type of the niche.

Working with SaaS companies, I have always been curious to start something of my own. That is how I became a single non-technical founder at SaaS company and walked a journey from the search of the idea to product launch from the start. In this

¹ Search engine optimization

book, I combine my experience of high-quality business promotion, project management, and software development.

It is a guide that will walk you through all the steps of SaaS building and promotion — from the search of an idea to its implementation and running a business. This book is for people who come from different backgrounds — either you have a digital background but no technical experience; a developer who is not familiar with the marketing side of the business or simply interested in building a SaaS without revolutionary idea or investors.

Also, this book assumes that you will often go to Google search and study in parallel with reading it. I use a lot of acronyms and industry slang, which I tried to explain as clearly as possible.

Sentiments apart, this is not another self-help book to “believe in yourself and go.” Neither is it about creating passive income so you don’t have to work (and I don’t believe you can achieve happiness by doing nothing). I wrote this book for those who have an burning desire to build an online company. Only desire can balance the absence of tech or marketing experience on the way to SaaS product creation and help overcome the obstacles that will arise.

PREFACE



Did you think what SaaS globally means?

That is the electricity in our apartments, tap water, songs on the radio and many other services and products. Without them, we can no longer imagine our life.

These are all the benefits we consume here and right now, without even noticing that their source is not in our apartment, not inside our gadget, but located remotely, hundreds of miles away. That is a power station, television or radio tower or ... server.

SaaS is a product of the transition to the so-called «third wave of the Internet» — the Internet of Everything. Today, we no longer install an application or computer game from the storage medium, we do not play our favorite music on disk, and we do not care that the mobile phone does not have enough memory to download the required application — everything is online now.

So SaaS is a story about the concept of the future. In short, it sounds as follows: to get something today, you may just use it with no need to own it. That is a story about freedom — freedom to choose, to move, to consume.

So if you decide to make money or to create something incredible or something that will last for centuries — now your go-to is SaaS-business!

So now the right book is in your arms.

Rostislav Duke

*Chairman of the Board of the Ukrainian Association
of Fintech and Innovative Companies*

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1. NICHE ANALYSIS

1.a. Types of online businesses

There are many ways to generate money online, but if we talk about a white-label business with a website, there are five main business lines:

1. Service business — a reliable source for income, which involves human resources as the main working and income-generating force. When they say nine out of ten businesses don't make it through two years of existence, they aren't considering service businesses. Here the ratio is reversely proportional to tech start-ups — nine out of ten companies survive.

You don't need a lot of skills to start this type of business. Content writers, bookkeepers, developers, and other types of freelancers are in the service business. They sell their hours, which are hard to scale. Once they expand, they can hire assistants or trainees and grow into a service company.

It is a good cash cow that will generate income to create a cushion for future businesses.

2. SaaS means the software as a service. In recent years, this type of business has flourished. SaaS is an online browser software that users can access without downloading to their laptop. When a user subscribes, they get access to the tool on a month-to-month basis without the need to pay for it every time.

The advantages are clear for both sides. Users don't have to pay for the service every time they use it. Creators get the scal-

able source of income with the ability to lower costs of the final product by distributing it between all customers.

Most online companies use this business model. The most famous is Netflix, which killed the VHS¹ rental industry. You may not watch it every month, but you don't cancel the subscription.

With the decline of iPhone sales, Apple plans to switch to this model by offering paid iOS updates or by subscription. Amazon offers a Subscribe & Save model where you get a discount for choosing auto-delivery. It free you from repetitive purchases, and Amazon collects ongoing payments.

3. E-commerce are traditional shops that have moved to an online space. Where aisles are categories, background CRM² platform delivers the checkout instead of the cashier, and goods come to you in a form you choose at the checkout.

If you want to consider this kind of online business, it is easy to approach it in the form of drop-shipping. This form has a low entry budget, and you are not responsible for transportation or warehousing. Nearly 33% of e-commerce stores use this method. It works in the following way: merchant gets an order from the customer and sends it to the drop-shipper; the drop-shipper finds a seller, prepares an order, and dispatches it to the buyer.

4. Marketplace — an e-commerce business as well, except this business entity provides a platform for sellers and buyers simultaneously.

The number of usecases for this online business is endless. The marketplace can operate in the market of goods and services, hiring, rental industries, and others. Even service companies are in some way marketplaces — they find clients and implementers.

¹ Video Home System

² Customer Relationship Management

Marketplaces are giants of the online economy. Amazon, Upwork, and Etsy have various monetizing strategies, yet the idea is one — you don't have to produce to be online. When launching a marketplace, the most difficult part, aside from customers, is finding sellers. That is problematic for a new, no-name business.

5. Advertising — another business with no need to create anything other than the website. Can include but not limited to:

- Sites built to generate income from ad placements and clicks on them. They rely on a high number of visitors, and profits are tied to traffic. I promoted a food blog website that generated thousands of dollars per month from AdSense, and most of their traffic was from Pinterest. On the other side, when the source of traffic is blocked or lost, profits decrease.
- Websites that publish sponsored content. The quality of such websites may not be of high level. If it has decent SEO metrics, publishers will pay for placement of a press release for PR purposes or for an article to improve SEO scores of their website.
- Affiliate websites. Instead of ads, websites can also place links to the seller and profit from the percent of sales. It is an excellent way to start a profitable business if you choose the right affiliate program. To find a suitable affiliate program, use affiliate marketplaces such as CJ, ClickBank, and others. They allow you to choose programs by sector, the percentage of the shared profit, and best-selling products.

These online businesses may include various subtypes. Choosing which type of business to start depends on the budget, experience, and resources you have. One thing is for sure — once the company is up and running, you will have other things to think about. In this book, we will cover the creation and promotion of a SaaS business and what to expect and focus on when running it.

1.b. Finding the niche for SaaS

First, start in the area you work and look for opportunities where the process can be enhanced. For starters, it is easy to develop a new browser extension or the upgrade for an existing program and work from there.

If you are a bookkeeper, it can be custom macros for Excel. The goal would be to wrap it up into a decent offering and sell to other bookkeepers either via specialized websites, forums, or your website.

One powerful way to create a SaaS is to search through existing API¹ offerings and build software on top of them. It can be a combination of two or three APIs, which give you custom-made software for the specific market. The majority of online software companies use APIs in their business model.

How to come up with an idea of the niche? Google it! For instance, pick the area that interests you and add the needed query as shown below:



It can be SMS, instant messaging, or reverse phone lookup databases. Look through the lists and identify common patterns:

¹ Application Programming Interface.

- the average price for the API and cost of the final product in the market
- number of offerings and type of clientele
- whether this niche interests you

This approach gives you access to thousands of business ideas. When you develop software based on an API, you'll go through almost all the steps as the development of regular SaaS and learn as you go. This way, you'll be prepared for something bigger once you have an original idea.

Narrow down a list of API offerings in your niche, and think about the customer who will want to use it. If it's in the B2B sector, during what stage of their business cycle they will need your product? Who in the company is responsible for asking the use of your product? And who will make the purchase decision?

These questions will be a driving force for you and your company. Because a long-lasting business must think about people first and profit last, as a pleasant bonus.

— 1.c. Market research

If you already know your niche, don't skip this step. It may help you understand competitors on a deeper level. Before choosing the niche, analyze it:

1. learn who you are dealing with
2. know your audience
3. scale competition
4. understand barriers to entering the market

Learn who you are dealing with from the start. Launching an online company is easier than an offline one. You can analyze your niche and possible competitors without leaving the house. The main point — understand the needs of the market you are about to enter and see the real pains of consumers.

If you have no idea for a product, there are specific techniques to find the free niche we will discuss later.

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Keep in mind that in today's competitive world, it is almost impossible to create a product that will sell itself. Even if you think you don't have competitors — think deeper. What will customers have to sacrifice to use your product? If it's time, you will need to compete with self-organization and strong pain points. If it's a lack of budget, your marketing message must show how your product will accumulate income for the buyer in the long run. Find strong points to make your product worth it, and make sure they are present in the final product.

There is a long list of how to find the software to work on:

- 1.** Buying an online business. You can buy ready-to-manage software on some online websites, or in person, if you know a dealer.

Your go-to in this case are online marketplaces such as Flippa.com, a popular website for buying and selling domains, websites, and businesses. As of June 2019, they offer an effective filter for potential buyers to find their perfect new venture.

For direct sales, consider using an escrow service such as Escrow.com.

Pros of this approach:

- you get to see what you are dealing with at the start;
- you know where you can grow and if there is a sizable market;
- you have a ready-to-use product and a working business;
- and there is a high chance to receive income at the beginning.

Cons of buying an online business:

- high price for a decent product; unclear how long you have to wait for the website to flourish;
- you won't know for sure what knowledge or resources you'll need to have to sustain the working product until you are the owner;

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- and headaches with transferring rights and the possibility of an unreliable seller.

2. Creating one from scratch. That is much more challenging, especially if you don't have a technical background or technical co-founder.

When starting a SaaS from scratch, consider the following pros and cons:

Pros of creating a SaaS:

- you create it from nothing and get a unique experience as a result;
- improve your sense of dignity via having something of your own;
- learn to run it from the fresh start and know all about how the system works, unlike when buying one.

Cons of creating a SaaS include:

- low or zero experience and a high chance of mistakes;
- one might not have an idea for the business;
- no technical co-founder or necessary skills;
- unseizable budget to launch it; time-consuming.

Later in this book, we will review all the possibilities to diminish the cons of creating a SaaS from scratch, especially when you are familiar with most of the uncertainties from the Cons list.

Know your audience. Get a clear understanding of the customer's portrait from the start. It's often called building a customer portfolio or problem/solution fit.

This step is critical for several reasons:

- Having an image of the final consumer outlines features the software should have and features that shouldn't make it to the minimum viable product (MVP).