

How to grow your business on a limited budget

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indie who?

Grow the business

Why grow the business?

Ways to grow the business

Summary

WARNING! Business talk ahead.

Might not compile on your system.

Copying and pasting the ideas may not result in the same outcome.

A little background

- 2006 1.0 while working full-time as EE
- 2009 Partnership
- 2009.5 Went full-time indie
- 2011 4 Mac apps, 1 iOS

Why grow?



lifestyle business



Du har bara en chans att göra ett första intryck.



increased cost of living

Photo by Liam_OMalley - <http://flic.kr/p/6rEYuP>



the thrill

Photo by cliff1066™ - <http://flic.kr/p/7QEHod>



conquer the world!



conquer the world!

Expansion strategies



0 of ∞ Achievements (0 points)



Developer

20 pts

Developed new applications



Marketer

20 pts

Increased revenue from existing products



Investor

30 pts

Acquired products



Founder

60 pts

Joined one or more partners

Partner

Shares your values

Possesses complimentary skills

Possesses business skills

Partner

Shares your values

Possesses complimentary skills

Possesses business skills

1 of ∞ Achievements (60 points)



Developer

20 pts

Developed new applications



Marketer

20 pts

Increased revenue from existing products



Investor

30 pts

Acquired products



Founder

60 pts

Joined one or more partners

Developer strategy

Improve existing products

Incremental revenue growth

Less risk of a flop

Cash bursts on major upgrades

Usually less upside potential

Minor updates are not as effective

Developer strategy

Develop new products

Additional revenue

Cash bursts on launch

High risk of a flop

Unknown potential

What to develop?



Photo by HeroicZach - <http://flic.kr/p/6eigo2>

Developer strategy

What to develop?

Same niche vs. New territory

ISV research post: <http://bit.ly/isv-analysis>

Our decision: new product + ImageFramer 3 upgrade

Developer strategy

What to develop?

Brainstorm ideas

Research the niche

Be positively different

Developer strategy

1st app

vs.

2nd app

Study project

Brainstormed project

No niche research

Competition research

Spare time development

Hired a developer

Developers

are developers important?

Developers



Developers

When to seek development help

New project

Major upgrade

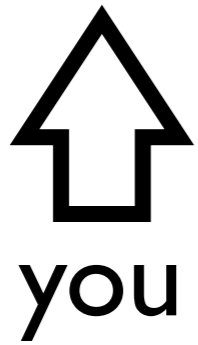
Rushed development following market or
business conditions changes

Developers

$$\frac{1}{2} + 1 = 3 \times \frac{1}{2}$$

Developers

$$\frac{1}{2} + 1 = 3 \times \frac{1}{2}$$



Developers

Project management triangle



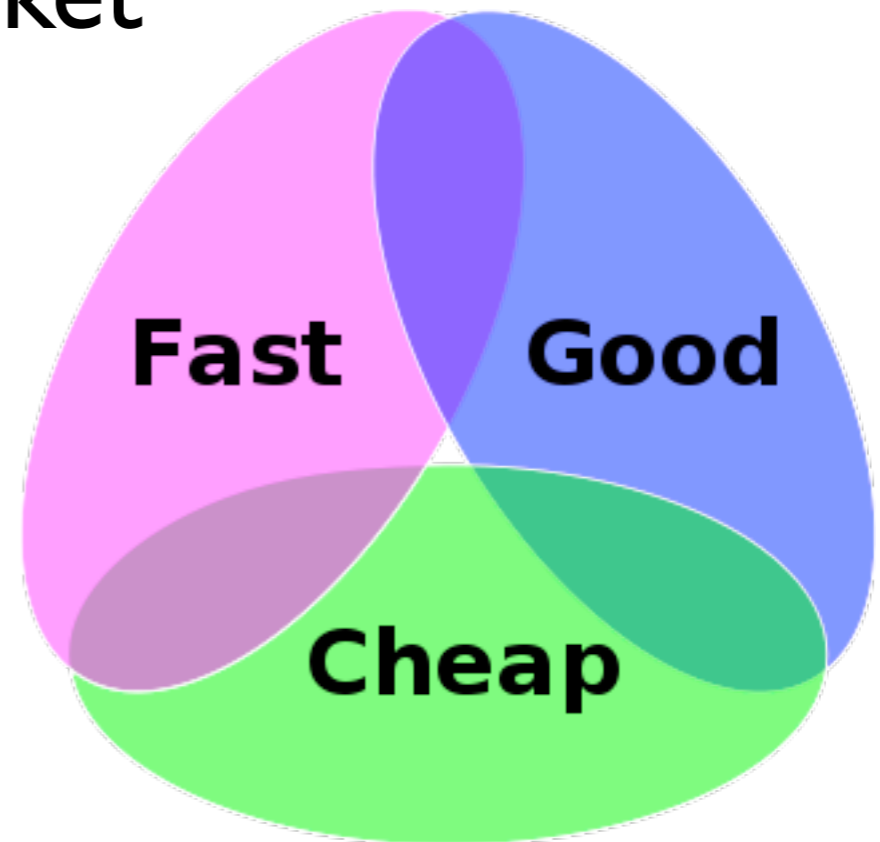
Developers

New projects

Checking feasibility and market

Less constrained by time

Save on costs



Developers

Saving on costs

Project-based fee

Beginner developer

Cautious! Keep him for long



Developers

Saving on costs



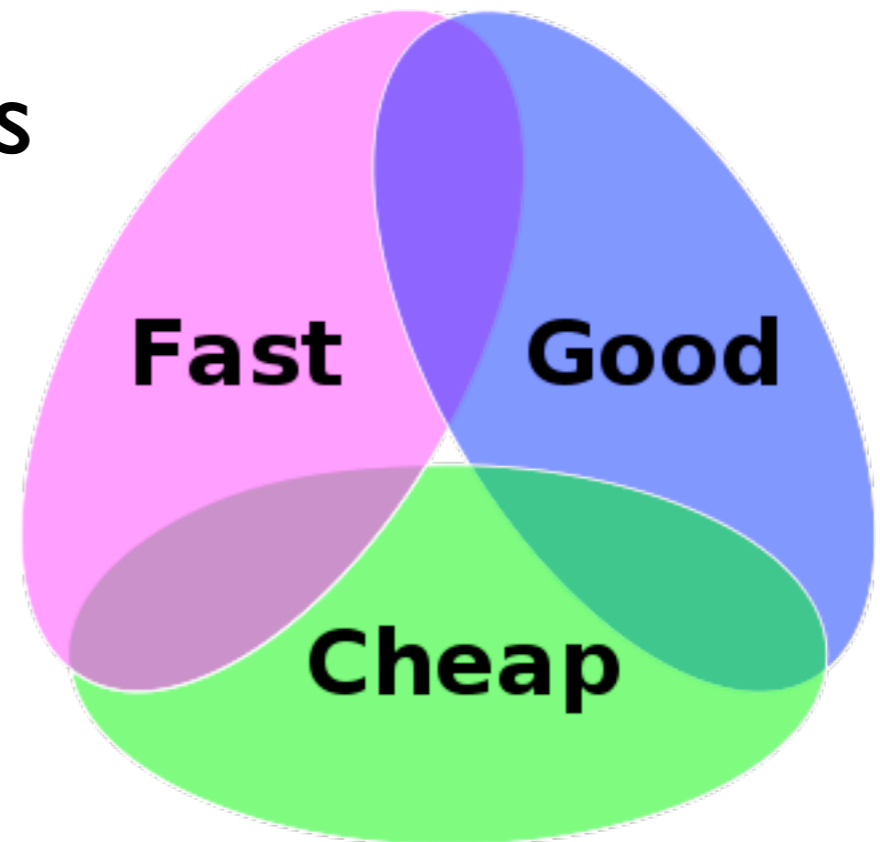
Developers

Saving on costs

Hiring CS students

Hiring non-Mac developers

Non-cash benefits



Developers

Try joint ventures

When Quality and Speed are important

When cash flow is limited

Revenue share

Usually not for all-new products



Developers

Fast and Best

When Quality and Speed are very important

Give (your) salary

Usually for upgrades with high expectations.



Developers

Fast and Best

When Quality and Speed are very important

Give (your) salary

Usually for upgrades with high expectations.



2 of ∞ Achievements (80 points)



Developer

20 pts

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20 pts

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30 pts

Acquired products



Founder

60 pts

Joined one or more partners

MARKETING

MARKETING

Product

MARKETING

Product

????

MARKETING

1. Product

2. ?????

3. Profit!

MARKETING

- 1. Product**
- 2. Getting the word out**
- 3. Profit!**

MARKETING

getting the word out

MARKETING

getting the word out

reviews

media contacts

events

**remarkable customer
support**

one-day sales

bundles

newsletters

MARKETING

remarkable customer support

Cheapest way to a happy customers

Builds trust

Generates word of mouth recommendations

The warm feeling inside

PROFIT

self.profit = revenue - expenses

Be frugal

Negotiate prices

Careful with advertising

» 3 of ∞ Achievements (100 points) «



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60 pts

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ACQUISITIONS

Acquisitions

Pros

More products – more revenue

It's a marketing event

Acquire code instead of writing

Less competition

Acquisitions

Pros

New customers to sell old software

Immediate revenue stream

Better ROI than real estate or stock market

Reduction of market risk

Acquisitions

Cons

A dip in cash flow

“Not invented here”

More support

Delay of other projects

What to acquire?

A diamond in the rough



Photo by Justin Bugsy Sailor - <http://flic.kr/p/wAXJy>

What to acquire?

Affordable



Photo by stuartpilbrow
<http://flic.kr/p/5u1e89>

What to acquire?

Roadmap



What to acquire?

A known application?



Consider influence on marketing

Evaluating price

Two years of sales ?

What if it's less than 2 years on the market?

Do you take bundles and sales into account?

Do you take launch sales into account?

Evaluating price

Two years or ROI ?

“Past performance is not indicative of future results”

(all stock market analysts, in tiny letters)

Evaluating price

Evaluate **your** cost

cost \neq price

marketing

hiring

lost revenue from
other products

web site update

support load

Evaluating price

Evaluate **your** income

Current monthly sales per channel

Bundles/sales

+ Acquisition buzz

Your marketing vs. seller's marketing

Major upgrade (one-time + new baseline)

Revenue over time

Evaluating price

Evaluate **your** income

Do this process twice!



Worst case

Average case

Evaluating price

Evaluate **your** income

Do this process twice!

Worst case

Average case

Months for 100% ROI

Months for 100% ROI

for different price points

Evaluating price

propose different price points based on payment plan

less money now vs. more but later

ask for help from the seller

consider other bidders

seller's motives

negotiate

The contract

total price

what's being sold

ownership transfer process

code and customer support period

keep it simple - build on personal trust

The contract

total price

what's being sold

ownership transfer process

code and customer support period

keep it simple - build on personal trust

4 of ∞ Achievements (130 points)



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20 pts

Developed new applications



Marketer

20 pts

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Investor

30 pts

Acquired products



Founder

60 pts

Joined one or more partners

Summary

indie business not indie developer

consider partners of similar values

project cash flow

be creative in your marketing

be creative in business development

negotiate effectively, considering other side

acquisitions can change your business, fast

Thank you!



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twitter [@apparentsoft](#)

blog <http://gorban.org>



Achievement unlocked:
First conference talk

Thank you!

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software

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