



In the next five years, which software related businesses will grow faster or slower than others and why?

Software companies like Facebook or Instagram that fundamentally change the behavior of people and subsequently experience meteoric growth will always make news. But for the most part, in the next 5 years, the fastest growing software businesses will be the ones that deliver the most value for enterprises. These fast growing software businesses will have four common characteristics.

Cloud Based

We are witnessing unprecedented levels of growth in cloud computing and this will continue to accelerate, especially for software delivered in the cloud or Software-as-a-Service (SaaS). The SaaS model delivers three distinct benefits. First, it allows companies to realize value in their software purchases very quickly. Second, SaaS frees companies to focus on their core business instead of IT infrastructure. Last, a SaaS company can innovate and deliver on its customer needs faster than a traditional client server product vendor. These benefits lead to more customers faster, more customers adopting faster and ultimately, faster growth for the software business.

Collaborative

One of the truly revolutionary aspects of the Internet is its ability to connect people, processes, systems, and data across boundaries. For example, with tiny computers attached to our hips,

we are “connected” wherever we go eliminating geographic boundaries. Software that leverages our inter-connectedness and gives us the opportunity or even encourages us to collaborate – to work together instead of within our own silos – will provide the greatest value for enterprises. It’s like the old adage, $1+1=3$. Software conceived from the beginning as a collaborative platform, as opposed to software that is nothing more than a web based version of an old desktop or client server system, will be the fastest growing.

Vertically Oriented

Too often, entrepreneurs develop software that can address a broad set of problems across a broad set of industries. The bigger the market, the greater the potential for large scale success . . . or so the thinking goes. The reality is in order for software to solve a specific business problem really well, it must be narrowly focused. The fastest growing software companies will be the ones that marry innovative technology with deep vertical or industry understanding to deliver real solutions to real business problems. The narrowly focused and successful software companies will also build momentum in their markets – the growth will fuel faster growth – creating the flywheel effect.

Productivity Focused

The world is still recovering from the hangover of the Great Recession and will be for some time. Business leaders haven’t forgotten how painful it was to cut their staff, trim their costs and become more efficient as a matter of life or death for their business. Even as their businesses bounce back, these leaders want to remain focused on efficiency. They want to increase productivity. They don’t want to add more staff than absolutely necessary out of fear of another downturn. Business leaders must remain focused on improving productivity, and software that can help do that will grow at a faster pace.

Our mission at e-Builder is to improve the construction process for building and facility owners thus freeing up time and energy for society’s higher priorities. By embodying the characteristics described above, we’ve been able to grow at an extremely fast pace in one of the industries hardest hit by the recession. In the next five years, we will hear numerous success stories told about the vertically focused collaborative SaaS companies. It’s the next big waves of success.

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