

FUTUREPROOF SOFTWARE PRODUCTS

How To Build Software Products That Sell

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THE GREATEST OPPORTUNITY FOR PRODUCT DEVELOPERS

At some point, you were interested in the notion of being an independent product developer. It's an appealing concept after all – being able to generate revenue from your own desktop, mobile and web applications, from the comfort of your kitchen table or even a coffee shop.

So, you started asking, doing your research and what do you find?

Usually, it's tips on how to sell eBooks, advice on how to make recurring revenue re-selling other people's software and tips on how to rank web pages on search engine by essentially hoodwinking readers with clever headlines.

In other words, most of what you find won't be terribly ambitious.

In fact, a lot of it won't be the kind of work you're likely to be very proud of, let alone passionate about.

But that's not what being an independent product developer has to mean.

It can also mean becoming the next Jason Fried, Laura Roeder or Rob Walling.

Right now, the internet provides us with an absolutely incredible tool that's changing the way we live and work. If the only part you want to play in that is to sell an eBook on web scraping, then you are being normal and average.

Worse, you're preparing yourself for success that's so modest, it'll definitely be dull and depressing. Opportunity is knocking and it's up to you to decide if you want to take that opportunity and create something marvelous.

Or just settle for selling more “how to” information to people.

I know what I'd rather do.

Of course, it's easy to understand why so much of the information out there is geared toward giving people “quick fixes” that actually takes more effort to execute on than the internet marketing crowd will have you believe.

It's because the idea of creating a truly game-changing service or product is highly daunting. It's because most people have no idea how to go about developing a truly innovative new idea, let alone how to bring them to market.

There are very few true visionaries in the world.

There's only one Elon Musk, who has launched PayPal, Tesla, SpaceX and The Boring Company, all in the last 15 years. This is not something that can be studied, modeled and repeated easily.

But that's perfectly fine because for every Elon Musk and media-darling entrepreneur out there, there are tens of thousands of "no name" independent product developers building amazing software companies, generating huge profits and making an impact in their communities, if not the world.

As you'll learn in this guide, it's not possible to force you to get a good idea.

I can't promise that after reading this, you're going to have a breakthrough that changes your life for the better and makes you unemployable in the process.

But what I can provide are some proven strategies that you can use in order to increase your chances of coming up with products and services that sell well.

Read on and you'll discover how to train yourself to think like a truly innovative product developer. And more importantly, you'll learn how to implement those ideas and actually take action on them.

There are plenty of problems in the world to solve, people are counting on you to execute; they'll readily pay you to ease their pain and make their lives easier.

WHAT YOU WILL LEARN INSIDE THIS GUIDE

Inside, you're going to discover how to come up with innovative products and services, then execute on them in a way that capitalizes on their full potential.

Again, I can't guarantee that you're going to have the next mass-market product.

But what I can promise you is that you will be increasing your chances of having that breakthrough several fold just by reading the ideas that follow.

Over the course of the following sections, you'll discover...

- ❖ How the web is changing business in profound ways and what incredible opportunities these trends presents.
- ❖ How to learn from some of the best, most innovative new business models and monetization strategies in recent times.
- ❖ How to come up with something completely new and original by encouraging your own brain to work more creatively.
- ❖ How to identify if your next big idea has legs – is this something that you can make work and generate revenue and profits from.
- ❖ How to go about implementing your ideas – finding funding, getting the support and help you need, and avoiding the common pitfalls of new independent product developers.
- ❖ How to utilize the many tools and resources available on the web in order to build something in half the time, without trial-and-error.
- ❖ How to market a completely new and novel product in a way that communicates what you're doing clearly and builds momentum.
- ❖ How to protect your ideas from intellectual property theft.
- ❖ How to scale your software business for maximum profits.

What it feels like to have a truly innovative, highly successful product or service that clients and customers use every single day.

Are you ready to start plumbing the depths of your own inventiveness and creativity? Are you ready to find out just how truly innovative you are?

Are you ready to potentially create a single product or service that changes your family's financial situation and creates a ripple effect in your community?

Are you ready to make the global village live, work and play slightly better?

SECTION #1: SOCIAL MEDIA AND THE SHARING ECONOMY

We live in an exciting time for business and technology. Besides all the issues that technology has created, I find it immensely satisfying that it's now possible to create products and services, then sell them from anywhere in the world.

I'm product developer myself and right now, as I'm publishing this guide, I'm sitting in a coffee shop in Union Square, NYC. I'm looking across the street, people watching while I sip coffee (black) and type this out on a MacBook Air.

The web has transformed the way we do business.

Just fifteen years ago, it would have been unheard of to think that you could earn a living this way. My uncle put it well when he said that product developers and digital entrepreneurs are really pioneers – exploring new ways to live and work.

I'll take that compliment, and you should too.

But as I mentioned, selling products or services online is really only the tip of the iceberg. The internet is far more transformative than simply allowing us to work in distributed teams, from remote locations.

Right now, technologies like the web and mobile phones are transforming countless industries in ways that we could've never predicted or foreseen.

And the future is looking even brighter.

The opportunities that this presents for savvy independent product developers is huge.

And if you're willing to take advantage of the changing face of business and the global marketplace, then you can make huge profits.

And also steer the course of mankind's future; not to be hyperbolic or anything.

HOW FACEBOOK CONTINUES TO CHANGE THE WORLD

When you think of transformative businesses that work online, perhaps Facebook comes to mind first. Of course, Facebook is a social media network that allows us to connect with people we've met both online and in real life.

These days, if you meet someone at a party, you don't have to ask for their phone number; you can just get their name and then connect with them on Facebook.

Remember, the notion of a social network was not new when Zuckerberg created Facebook in his dorm room. We already had the likes of MySpace and Friendster.

But what was new was how Mark and his team went about designing marketing, and improving on Facebook. For instance, the ability to tag friends in photos was one of the first big innovations that made the platform stand out.

Then came the inclusion of the "home feed" – controversial at first, but ultimately a fantastic way to let users catch up on what their high school crushes are doing.

Smart design choices like these and a fantastic roll-out ultimately resulted in Facebook becoming larger than any single country in the world, in terms of its members. It also changed the way we interact with others forever.

Many of us, for instance, now have some idea of what our classmates from nursery school are doing with their lives. These are people that we might have never stayed in touch with otherwise, especially if you migrate frequently.

Likewise, many of us now find it easier to maintain a larger social circle.

But Mark and his stakeholders are not happy to stop there and call it a day.

For starters, they've already acquired Oculus with the intention of allowing us to meet our friends in a virtual setting. And in the future, they plan on introducing systems to help communities work together and even vote on important matters.

Zuckerberg wants this to serve as a blueprint for how governments could administer elections and referendums.

Facebook has also been credited with helping make the world a slightly smaller place; for helping us gain a better understanding of people in different parts of the world. And through exposure to Western influences, Facebook has been credited with many progressive movements, including the Arab Spring.

Is it possible that Colonel Gaddafi wouldn't have been overthrown, and would still be alive if Libyans weren't exposed to democracy through Facebook?

Still, not everything Facebook does is good.

Facebook has contributed to the perpetuation of "fake news" – and in turn, it's been suggested that "fake news" contributed to the election of President Trump.

Facebook has also become a place where extreme views spread quickly, leading to discussions as to whether Facebook should take a more active role in policing its feeds and groups.

The point is, whichever way you slice it, Facebook is much more than a simple site that makes Mark Zuckerberg and his investors money. It's a tool that is challenging the very nature of human interaction and how information spreads.

Now, just imagine if you were responsible for something like that.

THE SHARING ECONOMY

The "sharing economy" is another big movement that was made possible thanks to the web. It's a concept that's transforming the way we exchange goods and services with each other. Specifically, it threatens to do away with regulations.

In many ways, the sharing economy is looking to “reset” the economy to a time before money. As you know, money evolved as a natural progression from trade.

Back in our evolutionary prehistory, we didn’t have banknotes, coins or credit cards. Instead, if you wanted a product, you’d have to trade in something else.

Need someone to cut your hair? Then you might offer to mow their lawn in exchange. Want to eat some nice steak? Then perhaps you ought to trade it for the interesting looking stone you found.

Money was simply intended to facilitate this kind of trades by acting as a “placeholder” of labor. That way, you can give people something that represents labor, instead of performing (exchanging) the labor right then and there.

It also means that you can trade with more people, in case someone doesn’t have exactly what you need right now. But money has created problems as we know, such as massive inequality and a whole lot of unnecessary stress.

What if we went back to a time where we could trade goods and services again?

Thanks to the web, this is now far more practical again because we have the means to partake in a global marketplace.

You can almost always find someone who has the exact thing you want and who is looking for something you’ve got, because you can ask the entire planet.

That being said, many examples of the sharing economy work on a slightly smaller scale – bringing focus back to local communities and areas.

And the companies that are taking advantage of these trends are highly successful in generating revenue and changing the way that we do business.

Here are some examples you’re already familiar with:

- ❖ Uber is a “taxi company” or more like a “taxi replacement company.” Instead of hiring a taxi from a traditional taxi firm and pay obscene amounts, Uber allows you to look for registered drivers in your local area

that are willing to offer rides for a small price.

Anyone can sign up to become a driver with Uber and using the app, it's possible to see where the drivers are at any given time, how much they're going to charge and how long before they get to you.

Suffice to say, Uber is currently giving traditional taxi firms a lot of sleepless nights. It has also made nights out in busy cities like New York and London far more convenient and affordable.

And it's looking into providing patient transportation for moving the sick and elderly from hospitals. This could potentially solve problems in countries like the UK where hospital beds are often full because of people who're unable to leave after they've been treated.

- ❖ AirBnB is to hotel industry what Uber is to taxi industry. Once again, this is a solution that allows users to sidestep the usual (expensive) avenues when finding a place to stay away from home.

In this case, the solution allows users to offer guests their spare room, outhouse or holiday home while they're away.

That way, homeowners (even renters) can make extra money. It's also lead to far more options for accommodation when traveling.

A similar service is Couchsurfing, which lets users offer their couches to strangers for free. In exchange, they get the goodwill of other homeowners.

The value proposition is that users end up with a network of free places to stay all over the world.

- ❖ Shpock is a much more direct and straightforward example of the sharing economy in action. Here, users are invited to trade their possessions or to sell them directly to someone nearby.

This is accomplished by using their app to snap photos and then display them to users in their local area, who are then able to purchase them.

HOW THESE COMPANIES GENERATE REVENUE

Sometimes, it is through advertising.

Other times, they take small transaction fees. In other cases, the companies focus on providing a great service and then rely on an exit strategy, where a bigger company buys their assets to refresh or expand their line of business.

Whatever the case, there's certainly a way for you to take advantage of these two massive trends and opportunities – social networks and the sharing economy.

So, think about your local community or the things you buy and sell regularly.

What could be transformed through the power of the sharing economy?

How could you replicate AirBnB or Uber's business model in the education, recreation, child care or any other industry?

SECTION #2: CROWDSOURCING AND CROWDFUNDING

The sharing economy threatens (or promises) to transform the face of the global economy forever. Imagine a time where you rarely ever need to use money.

Imagine if it didn't matter that you didn't have a regular job because you could just use these platforms and tools available now to trade products and services?

Still, the sharing economy is only one small example of how the internet is transforming how businesses operate and humans interact with each other.

Another trend and opportunity enabled by the internet is “crowdsourcing.”

Crowdsourcing refers to using the “power of the crowd” to accomplish tasks that would otherwise be really difficult to perform alone, even with a small battalion.

INNOVATIVE EXAMPLES OF CROWDSOURCING BUSINESSES

One of the best examples of crowdsourcing in action is 99Designs, a site that allows you to “crowdsource” designs for your books, logos and more.

The idea is simple: you put a job description up on the site (such as a book cover) and make sure to include the specifications, target audience, requirements etc.

From there, you wait for designers to submit design concepts for the project. You're then allowed to choose the ones that you think fulfill your design brief, appeals to you aesthetically or is likely to help you sell more of your product.

The great thing about a site like 99Designs is that, as the client, you are given the opportunity to pick from multiple different options, rather than being stuck with whatever you get from the designer you've hired.

At the same time, 99Designs creates an "equal opportunity" environment for designers. Even if a designer doesn't have contacts and years of experience, they can still find fantastic opportunities for work just by producing the best quality end products – a talented designer without connections can compete too.

Crowdsourcing can be used in countless other ways too.

Some businesses, especially household brands, use crowdsourcing as a way to get suggestions for their new products. Likewise, others use crowdsourcing to get suggestions for product names or features from their brand ambassadors.

How about the stunning Planet4.org?

This is a website set up by NASA that invites users to look through pictures of Mars' surface taken by a satellite. The satellite has taken millions of pictures, far too many for researchers at NASA to look through all of the photos personally.

Instead, NASA has crowdsourced the project to the rest of us. Your job as a visitor to the site is to flick through the photos, to highlight discoloration and to point out any "interesting features" that you find in the photos.

These images might have never been seen by the general public so, for your part, you have the opportunity to make a discovery that would change the course of history (though it's unlikely).

In exchange, NASA gets to map out the geography of Mars' surface and highlight interesting features without dedicating countless man-hours.

This is the power of the web, to bring people together to accomplish things that no individual could ever accomplish alone.

Similar projects are being used in an attempt to learn more about cancer, some of which “borrow” processing power from users' personal computers.

THE OTHER BIG USE OF THE CROWD – CROWDFUNDING

As an independent product developer, you should be aware of the concept of “crowdfunding” because you can get inspired by it and you could potentially use it to secure funds and ensure your own success as an entrepreneur.

Crowdfunding essentially means raising money from the general public and using their combined numbers to raise more than would otherwise be possible.

Let's say you have an idea for a new service or product, but you don't have the funds to get the idea off the ground. You need to work with professionals, you need to buy materials and you need to pay for manufacturing or development.

In this case, you'd turn to RocketHub (and Kickstarter, by far the biggest and most notable crowdsourcing platform), where you present your idea to the audience. You tell the audience how much money you need and you offer to let people “back” the product in exchange for tangible and intangible rewards.

Perhaps they could donate \$5 and get the satisfaction of knowing they played a small part in something exciting and ensure they'll one day be able to benefit from it themselves. Or perhaps they back you with \$30 and they get a free t-shirt and their name in the credits.

Maybe they spend \$100 and get a copy of the product. Maybe they back your project with \$1000 and get a copy of the product, the free t-shirt, their name in the credits, plus the chance to meet you in person to ask questions.

This way, any product developer can raise money for an idea without giving away equity in their business.

Suddenly, it becomes possible for people with modest means, but game-changing ideas and the skills to make that idea possible to raise all of the money they need to bring their product or service to market, without borrowing from traditional lending institutions.

Likewise, similar platforms are used to raise money for charitable causes (example, JustGiving), while other alternatives exist for getting investors to invest small amounts into your new business, en masse.

Again, think about an economic activity you participate in that could be made easier through the power of crowdsourcing and crowdfunding?

How could you leverage the “power of the crowd” to increase efficiency?

SECTION #3: SELLING SOFTWARE PRODUCTS AND SERVICES

In upcoming sections, we’ll look at how you could use the business models we’ve just discussed. You’ll learn how you might launch your own powerful social network or crowdsourcing platform. You’ll see what it takes to create a mobile app to go with them and how to make people take notice.

However, these are trickier business models to replicate and execute artfully; hence they’re not recommended for first-time founders, solo-founders and/or independent product developers.

Alternatively, an easier but no-less transformative opportunity for independent product developers (or small product development teams) lies with SaaS, which stands for “Software as a Service.”

Software as a Service essentially means you’ve automated work that was previously done manually, and are selling that service to others via software.

Examples include Trello, SemaphoreCI, Know Your Company and WordPress.

Trello is used by countless businesses to manage ongoing projects and it also facilitates collaboration between distributed teams.

Trello uses a “freemium” business model where basic features are free, and advanced features are enabled after you’ve upgraded to a paid plan.

Trello facilitates and enables business opportunities just like any other B2B service, but it does that through a piece of software. This means a relatively small team can manage the app and still cater to thousands of paying clients.

Because automation allows for massive scaling, you can also take full advantage.

Other examples of Software as a Service are WordPress and Ruby on Rails, even though you’ll not hear many product developers or programmers talk about them that way because of how they’re distributed.

WordPress and Rails are “website building services” that are distributed as tools.

Instead of hiring someone like DHH or Matt Mullenweg to build a site using pure Ruby or PHP, anyone with a little technical skills can use WordPress or Rails to build a site that’s just as capable as anything that could be built from scratch.

This is followed by a second stroke of genius, which is the monetization model that WordPress uses. While the tool itself is free, plugins and themes are sold through a store or marketplace that’s open to all PHP / WordPress developers.

And WordPress takes a cut of the profits, making it a truly forward thinking company that now powers 25% of all websites across the internet.

Can you imagine a single software development team creating 25% of the world’s websites? This is a truly remarkable feat and is only possible thanks to the savvy utilization of modern business models and trends.

If you’re a Ruby, JavaScript or Python developer, for example, you can easily replicate WordPress’ monetization model and create your own paid libraries, like Sidekiq for Ruby and Rails applications.

There isn't a "store" or marketplace where paid Ruby and Rails gems can be discovered and bought easily like WordPress, so you must setup your own marketing and distribution channel, plus a delivery mechanism where only paid users have access to your plugin or theme.

APPS AND MORE OPPORTUNITIES

We're still skimming the surface of innovative business trends and opportunities available to independent product developers who are willing to take the chance.

Smartphones have been around for a long time now, but I'd argue we're not taking full advantage of their capabilities yet. Apps can take advantage of GPS information, of the fact that we're always connected, of our movement and exercise information, of cameras and so much more data.

Hence, there are limitless opportunities for how these can be used.

Do you want to see a notable example of a mobile app taking full advantage of all the amazing features available? Then look no further than Pokémon Go.

Sure, it's a fun game about little monsters. In that regard, you might dismiss it as not belonging to the same category as Facebook, 99Designs or RocketHub.

But consider for a moment what Pokémon Go actually does.

It's one of the first mainstream augmented reality apps to really take off.

That means it combines real life imagery from a camera with digital imagery in the form of the Pokémon. Moreover, it combines this information with data from the GPS sensor to pinpoint the location of the user.

For the first time, players are made to feel as though they're hunting for Pokémon in the real world. When a player sees a notification in their game that Pikachu is nearby, they can head there and find it sitting in its natural habitat.

And the best part? If they look around, they see countless other people, all doing the exact same thing, leaving lures that everyone can benefit.

If you've played the game, you know exactly what I'm talking about.

If not, suffice to say it represents an entirely new kind of game, one that's highly viral in nature. A game that encourages us to get out there and explore; a game that encourages us to communicate with other players and exercise for once.

And Pokémon Go uses technology that's been available for years; now, that's what you'd call innovation, using the old to reinvent entirely new things.

Mark my words:

We haven't seen the biggest breakthrough in the implementation of mobile technology, especially in developing economies, where "mobile money" is just taking off.

Combine social networking, the sharing economy, crowdsourcing, mobile tech, crowdfunding, automation, Software as a Service and you could stumble on a big breakthrough, leading to the creation of a remarkable product or service.

SECTION #4: HOW TO STUMBLE ON YOUR NEXT BIG IDEA

So far, we've seen examples of businesses that have shaken things up and taken advantage of modern technology, trends and new monetization models to innovative in disruptive ways.

We've seen everything from Facebook, to Ruby on Rails, to Kickstarter change industries, in addition to changing the way we live, work and play.

Perhaps, you're feeling a bit inspired, with ideas already forming in your mind.

Or you may be feeling defeated, asking yourself, how could I possibly create a product or service that good? How could you possibly compete when all the good ideas seems to have been done already?

This is where we look at how you'd go about stimulating the formation of incredible ideas and seizing opportunities that are in front of you.

Again, there's nothing I can do to guarantee this will happen for you.

But now that you know about these trends and the opportunities out there, perhaps you should start asking the right questions...

PRODUCTIZING YOUR CURRENT SERVICE

Your best option as an independent product developer is to productize a service that you currently provide manually. Once again, the best example of this approach is WordPress, the brainchild of Matt Mullenweg who asked himself this question:

How can I productize my web design and development business?

In answering that question, Matt built a tool that could put him out of work.

A single tool that makes building a website very easy, gives users all the features they would need to build something just as professional as he and very few PHP developers at the time could accomplish.

That means, to come up with your own Software as a Service business, you should ask yourself:

How could I build a tool that'd put me out of work or cannibalize my current services?

What services do I offer right now that I could automate or at least make simpler by using a piece of software?

If you'd rather not kill a service that you currently provide, then how could you accomplish the same goal with someone else's service?

How could you put your parents out of work? Your child care provider?

Your bookkeeper or any other professional services that you've ever used?

SOLVING YOUR PERSONAL PAIN POINTS

You don't necessarily have to take the B2B route or productize your service. You could also create a service or product that removes a "personal pain point" you experience on a daily basis, and then offer your solution to other people.

In startup lingo, this approach is often described as "Scratching Your Own Itch."

So ask yourself:

What are the things I do on a daily basis that I find time consuming and frustrating?

What are the things that I wish I didn't have to do ever again?

Where am I wasting money and how could I solve this using the tools and resources that are available to me right now?

How can I automate this and make it available to people who also have the same issues as me?

Recently, a new innovation was developed by researchers that allows us to squeeze ketchup out of bottles more easily. It's a special coating that makes the insides of containers so slippery, not a single drop of ketchup remains in them.

You can imagine how these came about. These researchers looked at their personal lives and shouted, what a regular frustration and waste of food? Something must be done about that last bit of ketchup, for Christ's sake!

Obviously, that's not exactly what happened.

But here's the point: you must constantly think this way, removing pain points, if you want to stumble on a problem and create a Software as a Service solution.

HOW TO IDENTIFY MARKETABLE NEEDS TO FULFILL

"Scratching Your Own Itch" or putting yourself out of work and then making your solutions available to people who could also benefit from them is a great way to create a Software as a Service (SaaS) business.

You can also “discover” or “unearth” these needs.

Here’s where surveys and crowdsourcing comes in.

If you have a communication platform where you can reach a group of people who are similar in some way (their profession, for example), then you can survey them, look through their responses to discover patterns in the way they express their frustrations, and then create a solution to relieve them of their pain.

You can also observe them while they’re performing their work or just going about their day to unearth needs that are currently unmet. You’d then create a product or service that fits right into the way they work, live and play.

For example, how does a project management software work for someone who travels a lot? Can they really use them while they’re on the move?

What about people with disabilities, people who sell door-to-door or someone who just doesn’t have time to actually manage a project?

Could you improve the project management software for a specific type of person, thereby creating something new that fulfills a need in the market?

Another option is to think ahead.

In other words, think ahead and imagine what the future holds.

How are things going to change in an industry you’re familiar with and what new opportunities is that going to create?

What are people just starting to need?

Thinking ahead is one way to come up with a forward-thinking product or service. You can see this with the likes of Elon Musk and everything he does.

Musk knows that in the future, we are likely to mine meteorites for important materials and that space tourism is going to have mass appeal, that’s why he’s been investing time and effort into Research & Development for space travel.

Elon Musk also knows that our resources are limited when it comes to fossil fuels and that they're damaging our planet. So, he created Tesla Motors to provide vehicles that run on electricity.

Right now, the company is bleeding money left and right, but it's still picking up steam thanks to the inherent appeal of electric cars and their marketing clout.

But in the future, when fuel prices go up significantly and are heavily taxed due to the damage they cause to the atmosphere, Tesla would already have the infrastructure and improved products to recoup their investments.

Along similar lines is brainstorming.

The process of writing down every single idea that comes to mind, once again, not ruling anything out because it is too far-fetched or because it seems silly.

You will find that you open up the floodgates for more ideas, which encourages good ideas to land.

What's more, some of the best ideas you come up with will actually start life as things that seemed a little bit silly at first.

SECTION #5: INNOVATIVE DEVELOPERS THINK DIFFERENTLY

In the last section, we looked at some questions you could ask yourself and some ways you can frame your thinking in order to encourage yourself to come up with new ideas. Often, these ideas involve finding solutions to people's problems and packaging the solution so that it sells.

But even more innovative are the businesses that give us things we want before we know we want them. One of the most famous individuals when it comes to this kind of approach is the late Steve Jobs.

Consider the iPad for instance.

This is nothing, but a larger phone that does less than a computer.

You can't fit it in your pocket and you can't write your word documents on it.

So, what use is a "tablet" to anyone?

The answer is that a slate with a multi-touch screen and a mobile chipset gives us instant, comfortable access to the web wherever we are. Instead of straining our eyes to read websites on our phones, or sitting in a home office waiting for a PC to boot up, we can kickback on the couch and enjoy reading the news in a tactile and comfortable manner.

We didn't know we needed this, but the initial sales of the iPad clearly showed us that we did. And that's what made it innovative and game-changing.

Now, here's an important question:

How can you encourage that kind of thinking?

Your brain works best when relaxed and forcing an idea runs counter to this.

So, relax, go for walks, talk about your ideas and let them form naturally.

Most ideas don't come overnight, fully formed.

Rather they take a while to gestate and grow over time, often through conversation and discussion. [See Steven Johnson's TED talk on this for a bit more fascinating explanation.](#)

SECTION #6: GET PRACTICAL AND BUILD YOUR PRODUCT

Okay, so you've come up with a product or service that you're confident has legs. An idea that you think could change your financial situation. Perhaps this idea makes use of some of the new trends and technologies we've already discussed.

In either case, the next thing you need to consider is whether the product or service is actually viable. Is your game-changing vision for the future of work, and life something that can be implemented? Is it profitable?

And moreover, can you implement it?

How does one go about building an app that changes the way we work after all?

HOW TO ACTUALLY CREATE AND RELEASE YOUR PRODUCT

First, you need to think about the mechanics of how your product or service is going to work and how you are going to get it into the hands of your clients.

I'm not talking about funding or marketing at this point.

But I'm encouraging you to ask the question: can it be done and can you do it?

The following suggestions might help answer this question, depending on the type of product or service you have in mind, particularly if it's based on previous sections.

Let's get real here and talk about building a SaaS business, what does that entail?

First, you need to choose a platform. For most people, this will mean a web or mobile app. And if you're building for mobile platforms, either Android or iOS.

Android is much more open than iOS and actually has a considerably larger user-base. However, iOS users are less stingy and pay more for apps, so most iOS developers make more.

The ideal scenario is that you'll develop for all of the platforms, web and mobile, although not all at once. Luckily, there are tools, such as Unity and RubyMotion, that allow you to build a single app and publish to multiple platforms.

The problem is, a lot of apps will need to be written in a specific way to run on each platform. Not only that, but in order to make the most ambitious apps, you will need to learn a programming language such as Ruby, JavaScript, Python etc.

You'll also need to learn and use the individual SDKs and APIs for each platform.

Sound like I'm talking gibberish? Welcome to the software development world.

If you're building a very simple app (a straightforward dispenser of information, or perhaps a data aggregator), then you can realistically teach yourself to the extent that you can make an app yourself and then publish it.

Of course, if you already know how to program, then this becomes a lot easier.

But if you have something more ambitious in mind, then you're looking at years' of trial and error. In that case, it makes a lot more sense to outsource the development to a developer using a service like UpWork or Hubstaff Talent.

Again, this will depend on the app, but you can expect to have to pay for this, so you need to factor in development costs.

Likewise, an app will also use graphical elements.

The plus side here is that you can use graphical elements across multiple platforms (even if you do need to rewrite the code), but the downside is that you will once again want to hire a professional designer to make these for you.

While you could design your own themes and logos and backgrounds, you'll find that the end result looks a lot less professional than something a designer would make. Also, not all developers can design, so it's better to hire a pro designer.

Unless you know how to code and are capable of building something remarkable from the comfort of your kitchen table, your best course of actions include...

- ❖ Generate several ideas for your potential product or service
- ❖ Write down how you think it will work and what are your goals
- ❖ Sketch screens and process maps for how it'll function
- ❖ Talk to developers and designers about how long it'll take
- ❖ Talk to IT consultant about security and regulations
- ❖ Presell to determine whether the product or service is viable

Thankfully, there are “builder tools” that can provide the framework for your new projects. These work like Ruby on Rails and WordPress, and are capable of building complex products and services.

Still, these tools may be limited in their functionality and may require significant customization or building something from scratch. In that case, it becomes a little more challenging, but that shouldn't discourage you.

Anything that can be done manually, can be automated, albeit with extra effort.

Whatever route you end up taking and whatever your product you decide to create, plot precisely how you're going to make it before you start.

Speak with everyone involved – web developers, designers and marketers – because you need to know how much it will cost to get everything up and running. And how much it is going to cost to keep things running profitably.

SECTION #7: MAKING YOUR SOFTWARE BUSINESS WORK

If all you know is that you're going to automate a service, then you still only have an objective. In order to make sure your new product or service has legs, you also need to know how it's going to work, what the interface looks like and how you'll actually make that idea a reality.

You now have something to work with, but you still don't know that it's a good idea; meaning can you make your product or service profitable?

It might be a well-designed product or service, but is it good business?

Is your product or service something that'll actually sell predictably?

Can you find clients using existing sales and distribution channels?

It's far too easy to get caught up in the excitement of a new product or service idea, to invest countless hours and huge amounts of money into developing it, and then to discover that there isn't an audience out there for it.

I know someone who had an idea for a potentially transformative app.

It involved providing a platform where researchers could look for people to reference their work and thereby advance their careers. He was a lecturer and researcher himself, so he knew the market well.

But he never tested the idea to see if there was enough demand for it. And he never looked at the potential earnings for that business before he spent time and money developing it.

The guy then spent hours developing his app and testing it on every single device. He invested lots of money into trademarking the name of the business, he hired a lawyer to help him set himself up as a Limited Liability Company, he took out loans and he paid for excessive hosting and bandwidth.

He even hosted a launch party after two years in development. And six months later, the business was dead in the water. He set himself up to fail by never testing the idea.

He invested so much time and money up front, and made it nearly impossible to break even. You want to avoid these kinds of situations at all costs.

That's where "validation" comes in, which simply means testing the product or service idea to see if people really need what you're offering and if they'll pay.

HOW TO VALIDATE YOUR IDEA

To validate your idea, you must get people to put money on your concept.

That means that they can't just express an interest, they have to actually spend money or get to the point in your sales process where they would spend money.

For physical products, Tim Ferriss (author of *The Four Hour Workweek*) recommends you invite people to buy your product before it's ready and then inform them that you're waiting for more stock.

If enough people get to the point where they would have bought, you know there are clients out there for your product. Likewise, you could take pre-orders for your product, as long as you get your clients to pay for those pre-orders.

A similar method is to sell a beta version or run an early access program for your Software as a Service business. Running an early access program for a SaaS or

sharing economy-based business is actually a standard practice now because it allows you to test and ensure everything works as intended.

You can monitor the load on servers and you can get a good idea of the running costs. This will tell you if the money you make from advertising or fees is more than the money you spend to keep the service running.

In theory, the numbers should hold up as you scale the business further (although there may be hiccups along the way). As an added bonus for running an early access program, you generate interest and early buzz for your product.

Running a Kickstarter or RocketHub campaign is another good way to test if people are interested and completely remove the out-of-pocket costs of starting.

If there's enough demand for your product or service, then your clients could pay for the initial product development, including design, programming and marketing.

THE “FAIL FAST” MENTALITY

Another reason the researcher's business idea failed is because he invested so much time and money into it before going live. He was badly in debt before he started out, which left him with no room for things to go any less than perfectly.

A better strategy is the “fail fast” mentality.

This means you create something that is a little rough around the edges, but let's you can get to market quickly. That way, you don't spend more than necessary.

This means that you might handle the graphic design yourself, and then only invest more time and money into the business if the product starts taking off.

If it doesn't, you move onto the next project without having gone bankrupt.

OTHER PRODUCT VALIDATION METHODS

You can also test the audience for your product in a number of other ways.

This might mean surveying your target clients and asking them if they'd buy your products, or it might mean looking at the numbers for comparable products and services to see if they are making enough to be sustainable.

You also need to ensure you've calculated the profits you can expect to make, and that you have accurate projections. This is the only way to make sure profits will outweigh the costs, guaranteeing that you'll run a profitable SaaS business.

Once you know roughly how much it will cost you get your product or service off the ground, you'll know how to go about bringing it to market.

Once you know how much you can expect to make, you'll have a serious business proposition with which you can move forward.

SECTION #8: HOW TO MARKET AN ENTIRELY NEW PRODUCT

If you've made it this far, then you're poised to change your financial situation.

You've come up with your idea that takes full advantage of the latest technological trends and innovations. You've checked that there's a market.

You've thought realistically about how you'll actually bring it to market. You've even made pre-sales to give you the confidence and momentum you need to charge forward. Perhaps, you have a team that'll help you make it happen.

Any day now, your product or service should be going live and you'll be prepared to really take your marketplace by storm. But your work is not over.

That's because you still need to market the thing. You could be giving away free gold, but without proper marketing, you won't be successful. People need to know what it is that you're offering and why it's better than the alternatives.

The problem is that, this is really hard to do when you're offering something completely new. How can you explain what your product or service does to someone when there has never been anything like it before?

Here are some good suggestions to help you out...

CONSIDER A SLOW ROLL OUT

While there may not be a direct equivalent out there for the kind of product or service you're looking to launch, one thing you can do is look at other disruptive entrepreneurs and the things they did to find success with a novel idea.

A great place to look is Facebook, which we praised in the first section.

How did Mark Zuckerberg communicate the value of his social network, especially in light of similar, though not identical, competition?

Part of the answer lies with the slow roll out. When Zuckerberg came up with the network, it started out by being only available to members of Harvard University. From there, he went on to open it up to other top universities, then all universities. Eventually, it was open to all businesses and everyone.

This was a stroke of genius because it meant that when Facebook went live, it didn't feel strangely "empty." This is something that can happen if you open up a social network to the world, but haven't marketed probably.

Why would someone join a platform that connects people when no one is there to connect with?

If the platform is only for your university though, then it becomes a worthwhile tool as something exclusive and unique to your small group.

Meanwhile, outsiders will hear about it through you and your fellow students and they'll be intrigued because people always want what they can't have.

And then when it opens up to another university, the people discovering it for the first time will already know that everyone from Harvard is on there, including several of their friends.

This is another excellent reason to run an early access program for your new product or service: it gets people talking and creates a buzz, which means, you can fill your product or service with activity before going live.

EMBRACE BEING DIFFERENT

Another option for marketing your product is to embrace being different. This can work wonders because when you're different, you stand out.

One of the best examples of this is the Vibram Five Finger shoes. These are shoes that have toes like gloves, and claims to be better for our feet because they mimic going barefoot.

The great thing about this product is that it looks so bizarre that it becomes a talking point; people want to know more about it and that helps to sell it.

This approach is harder to do for a web-based product, but it's possible.

You can invoke curiosity with your branding, so that when people look over each other's shoulders on the train, they'd decide to checkout your product later.

EXPLAIN YOUR MESSAGE

The most important thing you can do when advertising, marketing and trying to make your product successful is to be clear in explaining what your product or service does. And why people should care.

It's new and it's hard to understand, so you need to be extra careful in doing this.

One way to make your message clear then is to focus on the “value proposition.” This essentially means you are selling the dream, rather than the service itself.

If you are selling an app that helps users meet people, then your ad shouldn't focus on the app, it should focus on the feeling of connectedness and of making meaningful friendships.

This is universal and it is the “why” behind your new, disruptive idea.

FIND YOUR AMBASSADORS

Another person we can turn to when looking for inspiration on how to promote a new product and disrupt an existing industry is Elon Musk. We've already looked at him a few times, but we've yet to analyze how he got people to take him seriously with SpaceX.

How could an individual in the private sector disrupt Boeing and leapfrog NASA?

One key was to getting industry veterans and experts in the field to help him present the idea of SpaceX. This gave the idea weight and credibility, something that a former nobody couldn't have achieved on their own.

If your idea is exciting enough, you should be able to find someone who'll shout it from the rooftops. So, talk to people and find your ambassador.

SECTION #9: HOW TO PROTECT YOUR SOFTWARE BUSINESS

Now that you have an action plan and your product is validated with pre-sales, it's time to get serious and get your product into the hands of clients.

But things start to get scary because it means you've got to show your product or service to lots of people and open it up for discussion. Not only do you risk being shot down, it also means people might run off with your brilliant idea.

The first thing you may want to do then, is consider protecting your idea...

PROTECTING YOUR INTELLECTUAL PROPERTY

You might consider protecting your idea legally, but is that the right avenue, and if so, what type of protection should you invest in?

If you were to come up with a story or a song, it would automatically be protected by copyright. Copyright comes into effect automatically as long as you can prove you created the story or song first.

However, copyright only applies to creative works, rather than mechanical inventions, which in our case, includes software and mobile apps.

For web-based services, copyright does not apply because it's not considered creative. But the actual codebase of your application is protected by copyright.

That means, if you outsource development, make sure your agreement gives you the rights to all of the codebase. Once you have those rights, no one can copy or reproduce snippets of your code (or a written copy for that matter) of your app.

Likewise, all graphics produced and used on your app belongs to you.

Trademarks, meanwhile, only applies to business names and brands.

Trademarks cost a couple of hundred dollars for several years, and they can be used to protect your business name.

It's also a good time to start thinking about what you want to call your product or service, and what you want to call your business (which may or may not be the same name).

This will help when you start raising funds from professional investors.

Do your research, look at existing trademarks to make sure your name is original.

Things are different for inventions, where you need a patent for protection.

A patent will protect your invention for ten years, but only in the country that it's registered in. What's more, a patent is far more complex, you probably need the help of a lawyer to defend it and can't be renewed after it runs out.

There are also two types of patents: utility patents for the way things work and design patents for the actual physical shape of those things.

If you have an app or a piece of software, then this can be protected by a utility patent in which case the protection is for the way the product operates and the solution that's offered.

If your idea isn't a new thought, or if it doesn't have a unique function, then you can't protect it. Uber is an idea that could potentially be protected by a utility patent for instance, but a "fun platform game starring a squirrel" could not be.

Patents are also very expensive. That, along with their temporary and single-country nature, means many people won't be able to use them.

This limitation might seem like a bad thing, but it's actually good for everyone.

This prevents people from protecting inventions that could benefit all of mankind or charging obscene amounts for them. If a patent never expired, painkillers would be more expensive and there'd be one place to get Ibuprofen.

Still, a patent gives you the opportunity to earn money from your creations first.

So now, the question is whether you need a patent or not?

It depends, but in most cases, it's probably no.

If you're dealing with a potential investor and you want to keep your idea safe, you can get them to sign a Mutual-NDA or "Mutual Non-Disclosure Agreement" before they speak with you.

It's important to recognize that for the most part, people aren't out to steal your ideas. People with the financial means to make something from your idea (the same people who could provide funding) are busy implementing their own.

Professional investors are not going to risk legal ramifications by stealing.

And in terms of facing competition from others, it's important to recognize that the best way to capitalize on a new idea is simply to do it first and do it best.

The execution is more important than the idea in most cases and jealously protecting your ideas can get you laughed out of a meeting.

With all due respect, get over yourself.

One of the biggest mistakes an independent product developer can make is guarding their idea, not talking about it and working on it secretly.

If you're serious, then get out there and talk about it with everyone you meet.

Again, the best way to protect your idea is to implement first. If it's really successful, it's going to get copied, regardless of your patents and trademarks.

SECTION #10: HOW TO FUND YOUR SOFTWARE BUSINESS

Your planning stage should have given you an idea of how much money you need to bring your product or service to market. It's time to figure out where you're going to get that from. And here are some of your best options...

CROWDFUNDING CAMPAIGNS

You've come up with a product that puts you out of work, and now you need money to pay for product development, coding, design, hosting and marketing.

You've spoken to consultants and developers, so you know how much it'll cost to get a "proof of concept" version to market.

But you can't afford it.


This is the right time to take advantage of crowdfunding platforms like Kickstarter, Indiegogo and RocketHub as an independent product developer.

You can head to one of these sites, describe your product or service in detail, and demonstrate its usefulness in some way. Then ask for the funds necessary to make your business a reality.

There's no guarantee, but if people are excited about your idea, they'll back you.

You should note that these platforms are by no means sources of "easy money."

You have to get lots of things right to successfully get backed. That means you must carefully consider how much money you want to raise, offer great incentives that give people real reasons to put their money down.



I can't stress this point enough: if you want people to take your idea seriously, then the video you create needs to really sell it and show that you're capable of delivering your product.

Finally, you should always have a working prototype to show. If you're creating something more complex, like Uber, and you can't have a working prototype ready, consider using mock-ups as visual aides.

PAYPAL “WORKING CAPITAL” SERVICE

Another source of funding open to many entrepreneurs that you might not be aware of is PayPal's “working capital” service. This is a business loan from PayPal that's different from a bank loan in a number of ways.

For starters, they only ask for a fixed interest rate that doesn't increase overtime, making budgeting much easier. Second, PayPal allows you to repay your loan through their payment processing service.

That means PayPal will automatically take a cut of all payments to your business and you choose how quickly you want to repay the loan by picking a percentage that should be docked off all your earnings.

This is perfect if you're already a PayPal customer because you pay back the loan as soon as money starts coming in, with no negative repercussions if business is slower than you anticipated.

BOOTSTRAP WITH EXISTING REVENUE

Bootstrapping, which is my preferred and recommended method for funding your SaaS, involves raising money for your big idea as you go, often by using smaller or more tested business models in the meantime.

If you're currently a service provider looking to productize that service, you can keep selling your current service and reinvest the profits into your SaaS product.

Bootstrapping goes hand in hand with creating a lean business and applying the “fail fast” mentality to your business model.

In other words, if you can reduce the overhead cost of running your current service business, you can afford to forgo some of your current profits by reinvesting that into research and development for your new Software as a Service business.

FIND ANGEL INVESTORS

Finally, your other option for funding is the conventional route, angel investors. You’ll give equity in your software business away, but in exchange, you get advice and guidance from these angel investors.

It’s perhaps the scariest and most ambitious way to raise money too, which is why many independent product developers avoid it. However, it’s also one of the more tried and tested ways to get your idea off the ground quickly.

Just make sure that you have all your projections, costs and market research at hand and ready to show. An investor will not help you unless they can see that you’ve thought about all the possibilities and you’ve already validated your idea.

Find the right investors for you and keep in mind that if it’s a new disruptive software or monetization model, some of your angel investors might have a hard time getting it.

THE LONG, HARD AND EXCITING JOURNEY AHEAD

And now, the long journey ahead begins.

You’ll keep doing marketing, even after your software business grows. You might eventually be ready for series B and C funding. You might grow and iterate your initial business idea over time.

You might find that your product doesn’t take off.

Still, make sure you commit to creating a SaaS business because it's a long road.

Once your business is up and running, you'll be out there, shouting about it from the rooftops. Likewise, don't be disheartened if things don't take off at first.

Nearly every successful independent product developer will fail countless times before eventually landing their big wins. The difference between the ones that change their financial situation and those that find a different profession is that the former didn't give up.

Keep experimenting, be fearless and enjoy the journey along the way. And keep in mind everything you learned in this guide. Here's a quick recap:

- ❖ Consider the immeasurable opportunities presented by crowdsourcing, crowdfunding, the sharing economy and other emerging trends (including those we haven't mentioned in this guide, like the Internet of Things).
- ❖ Give yourself space and time to let your ideas grow. Use tested and proven approaches to increase your inventiveness, like taking walks and collaborating with others.
- ❖ Don't be afraid to think big and ask the right questions.
- ❖ Don't think an idea alone is worth anything. You need an actionable plan.
- ❖ Don't jealously protect your idea; talk about it to find ambassadors, partners and angel investors to help you execute effectively.
- ❖ Create prototypes and use early access programs to test your ideas, so that you can find clients and generate early buzz, even before launch.
- ❖ Find funding through unconventional routes. Angel investors are just one option; consider bootstrapping, crowdfunding and PayPal's service.
- ❖ Keep your overheads down and apply the "Fail-Fast" mentality.
- ❖ Validate your product or service by getting pre-sales or pre-orders.

- ❖ When it comes to marketing, consider a slow roll out, find ambassadors and make sure you've designed your product or service to draw attention.

- ❖ Move on to the next product if things don't work out and try again.

Creating a successful software business can happen for you too, you just need the courage to get out there and the patience to execute consistently.

Remember, it's much better to fail than to never attempt anything worthwhile.

■ ■ ■

Rapid Consulting Session

You can always ask us your most mind-boggling questions about building and marketing your SaaS product because you're a valued member of our "Tomo Founders" community.

Send in your #1 question right now to hello@tomoworkers.com and get a response within 24 hours or less.

You can also [book a 100% FREE video call here](#) anytime.

Or call/text 347 460 5775 (fastest method).