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SaaS is dead. Agents killed it.

107 424 2.6K 2.4M

Last Monday, Anthropic released a set of plugins for Claude Cowork.

Not a new model. Not a chatbot upgrade. Plugins.

Within 24 hours, software stocks lost $285 billion in market value.

A plugin marketplace announcement erased more wealth in a single day than most industries generate in a year.

Wall Street isn't scared of AI anymore.

They're scared of what AI replaces.

II.

Here's what most people are getting wrong about this.

They hear "SaaS is dead" and think it means companies will stop buying software.

That's not what's happening. Not even close.

What's dying is a very specific type of software business — and if you understand which type, you're looking at the biggest startup opportunity in a decade.

Let me explain.

III.

For the last 15 years, the SaaS playbook was simple:

Find a common business workflow. Build a nice UI around it. Add some integrations. Charge per seat, per month. Defend your position with switching costs and minor product tweaks.

This playbook minted hundreds of billionaires.

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Most of the value was never in the software itself. It was in the workflow the software organized.

The UI was a middleman.

And AI just made the middleman obsolete.

IV.

Here's what Anthropic actually did — because the headlines are missing the point.

They didn't build a better chatbot. They turned Claude into a work execution layer.

Cowork plugins let AI agents log into your existing tools — your CRM, your documents, your databases — and perform entire workflows autonomously. Legal audits. Sales pipeline management. Data analysis. Production-grade code.

No human in the loop.

This is the part that spooked the market.

Because if an AI agent can do the work directly inside your existing systems — why do you need 15 different SaaS tools with pretty dashboards sitting on top?

And here's the part that should really keep SaaS founders up at night:

If 10 AI agents can do the work of 100 employees, you don't need 100 Salesforce seats anymore.

AI doesn't kill the software directly. It kills the headcount that uses the software. Which kills the per-seat revenue model. Which kills the business.

V.

This is what I call the Thin Middle Squeeze.

Picture three layers:

Top layer — the AI agent. The thing that actually executes the work.

Middle layer — the SaaS UI. The dashboards, the workflows, the buttons you click.

Bottom layer — systems of record. The databases, CRMs, and ERPs that store the real data.

Right now, value is getting sucked upward into the agent layer and downward into the data layer.

Everything in the thin middle gets crushed.

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That's why Adobe's forward P/E dropped from 30 to 12. ServiceNow went from 67 to 28. Not because people don't need what they do — but because investors realized the moat around "nice UI + integrations" is paper-thin when an AI agent can bypass the UI entirely.

The interface used to be the product. Now it's just a shell.

VI.

But here's where the "SaaS is dead" crowd gets it completely wrong.

SaaS isn't dead. The easy SaaS moat is dead.

Massive difference.

Companies will spend more on software this year than ever before. Enterprise AI capital expenditure alone will exceed $470 billion in 2026. That's not a shrinking market — that's a market exploding in size.

The money isn't disappearing. It's moving.

And most people are so busy panicking about the destruction that they're completely blind to where it's landing.

VII.

Here's where the money actually goes:

1 — AI platform subscriptions.

Usage-based. Consumption-based. Not per-seat. Companies will pay for AI capacity the way they pay for cloud compute — based on what they use, not how many humans sit in the building. This is already happening. GitHub's AI agents are gated by premium tiers with usage-based pricing. That's the template.

2 — Systems of record.

Agents don't eliminate backends. They operate them. The CRM, the ERP, the data warehouse — these get *more* valuable, not less. Because AI agents need clean, authoritative, trusted data to act on. Bad data in, bad actions out. At scale. The companies that own the canonical data win.

3 — Security, governance, and compliance.

When agents act at scale, mistakes happen at scale. Every company deploying AI agents will pay for permissioning, audit logs, policy enforcement, monitoring, and evaluation. This is boring infrastructure — and it will print money quietly for the next decade.

4 — Outcome-based pricing.

Instead of "$99/seat/month," you'll see "$5 per contract reviewed." "$2 per support ticket resolved." "$10 per qualified lead enriched." Software priced like labor — because it's replacing labor. This is where the entire

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5 — Services.

This one surprises people. But when it becomes cheap and easy to build software, companies don't build less of it — they attempt more customization. Implementation, workflow design, migration, integration work — the demand for services is about to explode. Vibe coding makes creation easy. Making it work inside a real business is a different story entirely.

VIII.

So if you're building a startup right now — or thinking about it — here's the only question that matters:

Where do you sit in the stack?

If you're building in the thin middle — a nice UI over someone else's data, charging per seat, with no proprietary advantage — you have a serious problem. Not because your product isn't good. But because the economics of your position are collapsing in real time.

The agent layer above you is eating your interface.

The systems of record below you are eating your lock-in.

You're getting squeezed from both directions. And that squeeze only accelerates from here.

IX.

Here's what to build instead.

Build at the agent layer. Create AI-native tools that don't just display information — they execute workflows. Don't show the user a dashboard. Do the work for them. Price on outcomes, not seats. Be the thing that acts.

Build at the data layer. Own proprietary data. Build the system of record for a domain that doesn't have a good one yet. Make yourself the authoritative backend that every AI agent needs to plug into. Agents come and go — the data layer is forever.

Build the infrastructure. Security. Monitoring. Evaluation. Governance. Compliance. The tooling that makes AI agents safe to deploy at scale. Unsexy. Extremely profitable. And the demand hasn't even started yet.

Build the services. Help companies implement, customize, and operate AI systems inside their actual business. This is where most of the real-world complexity lives, and it's where a massive amount of value will be created in the next 5 years.

X.

Here's the irony that nobody is talking about.

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internet.

SaaS as a delivery model is fine. It was always fine.

SaaS as a business strategy built on shallow moats and per-seat pricing for commodity workflows — that's what's over.

XI.

Everyone is looking at this $285 billion wipeout and seeing destruction.

I see a transfer.

That value didn't vanish. It's moving — from companies that captured value by being the middleman between humans and their tools, to companies that capture value through execution, data, and infrastructure.

The old playbook was: build a workflow UI, charge per seat, grow headcount at your customers to grow revenue.

The new playbook is: build something that owns the data, executes the outcome, or secures the system. Price on value delivered, not butts in seats.

If you're a founder reading this, the worst thing you can do is panic.

The second worst thing is keep building like it's 2019.

The best thing you can do is understand where the value is moving — and go stand where it's landing.

The SaaS era isn't ending.

The easy SaaS era is.

And honestly? That's the best news in a decade for anyone who's actually building something real.

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i built my AI startup, Vectal, from zero to a $1.8M exit in 14 months. now i help other founders do the same.

if you're serious about building — not just talking about it — you can apply to work with me here:

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