

FAYRIX

How to Start a Software Development Business and Bring It to a Large Scale



Eager to start a software development business? Well, that's a commendable ambition. Users downloaded over 26 billion apps from Google Play and 8 billion apps from the Apple Store in the third quarter of 2021. This means that the software development market is at the pinnacle of success today. People can't imagine their lives without mobile devices and applications that simplify an array of processes and online activities. According to Statista, the global revenue for enterprise application software has already reached \$271 billion US dollars. And this means that software and mobile development is a profitable niche.

In this comprehensive post, we'll take a deeper look at the main tips on how to start a software development business. We'll review the main directions on getting started and analyze the key stages of setting up a software business.

Why Starting a Software Development Startup is Becoming More and More Popular

To prove that the niche of software development is trendy so far, let's get back to figures. Statistically, IT spending on enterprise software is expected to reach \$601 billion globally. In recent years, this market has experienced high levels of growth. So this means that users need high-quality and powerful mobile apps and software solutions.

Now, let's move on to the revenue. For the past year, the iOS App Store and the Google Play Market had managed to generate around \$49 billion. The entertainment app category had reached a revenue of \$3.8 billion. This means that today, more and more businesses go online and look for companies that will build a customized app or website for them. Therefore, building a software development company might be a good investment.

The software development process usually includes designing, developing, deploying, and maintaining a mobile app for businesses. As you can see, this area is rapidly growing, and there's a lack of experienced and professional software development experts. If you have many years of experience in the niche, why not create a software development company?

Here's a list of the main benefits that software dev companies can bring to other businesses:

- Create an innovative product that will undoubtedly bring additional profit to business owners
- Enhance productivity and employee drive
- Integrate software with other programs
- Grow the scale of business operations over time
- Improve ROI

What are the Basics You Need to Start Your Software Development Business?

Well, how to start a software development company? Let's list the main steps to follow to tackle that challenge successfully. Of course, there are many aspects to consider, but these are the basic steps to follow for everyone interested in running a software development company:

01

Create a business plan

Outline your development plan, define the main goals of your company, and tips to follow to achieve these goals. A business plan allows you to plan your expenses and set your objectives. It's not necessary to follow the plan word for word as reality may (and will) differ from your plan, but it will be helpful in shaping your first steps and understanding the budget.

Here are the main sections an IT business plan must include:

- Executive summary
- A detailed description of your company
- Comprehensive market research
- Descriptions of services that your company might provide
- Management structure
- Your marketing strategy
- A detailed financial analysis.

02

Develop a unique brand

Although building a brand is not an easy task, it's of utmost importance for any business owner to do this. What should it look like? How should it make your customers feel? Remember that a brand is not a recognizable name; it's how your customers perceive you when you interact with them.

And this task usually involves the following stages:

- Understanding your core audience and competitors;
- Choosing your focus;
- Defining your business name;
- Creating your slogan;
- Defining the colors and fonts of your business;
- Building a brand logo;
- Applying branding across all spheres of your business.

03

Hire people

When building your own software dev company, you need to be doubly sure that your colleagues, employees, and business partners are experts in this niche. Efficient human resource management is of utmost importance, and this is where experience matters a lot. Your first and foremost task is to find your developers. Besides, you should also find project managers, software testers, user acceptance testers, technical leads, product analytics, and customer care experts.

If you are on a budget, you can do this yourself. Probably you know IT professionals that are looking for a job right away. However, it's better to use recruiting services or hire an in-house recruiter if you are not ready to invest time in this time-consuming process. Just define your requirements, and experts in this niche will find the right people for your company.

04 **Test sources of clients**

If you start your software development company from scratch, your first step to go is either look for referrals (maybe some of your colleagues can recommend your services to relevant people) or visit marketplaces like Upwork or YouTeam to promote your services. After finding your first clients, don't stop to test all possible sources as you never know which will bring you the best results. Among options are investing in SEO, outbound sales, content marketing, events and conferences, networking, etc.

05 **Add security**

Remember that your future clients will mostly be on the cloud instead of the local storage. And this is where external hackers might be a threat to your company. Your key objective is to make sure that sensitive information is protected from scammers. This will undoubtedly minimize the chances of security threats.

06 Do not miss marketing

Remember that running a software development business is impossible without investments in marketing. In the long run, SEO is of utmost importance for lead generation, brand awareness, and credibility. PPC or Pay-per-Click marketing is for those searching for fast leads. Both tools will undoubtedly attract customers to your business.

| How to Properly Allocate the Budget in the IT Company: Is It Worth the Risk?

Is there a more terrible word in the IT business than "budget"? No matter whether you have a small team or you already have numerous departments, planning your budget and putting it together can undoubtedly provoke feelings of frustration.

If you don't have enough money for setting up a software development company, you'll probably ask for sponsorship. If you do have funds to invest in this business, you'll face another question - should you risk and invest a lot at the initial stage or begin with covering minor goals? In fact, it's up to you to decide because a lot depends on your business plan and your objectives. For you to tackle that challenge quicker, we decided to provide you with a few insightful pieces of advice on how to allocate the budget:

-  Review your budget on an ongoing basis. You should always check where you under and overspend. When you are proactive with your budget, it will be easier for you to manage it. Gradually, you'll be more attentive to your budget.
-  Ask for financial options. For instance, you need to hire a new developer or buy an expensive subscription, and realize that you don't have a budget for it. This is where you may opt for an intern or ask your software vendor for investment.
-  Consolidate your databases, and this will undoubtedly help reduce costs. In doing so, you'll be able to scale back your infrastructure costs.
-  Share human resources. Just imagine, you are eager to hire a new PHP developer, but your budget doesn't allow you to do this. What can you do in this case? Choose a part-time specialist, a person that will be working for your company a few hours per week.
-  Consolidate your databases, and this will undoubtedly help reduce costs. In doing so, you'll be able to scale back your infrastructure costs.

Overall, allocating your budget is one of the main stages of establishing a software company. So, you shouldn't neglect this issue.

Fear of the Unknown: How to Overcome Fears and Lead your Software Development Business to Success

Here, at Fayrix, we strongly believe that people working on the same goal determine the future of any IT project. Nevertheless, starting a software development company may be quite challenging. If you are reading this post right now, you probably lack experience in custom software development and don't know where to start. Moreover, you may face some fears that prevent you from moving forward. Well, how can you overcome them? Let's take a deeper look at the most popular fears and a few worthy recommendations on how to conquer them:



The fear of allocating your budget

You may face some budgeting problems in the rough stages, especially if you lack experience in this niche. However, even professional business owners may face the same issues. So this doesn't mean that you need to stop and set aside this idea. Create a business plan, determine your variable expenses, create profit and loss statements, and outline your forward-looking business budget. As time moves on, you'll forget about this problem.



The fear of hiring people

You know that failures usually bring disappointment, embarrassment, and shame, especially when it comes to hiring people that will be working for your company. This is probably one of the most complicated stages as it actually defines your future team. However, you can easily overcome this fear if you entrust this task to professional and experienced recruiters or HR specialists. Also, incorporating a probation period can help you validate employees and accept only the most relevant candidates to your team. Another way to deal with the hiring challenge is to hire a virtual development team built for your project, which is also way more affordable than running an in-house dev team



The fear of not attracting customers

Of course, it's terrifying to take the risk and offer your skills, professionalism, and experience to the world. You wonder whether your team will be valued and you will find customers. You don't have this fear only if you start your IT business with an established audience, ready to buy your services. The fear of being incapable of finding customers is common, and almost every business owner faces it. However, the remedy is simple: move on, don't think about this as professional software development services are in demand so far, and take charge of your marketing strategy to be sure it's relevant to the market requirements.



Defining the roles and responsibilities properly

One team shares the same goal, mission, and vision. However, the roles and responsibilities of all team members are absolutely different. Therefore, as a business owner, you need to make sure that absolutely each employee working for your company understands what they should do. For the first time, it's quite challenging to do this, but remember, if you do it right at the initial stage, you'll be able to avoid an array of issues.

Consider Fayrix Your Trusted Partner in Software Development Services

Fayrix is a trusted software development partner that will help turn your ideas into reality. The main mission of our company is to build outstanding software solutions for our customers.

We have many years of experience in software development and know how to bring to life even the most complex ideas. Sky Guru, a powerful mobile inflight guide, is one of the most successful projects completed by our team. The basic premise of this service is to provide nervous passengers with explanations of what happens during their flight. This app is suitable for both iOS and Android-based devices. This mobile application uses professional aeronautical data to calculate complex flight models before the flight. Plus, the app uses smartphone sensors to provide real-time flight explanations to users.



Mobile inflight guide

Client: SkyGuru, USA, is a service that provides anxious passengers with real time explanations what happens right now during their specific flight.

Scope: Development of the mobile app for Android and iOS OS from scratch. SkyGuru employs professional aeronautical information to calculate complicated mathematical and meteorological flight model before the flight. In-flight SkyGuru uses smartphone sensors as triggers confirming different flight stages, thus being able to provide real-time explanation to the user.

Overall, it was a challenging task, but thanks to our experience in the IT market and dedication, we managed to overcome all difficulties and build a powerful and multi-featured mobile app.

If you need experienced software developers to extend your team, don't hesitate to contact Fayrix. We are flexible and offer many services, ranging from building a simple mobile app to creating a whole offshore development center. Still have some questions seeking clarifications? Drop us a line, and we'll help you find a solution!

I FAQ

How do I start a software development business?

To start your own software development business, you need to define the goals of your project first. Create a business plan, define the budget, and hire people. Your next step is to find customers that require software development services. Conduct market research and define how you will look for customers and choose the way to sell software.

What are the main obstacles to setting up a software development company?

The main obstacles of starting your software development business are allocating your budget properly, setting the right goals, hiring the right people, and defining the roles in your team.

What are the main stages of a software development life cycle?

The primary stages of software development are as follows: planning, designing, developing, testing, launching, and maintaining the app, website, or marketplace.