

SaaS Product or Consulting Services

Here's a quick take on few sentences:

1. **"Le produit (SAAS) est par défaut disruptable"**: This suggests that SaaS products are inherently vulnerable to disruption, which is often true. SaaS markets are dynamic, with low barriers to entry for competitors who can innovate faster or offer better value. It's a reminder to stay agile and customer-focused to avoid being outpaced.
2. **"L'innovation et la R&D coûtent cher"**: Accurate and straightforward. Innovation and R&D require significant investment in talent, time, and infrastructure. For SaaS, this could mean balancing costly development with sustainable revenue models, especially in competitive niches.
3. **"Acheter du temps, de la ressource, de la compétence et du conseil"**: This implies outsourcing or acquiring expertise, time, or resources to accelerate growth or fill gaps. It's a practical strategy for SaaS companies to scale efficiently, but it hinges on choosing reliable partners and managing costs effectively.

Overall, these sentences highlight the challenges of staying competitive in SaaS through innovation, resource management, and strategic investments. They feel like a call to prioritize adaptability and smart resource allocation. Let's dive deeper into them.

To address whether your startup should focus on building products (e.g., a SaaS product) or providing consulting services, let's dive deeper into the context provided by the sentences you shared and analyze the trade-offs, opportunities, and strategic considerations for each path. The sentences—"Le produit (SAAS) est par défaut disruptable," "L'innovation et la R&D coûtent cher," and "Acheter du temps, de la ressource, de la compétence et du conseil"—offer insights into the challenges and dynamics of these options. I'll break this down systematically, considering market realities, financial implications, scalability, and alignment with your startup's goals.

1. Understanding the Context from the Sentences

The sentences highlight key dynamics relevant to your decision:

- **SaaS products are "disruptable":** Building a SaaS product means entering a competitive space where new entrants or innovations can quickly challenge your market position. This suggests a need for continuous innovation, differentiation, and customer retention strategies to stay relevant.
- **Innovation and R&D are expensive:** Developing a SaaS product requires significant upfront and ongoing investment in technology, talent, and iteration. This can strain a startup's resources, especially in the early stages when revenue may be limited.
- **Buying time, resources, competence, and advice:** This points to the value of leveraging external expertise or services, which aligns closely with consulting. It suggests that consulting could be a way to generate revenue quickly, access expertise, or bridge gaps in capability while building a product.

These insights frame the trade-offs between the capital-intensive, high-risk/high-reward path of product development and the potentially more stable, service-oriented path of consulting. Let's explore each option in depth.

2. Building SaaS Products: Pros, Cons, and Strategic Considerations

Building a SaaS product involves creating scalable software delivered over the internet, typically on a subscription model. Here's a detailed look at this path:

Pros

- **Scalability and High Margins:** Once developed, SaaS products can scale to serve thousands or millions of users with minimal incremental costs, leading to high profit margins. For example, companies like Slack or Zoom have achieved massive scale with recurring revenue streams.
- **Recurring Revenue:** The subscription model provides predictable cash flow, which is attractive for long-term growth and investor interest.
- **Market Impact and Brand:** A successful SaaS product can position your startup as a market leader or innovator, creating a strong brand and potential for market disruption.
- **Leveraging Technology Trends:** With advancements in AI, cloud computing, and automation, SaaS products can tap into growing demand for digital solutions across industries.

Cons

- **High Upfront Costs:** As your sentence notes, "L'innovation et la R&D coûtent cher." Developing a SaaS product requires significant investment in engineering, UX design, infrastructure (e.g., AWS, Azure), and ongoing maintenance. For a startup, this can mean burning through cash before achieving product-market fit.

- **Disruption Risk:** The sentence "Le produit (SAAS) est par défaut disruptable" underscores the competitive nature of SaaS markets. New entrants, feature commoditization, or shifts in customer preferences (e.g., toward AI-driven solutions) can erode your advantage. For instance, many CRM tools face pressure from low-cost or open-source alternatives.
- **Long Time to Revenue:** Building a Minimum Viable Product (MVP), iterating based on feedback, and acquiring customers takes time. Startups often face 12-24 months of development and go-to-market efforts before significant revenue kicks in.
- **Customer Acquisition Challenges:** SaaS markets are crowded, and customer acquisition costs (CAC) can be high, especially in saturated niches like project management or marketing automation. Effective marketing, sales funnels, and customer success teams are critical but costly.

Strategic Considerations

- **Differentiation is Critical:** To mitigate disruption risk, your SaaS product must solve a specific pain point better than competitors or target an underserved niche. For example, Notion succeeded by combining note-taking, project management, and collaboration in a user-friendly way.
- **Capital Requirements:** Assess your funding situation. If you lack runway or investor backing, the high costs of R&D may be unsustainable. Bootstrapping a SaaS product is possible but requires lean development and a clear path to early revenue.
- **Technical Expertise:** Building a robust SaaS product demands strong technical talent. If your team lacks this, you may need to "buy competence" (e.g., hire developers or partner with a tech agency), which aligns with your third sentence.
- **Customer-Centric Iteration:** SaaS success depends on listening to customers and iterating quickly. This requires a culture of agility and data-driven decision-making.

3. Providing Consulting Services: Pros, Cons, and Strategic Considerations

Consulting involves offering expertise, advice, or customized services to clients, often on a project or retainer basis. This could include strategy, technology implementation, or industry-specific guidance.

Pros

- **Faster Revenue Generation:** Consulting typically generates revenue more quickly than product development. You can start billing clients as soon as you secure contracts, providing cash flow to fund operations or product development.
- **Lower Upfront Costs:** Unlike SaaS, consulting doesn't require heavy investment in R&D or infrastructure. Your primary costs are talent, marketing, and client acquisition, which are generally more manageable.

- **Flexibility and Market Insight:** Consulting allows you to work with diverse clients, giving you deep insights into market needs, pain points, and trends. This can inform future product development or help refine your SaaS idea.
- **Leveraging Existing Skills:** If your team has expertise in a specific domain (e.g., AI, cybersecurity, or digital transformation), consulting lets you monetize that immediately without building a product from scratch.

Cons

- **Limited Scalability:** Consulting is labor-intensive and scales linearly with headcount. Unlike SaaS, you can't serve thousands of clients without hiring proportionally more staff, which caps growth potential.
- **Time-Intensive:** Delivering high-quality consulting services demands significant time and energy, which can distract from strategic goals like product development or scaling the business.
- **Client Dependency:** Consulting revenue depends on securing and retaining clients, which can be unpredictable. Losing a major client or failing to close deals can create cash flow gaps.
- **Perception Challenges:** Consulting may position your startup as a service provider rather than an innovative tech company, potentially making it harder to attract investors or pivot to a product-focused model later.

Strategic Considerations

- **Cash Flow as a Bridge:** Consulting can serve as a revenue stream to fund SaaS development. Many startups (e.g., Basecamp) initially offered consulting to bootstrap their product. This aligns with "buying time" and resources to build something scalable.
- **Market Validation:** Consulting engagements can validate demand for a potential SaaS product. For example, if you consult on workflow optimization, recurring client pain points could inspire a SaaS tool to automate those processes.
- **Niche Expertise:** Focus on a specialized niche where your team's expertise stands out. This reduces competition and allows premium pricing. For instance, consulting on GDPR compliance or AI ethics could command high rates.
- **Balancing Bandwidth:** If you pursue consulting, ensure it doesn't consume all your resources. Allocate time and talent to explore product opportunities or run small-scale MVP experiments.

4. Hybrid Approach: Combining Products and Consulting

Given the insights from your sentences, a hybrid approach—offering consulting services while developing a SaaS product—could be a pragmatic strategy. Here's how it could work:

- **Use Consulting to Fund Product Development:** Consulting revenue can cover operational costs and reduce reliance on external funding. For example, a startup offering AI consulting could use profits to build an AI-powered SaaS tool.
- **Leverage Consulting for Product Insights:** Client engagements provide real-world data on market needs, which can shape your SaaS product. This aligns with "buying competence and advice" by learning from clients' challenges.
- **Mitigate Disruption Risk:** Consulting diversifies revenue, reducing the financial pressure of a "disruptable" SaaS product. If your product faces competition, consulting can keep the business afloat.
- **Test and Iterate:** Use consulting to test product ideas. For instance, if you consult on data analytics, you could prototype a SaaS analytics dashboard for clients and gauge interest before a full launch.

Challenges of the Hybrid Approach

- **Resource Split:** Balancing consulting and product development requires careful resource allocation. Overcommitting to client work could stall product progress.
- **Brand Confusion:** Clients and investors may struggle to understand whether you're a service or product company. Clear messaging and branding are essential.
- **Team Bandwidth:** Your team must juggle client deliverables and product R&D, which can lead to burnout or diluted focus.

5. Key Questions to Guide Your Decision

To choose the right path, consider these questions:

- **What are your startup's core strengths?** If your team excels in technical development, a SaaS product may be the better fit. If you have deep domain expertise or client relationships, consulting could be a quicker win.
- **What's your financial runway?** If cash is tight, consulting's faster revenue may be necessary to sustain the business while you explore product ideas.
- **What's your market opportunity?** Research your target market. Is there a clear gap for a SaaS product, or are clients more likely to pay for tailored advice? Tools like web searches or X posts can help gauge demand (I can assist with this if needed).
- **What's your long-term vision?** If you aim to build a scalable, high-growth tech company, a SaaS product aligns better. If you prefer flexibility and steady revenue, consulting may suffice.
- **Can you handle disruption risk?** If you're comfortable with the competitive, fast-paced nature of SaaS, product development is viable. If stability is a priority, lean toward consulting.

6. Recommendation

Based on the sentences and the dynamics they highlight, a **hybrid approach** is likely the most strategic choice for your startup, especially if you're early-stage with limited resources. Here's a suggested roadmap:

1. **Start with Consulting (6-12 months):**

- Offer specialized consulting services in your area of expertise to generate revenue quickly.
- Use client engagements to identify recurring pain points that could be solved with a SaaS product.
- Build relationships and credibility in your industry, which can later help with product marketing.

2. **Validate and Prototype a SaaS Product:**

- Use consulting revenue to fund a lean MVP. Focus on a niche problem validated by your consulting work.
- Test the MVP with existing clients to ensure product-market fit before scaling development.
- Leverage external resources (e.g., freelance developers, advisors) to "buy competence" and accelerate progress, as your third sentence suggests.

3. **Transition to Product Focus:**

- As your SaaS product gains traction, gradually shift resources from consulting to product development and customer acquisition.
- Maintain some consulting work for diversified revenue, especially if your SaaS faces disruption risks.

4. **Mitigate Risks:**

- Stay lean in R&D to manage costs. Use cloud platforms, open-source tools, or no-code solutions to reduce development expenses.
- Monitor competitors and market trends to stay ahead of disruption. Engage with communities on platforms like X to track sentiment and innovations.
- Build a culture of iteration to adapt quickly to customer feedback and market shifts.

7. Final Thoughts

The sentences you provided underscore the high stakes of building a SaaS product (costly, disruptable) and the practical value of leveraging expertise and resources (consulting). A hybrid approach lets you balance immediate revenue with long-term scalability, using consulting to de-risk product development. However, the right choice depends on your team's skills, financial position, and market opportunity. If you can share more details about your startup's domain, resources, or goals, I can tailor this further. Alternatively, I can search the web or X for market trends to refine the analysis—let me know!

What do you think about this approach, and would you like me to dig into any specific aspect (e.g., market research, funding strategies, or case studies)?

Key Points

- Research suggests starting with consulting can reduce risks and provide revenue for startups.
 - It seems likely that building products offers scalability but with higher initial costs and disruption risks.
 - The evidence leans toward a hybrid approach: start with consulting, then transition to a SaaS product.
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Direct Answer

Overview

Deciding whether to focus on building products or providing consulting services depends on your startup's resources, goals, and market. Given the challenges you mentioned—like high costs of innovation and the disruptability of SaaS products—it's wise to consider a balanced approach. Here's a simple breakdown to guide you.

Why Start with Consulting?

Consulting can generate revenue quickly, helping you fund operations without heavy upfront costs. It also lets you work closely with clients to understand their needs, which can inspire a strong product later. For example, companies like Mailchimp and Basecamp started as service providers before building successful products.

Why Consider Products Later?

Building a SaaS product can lead to scalability and high growth, with recurring revenue from subscriptions. However, it's expensive and risky, especially in competitive markets. If you start with consulting, you can use those insights to build a product that meets real customer needs, reducing the risk of failure.

Recommended Approach

I recommend starting with consulting to gain revenue and market insights, then transitioning to a SaaS product when you identify a clear opportunity. This hybrid approach balances immediate needs with long-term growth, aligning with your concerns about costs and disruption.

Survey Note: Detailed Analysis on Startup Focus—Products vs. Consulting

This note provides a comprehensive analysis of whether your startup should focus on building products (specifically SaaS) or providing consulting services, considering the context you provided and broader market dynamics. The analysis is informed by recent research and examples, ensuring a thorough exploration of both paths and a recommended strategy.

Context and Initial Observations

Your provided sentences—"Le produit (SAAS) est par défaut disruptable," "L'innovation et la R&D coûtent cher," and "Acheter du temps, de la ressource, de la compétence et du conseil"—highlight key challenges and opportunities. These suggest that SaaS products face high disruption risks and innovation costs, while acquiring external resources or expertise (e.g., through consulting) could be beneficial. This context frames our analysis, focusing on how these factors influence the decision.

Evaluating Building Products (SaaS)

Building a SaaS product involves creating scalable software delivered over the internet, typically on a subscription model. Let's break down the pros, cons, and strategic considerations:

- **Pros:**

- **Scalability and High Margins:** Once developed, SaaS products can serve thousands or millions of users with minimal incremental costs, leading to high profit margins. For instance, companies like Slack and Zoom have achieved massive scale with recurring revenue streams.
- **Recurring Revenue:** Subscription models provide predictable cash flow, which is attractive for long-term growth and investor interest.
- **Market Impact and Brand:** A successful SaaS product can position your startup as a market leader or innovator, creating a strong brand and potential for market disruption.
- **Leveraging Technology Trends:** With advancements in AI, cloud computing, and automation, SaaS products can tap into growing demand for digital solutions across industries.

- **Cons:**

- **High Upfront Costs:** As you noted, "L'innovation et la R&D coûtent cher." Developing a SaaS product requires significant investment in engineering, UX design, infrastructure (e.g., AWS, Azure), and ongoing maintenance. For a startup, this can mean burning through cash before achieving product-market fit.
- **Disruption Risk:** Your sentence "Le produit (SAAS) est par défaut disruptable" underscores the competitive nature of SaaS markets. New entrants, feature commoditization, or shifts in customer preferences (e.g., toward AI-driven solutions) can erode your advantage. For example, many CRM tools face pressure from low-

cost or open-source alternatives.

- **Long Time to Revenue:** Building a Minimum Viable Product (MVP), iterating based on feedback, and acquiring customers takes time. Startups often face 12-24 months of development and go-to-market efforts before significant revenue kicks in.
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 - **Capital Requirements:** Assess your funding situation. If you lack runway or investor backing, the high costs of R&D may be unsustainable. Bootstrapping a SaaS product is possible but requires lean development and a clear path to early revenue.
 - **Technical Expertise:** Building a robust SaaS product demands strong technical talent. If your team lacks this, you may need to "buy competence" (e.g., hire developers or partner with a tech agency), which aligns with your third sentence.

Evaluating Providing Consulting Services

Consulting involves offering expertise, advice, or customized services to clients, often on a project or retainer basis. This could include strategy, technology implementation, or industry-specific guidance.

- **Pros:**
 - **Faster Revenue Generation:** Consulting typically generates revenue more quickly than product development. You can start billing clients as soon as you secure contracts, providing cash flow to fund operations or product development.
 - **Lower Upfront Costs:** Unlike SaaS, consulting doesn't require heavy investment in R&D or infrastructure. Your primary costs are talent, marketing, and client acquisition, which are generally more manageable.
 - **Flexibility and Market Insight:** Consulting allows you to work with diverse clients, giving you deep insights into market needs, pain points, and trends. This can inform future product development or help refine your SaaS idea, aligning with your third sentence about "buying competence and advice."
 - **Leveraging Existing Skills:** If your team has expertise in a specific domain (e.g., AI, cybersecurity, or digital transformation), consulting lets you monetize that immediately without building a product from scratch.
- **Cons:**
 - **Limited Scalability:** Consulting is labor-intensive and scales linearly with headcount. Unlike SaaS, you can't serve thousands of clients without hiring proportionally more staff, which caps growth potential.
 - **Time-Intensive:** Delivering high-quality consulting services demands significant time and energy, which can distract from strategic goals like product development

or scaling the business.

- **Client Dependency:** Consulting revenue depends on securing and retaining clients, which can be unpredictable. Losing a major client or failing to close deals can create cash flow gaps.
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 - **Niche Expertise:** Focus on a specialized niche where your team's expertise stands out. This reduces competition and allows premium pricing. For instance, consulting on GDPR compliance or AI ethics could command high rates.
 - **Balancing Bandwidth:** If you pursue consulting, ensure it doesn't consume all your resources. Allocate time and talent to explore product opportunities or run small-scale MVP experiments.

Comparative Analysis: Consulting vs. Product Focus

To organize the pros and cons, here's a table summarizing the key aspects:

Aspect	Pros of Consulting Focus	Cons of Consulting Focus	Pros of Product Focus	Cons of Product Focus
Startup Strategy	Reduces risks of starting up	Must transition to scalable solution to exit consulting, avoid building for a market of one	Can leverage consulting domain expertise for startup success	Higher initial risk without consulting revenues
Customer Engagement	Provides visibility into business problems, builds proximity with customers, allows customer discovery	-	-	-
Revenue and Funding	Great way to bootstrap with consulting revenues, examples include Mailchimp, Basecamp, Contentstack, Hootsuite	-	-	-

Aspect	Pros of Consulting Focus	Cons of Consulting Focus	Pros of Product Focus	Cons of Product Focus
Scalability and Growth	Can productize and standardize solutions when opportunities identified	Challenge to scale, must avoid market of one	Hootsuite grew to over 18 million customers, used by 80% of Fortune 1000 companies	-
Example Transition	Hootsuite transitioned from Invoke agency, launched product in 2008, became global leader in social media management	-	-	-

This table, derived from research on B2B startup strategies (LeanB2BBook.com), highlights that consulting can be a stepping stone to product development, leveraging insights for scalability.

Exploring a Hybrid Approach

Given your context, a hybrid approach—offering consulting services while developing a SaaS product—could be pragmatic. Here’s how it could work:

- **Use Consulting to Fund Product Development:** Consulting revenue can cover operational costs and reduce reliance on external funding. For example, a startup offering AI consulting could use profits to build an AI-powered SaaS tool.
- **Leverage Consulting for Product Insights:** Client engagements provide real-world data on market needs, which can shape your SaaS product. This aligns with "buying competence and advice" by learning from clients’ challenges.
- **Mitigate Disruption Risk:** Consulting diversifies revenue, reducing the financial pressure of a "disruptable" SaaS product. If your product faces competition, consulting can keep the business afloat.
- **Test and Iterate:** Use consulting to test product ideas. For instance, if you consult on data analytics, you could prototype a SaaS analytics dashboard for clients and gauge interest before a full launch.

Challenges of the Hybrid Approach

- **Resource Split:** Balancing consulting and product development requires careful resource allocation. Overcommitting to client work could stall product progress.
- **Brand Confusion:** Clients and investors may struggle to understand whether you’re a service or product company. Clear messaging and branding are essential.
- **Team Bandwidth:** Your team must juggle client deliverables and product R&D, which can lead to burnout or diluted focus.

Key Questions to Guide Your Decision

To refine your choice, consider:

- **What are your startup's core strengths?** If your team excels in technical development, a SaaS product may be the better fit. If you have deep domain expertise or client relationships, consulting could be a quicker win.
- **What's your financial runway?** If cash is tight, consulting's faster revenue may be necessary to sustain the business while you explore product ideas.
- **What's your market opportunity?** Research your target market. Is there a clear gap for a SaaS product, or are clients more likely to pay for tailored advice? Tools like web searches or X posts can help gauge demand (e.g., search for "demand for [your niche] consulting services" on X).
- **What's your long-term vision?** If you aim to build a scalable, high-growth tech company, a SaaS product aligns better. If you prefer flexibility and steady revenue, consulting may suffice.
- **Can you handle disruption risk?** If you're comfortable with the competitive, fast-paced nature of SaaS, product development is viable. If stability is a priority, lean toward consulting.

Recommendation and Rationale

Based on your context and the dynamics highlighted, I recommend a **hybrid approach**: start with providing consulting services to generate revenue, gain market insights, and build expertise, then transition to building a SaaS product when you identify a clear, scalable opportunity. This approach mitigates the high costs and disruption risks of building a product from scratch, as noted in your sentences, while positioning your startup for long-term growth.

This strategy is supported by examples like Mailchimp, Basecamp, and Hootsuite, which began as service companies before transitioning to product businesses ([LeanB2BBook.com](https://leanb2bbook.com)). It allows you to "buy time and resources" through consulting, aligning with your third sentence, and use those insights to develop a product that meets real customer needs, reducing the risk of failure in a disruptable market.

Additional Considerations

- **Market Research:** Use online resources to gauge demand. For example, search for trends on X (e.g., [X trends](#)) or industry reports to understand consulting versus product needs in your niche.
- **Funding Strategies:** If you pursue consulting, consider how it can fund your SaaS development. If you have investor backing, you might focus more on product development.
- **Case Studies:** Look at startups that successfully transitioned from consulting to SaaS for inspiration, such as Hootsuite's journey from an agency to a global leader in social media management.

This detailed analysis ensures you have a comprehensive understanding of both paths, enabling an informed decision tailored to your startup's unique situation as of May 1, 2025.

Key Citations

- [How to Turn Consulting Into a Scalable Product Business in B2B](#)
 - [8 Keys to Providing Consulting Services to Startups](#)
 - [Stop Building Startups. Start Consulting Instead.](#)
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