

**SAAAS IS
DEAD.**

MICHAEL LITT

11.05.2025

CONTEXT:

1. VIDYARD: 2011 → PRESENT = B2B SAAS

- d. 8000+ CUSTOMERS
 - i. >\$300M DEPLOYED
 - ii. B2B: SMB → ENTERPRISE

2. GARAGE CAPITAL: 2013 → PRESENT

- d. > 230 INVESTMENTS
 - i. ~50% “~~B2B SAAS~~” BUSINESS SOFTWARE, ~50% “MOONSHOTS”
- b. CURRENTLY INVESTING OUT OF OUR 5TH FUND
 - i. ~\$200M DEPLOYED

 ASTRANIS

 moment energy

 Float

 Buf

 nicoya

 together
an Absorb company

 MultiplyLabs

Poka

 ApplyBoard

 HyperComply

 VAPI

 substack

 OpenPhone

 EMBARK

 KINDRED

 people.ai

 CLEARPATH

 KEPLER

 groq

 CLEARCO

 REBEL

 side

 gecko

 Relay

 BetterUp

 ada

 easypost

Atlas

 niaHealth

 trusscore

 Pine

 lomi
by pola

FÜM

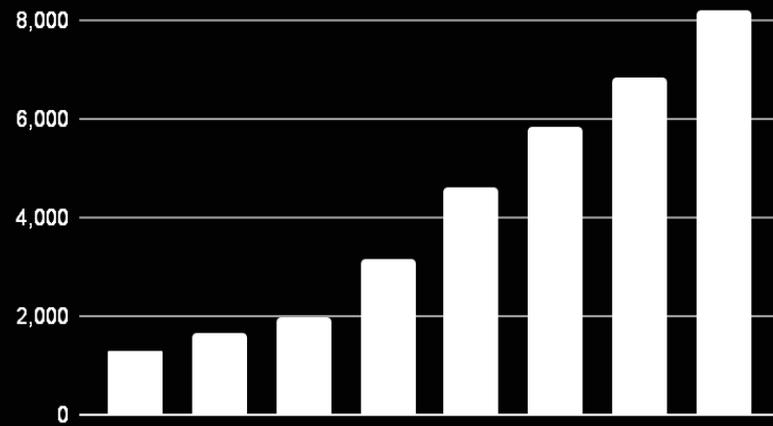
 REBEL

Quilt

 ENVIGO

 maxsold

 jetson





SAAS IS DEAD.

Market Segmentation Strategy

Market Segmentation Strategy: This section discusses the importance of identifying and targeting specific market segments to maximize marketing effectiveness and ROI.

Market Segmentation

Market Segmentation: The process of dividing a market into smaller, more homogeneous groups of consumers based on various characteristics such as demographics, psychographics, and behavior.

Market Segmentation

Market Segmentation: This part of the document explores different methods for segmenting a market, including demographic, geographic, and psychographic segmentation.

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Market Segmentation: The final section in this column discusses the challenges and benefits of market segmentation and provides practical advice for implementation.

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FIN.

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THE GREAT SOFTWARE ARC.

ON-PREM → SAAS → RAAS

- CIRCA 2000:
 - **ON-PREM:** OWNERSHIP, CONTROL, CAPEX HEAVY
- CIRCA 2010s:
 - **SAAS:** ACCESS, ITERATION, OPEX-FRIENDLY
- CIRCA 2025+:
 - ****RAAS:** OUTCOMES, AUTOMATION, PERFORMANCE BASED

THE SAAS HANGOVER.

ACCESS ≠ ADOPTION ≠ ROI

- POST PANDEMIC, COST OF CAPITAL++ (LESS RESOURCES)
- 35% REPORT INCREASING SAAS WASTE
- ONLY 43% CLAIM FULL VISIBILITY
- SAAS FATIGUE → BUDGET COMPRESSION → TOOL CHURN

THE BUYER HAS CHANGED.

CUSTOMERS DON'T WANT SEATS. THEY WANT RESULTS.

- ENTERPRISE: PREFERRED PRICING: 38% CONSUMPTION, 31% OUTCOME-BASED, 20% PER-USER
- ONLY 48% OF INITIATIVES MEET TARGETS
- RENEWALS DEMAND PROOF OF ROIC

THERE'S A NEW "OPERATOR" IN TOWN.

FROM ADMINISTERING TOOLS → ORCHESTRATING OUTCOMES

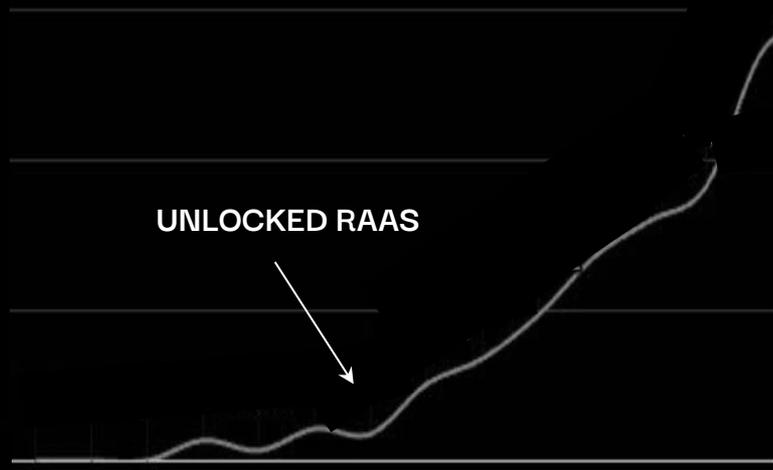
- FEWER DASHBOARDS, MORE DECISIONS
- PLAYBOOKS → AGENT POLICIES
- KEY METRICS: GUARANTEED OUTCOMES DELIVERED
 - ROIC
 - NRR++
 - PIPELINE++

SAAS DEMOCRATIZED ACCESS; RAAS DEMOCRATIZES SUCCESS.

Meet Wilson – the only
AI to run logistics
for manufacturers.



FULL STACK AI = RAAS.



UNLOCKED RAAS

🚩 OpenPhone is now Quo and we've raised \$105M to fuel what's next

Learn more

Quo

Product ▾

Solutions ▾

Resources ▾

Pricing

Log in

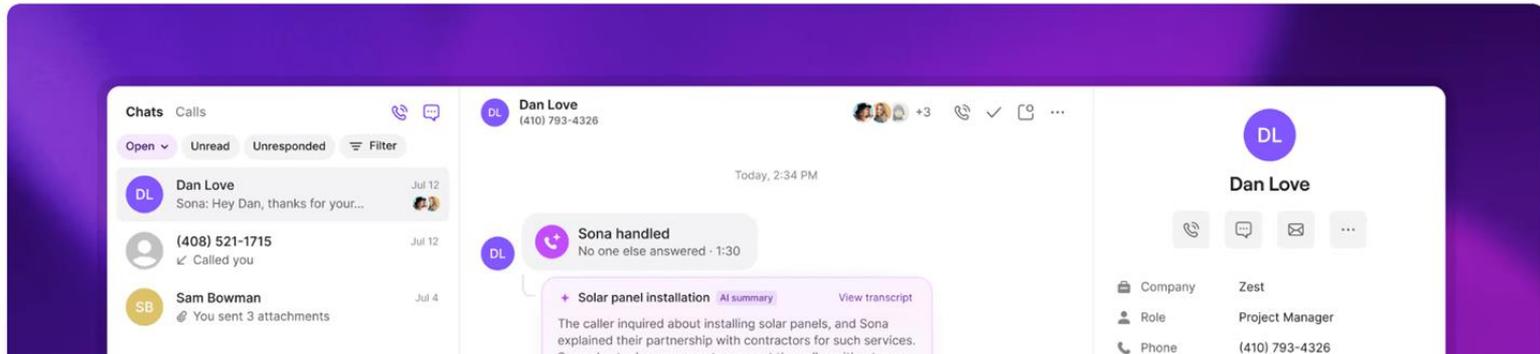
Talk to Sales

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🔄 Sona AI agent

Never miss a call. Never miss a customer.

Your always-on AI agent. Sona answers calls 24/7 so you never miss a customer or lose an opportunity.





Product ▾

Solutions ▾

Resources **New**

Pricing

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Sign Up for Free

VIDEO AGENT

Grow revenue by automating personalized engagement

Video Agent automatically engages prospects with personalized video messages throughout your sales cycle. With a one-time workflow setup, you can continuously send personalized videos on your team's behalf.

Get a Demo

Watch a Video

INVESTOR HAT ON.

Who Will Buy The SaaS Companies?

by Jason Lemkin | Blog Posts, Exit

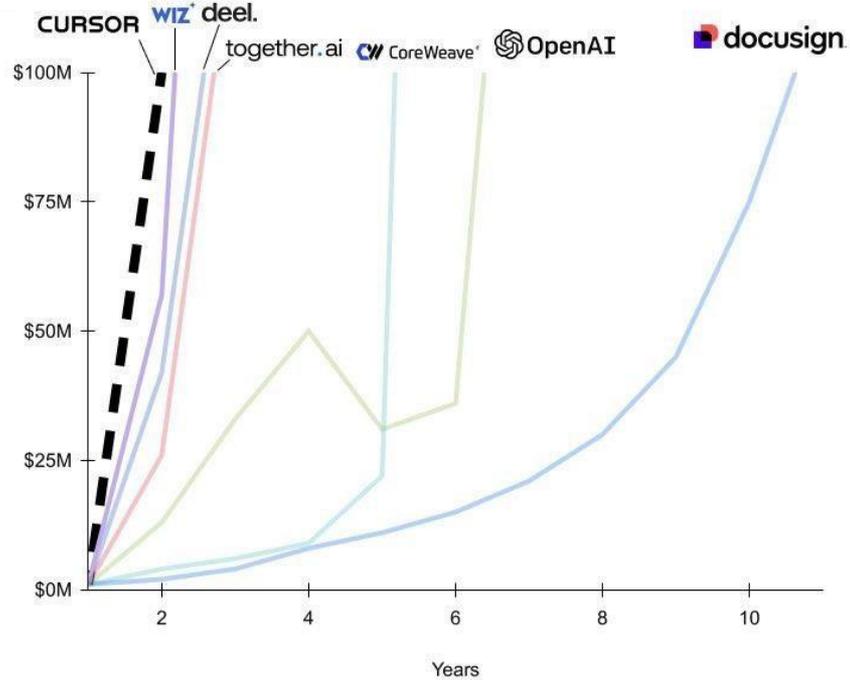
We're sitting on a really big problem in SaaS nobody wants to talk about much.

The exits ... are no more.

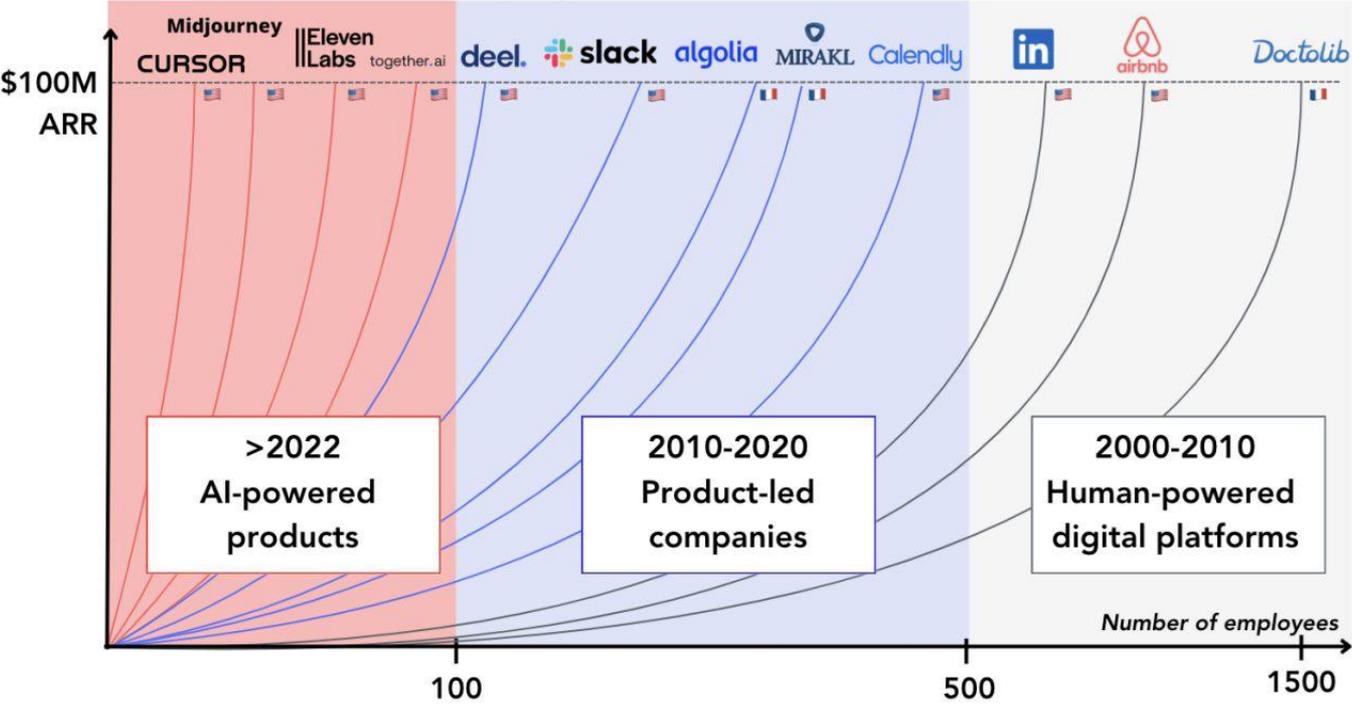
For years, we had a predictable exit playbook:

CURSOR

Years from \$1M to \$100M ARR



Employees to reach \$100M ARR



Sources: Personal database aggregating and enriching funding round data from Crunchbase, eCap, and Dealroom. Press & Companies' websites. Assuming linear growth of employees

Valuation jumps from Seed to Series A carta

The multiple step-up for AI companies is approaching peak wild times

Data: 9,184 Series A rounds raised by US companies on Carta | Q1 2019–Q3 2025

Median step-up multiple from Seed to Series A in post-money valuation



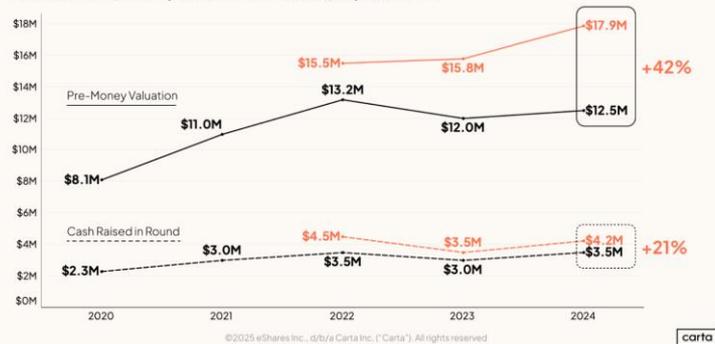
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Seed round valuations favor AI companies

Median seed round pre-money valuations and cash raised | Split by AI and non-AI

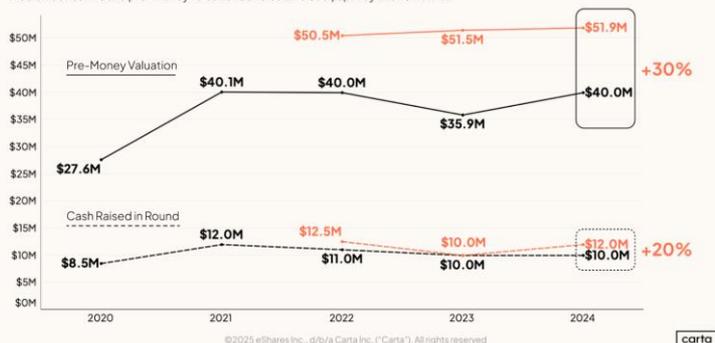


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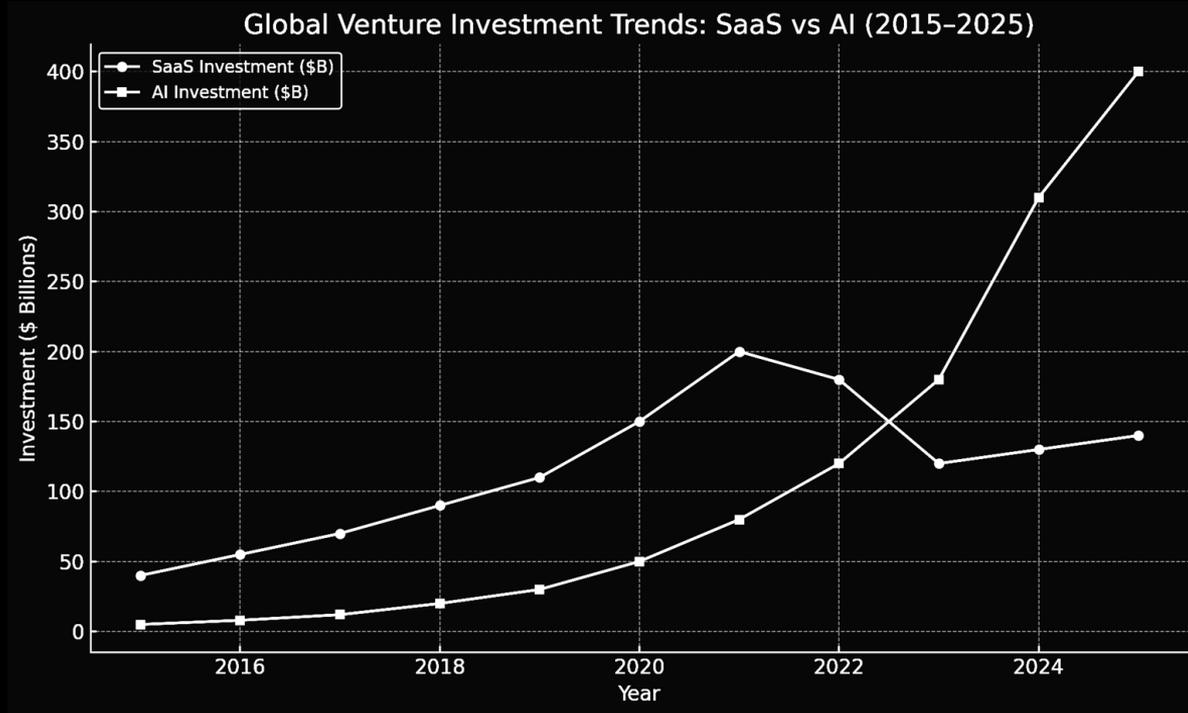
Series A round valuations favor AI companies

Median Series A round pre-money valuations and cash raised | Split by AI and non-AI



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Patrick Collison ✓

@patrickc



An interesting trend we're noticing at Stripe: US startups are pulling ahead of their peers elsewhere.

These charts show averaged revenue growth for software startups in each location. US startups typically grow somewhat faster than those elsewhere. However, since mid-2023, US companies have accelerated a lot. Interestingly, this is not just because of AI startups: if we strip those out, there's still a big divergence. Our leading hypothesis is that US startups (even those that aren't AI companies as such) are adopting new technologies (AI, stablecoins, etc.) faster than companies elsewhere. (This pattern of faster adoption among US companies was also seen with the internet itself.)

Whatever the cause, the pattern is striking.

[Methodological note: this pattern appears to hold beyond Europe as well.]

**WANT IT
ALL**



FINAL THOUGHTS

RESULTS-AS-A-SERVICE = OUTCOME-GUARANTEED SOFTWARE

- THIS ISN'T JUST FOR CA BUILDERS, IT'S FOR CA OPERATORS.
- **DEFINITION:** CUSTOMERS SUBSCRIBE TO RESULTS, NOT LICENSES
- **PRICING:** OUTCOME-ALIGNED (PIPELINE \$, RETENTION, ETC.)
 - **SELL “THE WORK”, NOT YOUR MARGIN**

SAAS SOLD ACCESS. RAAS SELLS CERTAINTY.

LET'S GO CA



LINKEDIN: MICHAEL LITT

THANK
YOU

TRY VIDYARD TODAY!