SaaS & Developer Tool Ecosystem

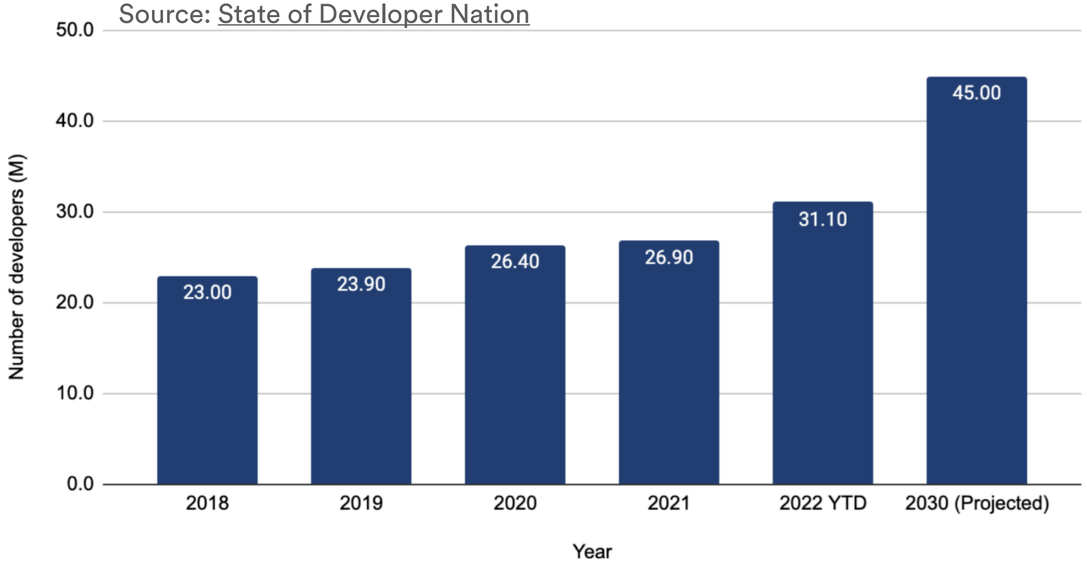
Developer Landscape

- **Developer Platform**
  - Consists of Platform usually accessed via API by developers | Twillio
- **Developer Toolkits**
  - IDEs, SDKs, Frameworks which help to create | VS Code
- **Developer Infra Stack Tools**
  - Products/Softwares used for coding, deploying, maintaining and monitoring | DataDog | GitHub
- **Workflow Tools**
  - Collaboration between various teams | Asana

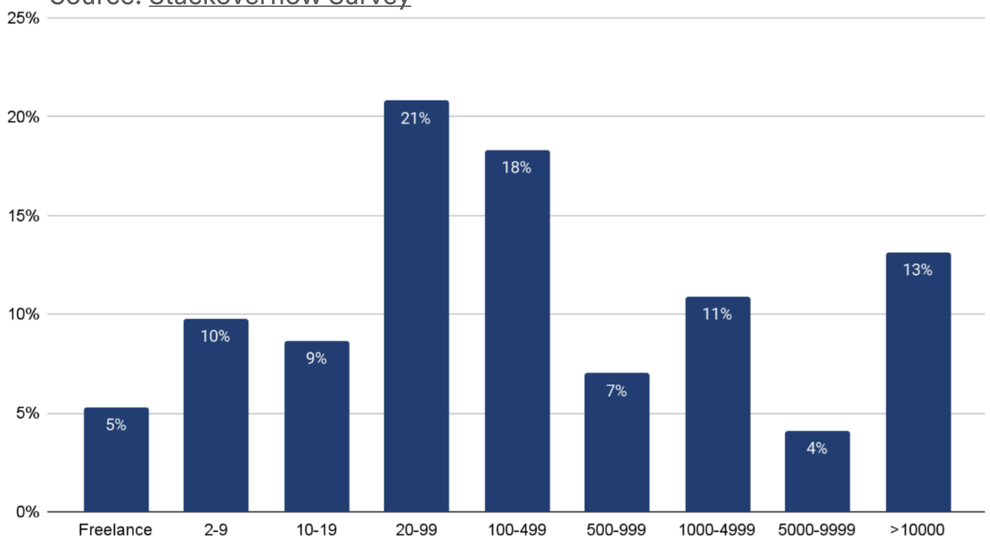
As the number of companies increase with less than 500 employees, Dev Tools become more vital as bandwidth to develop internal tools is less

- Number of developers is set to rise at a rate of 5-6%
- More than 58% of developers work at companies of less than 500 employees
- Developers often wear multiple hats - work in more than one domain of tech

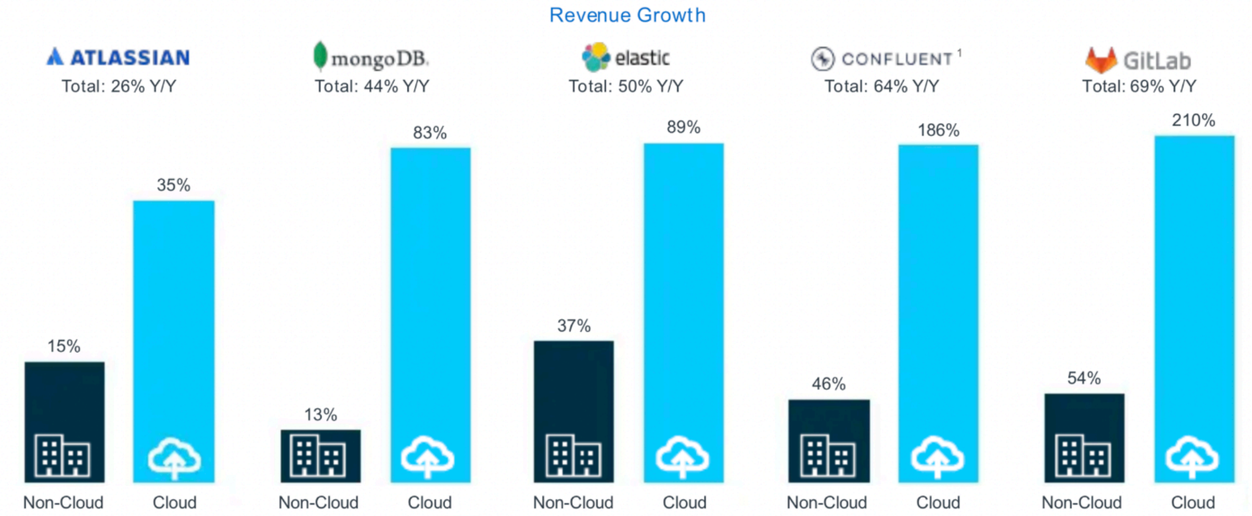
Source: State of Developer Nation



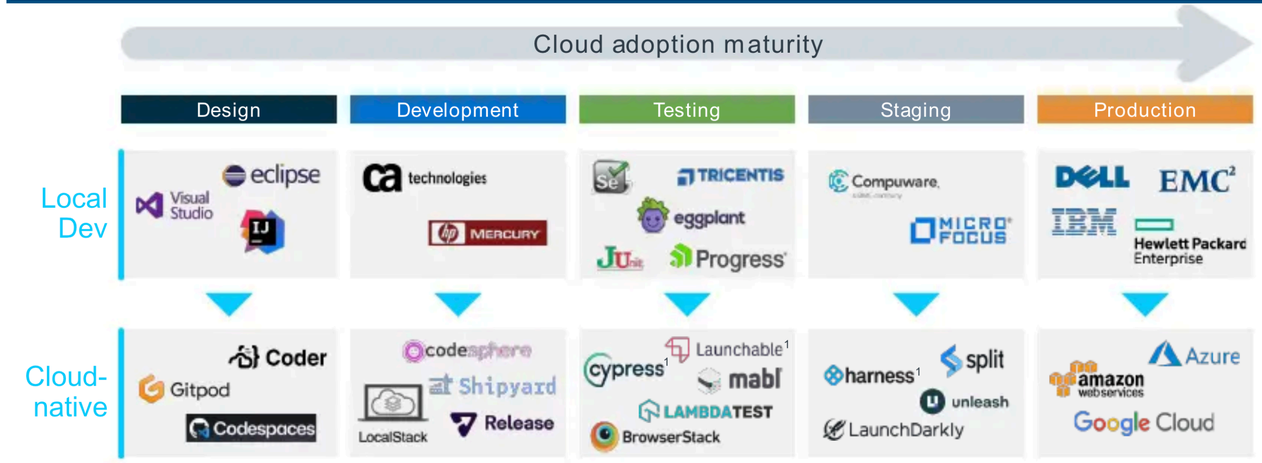
Source: Stackoverflow Survey



How many tools and why not free?

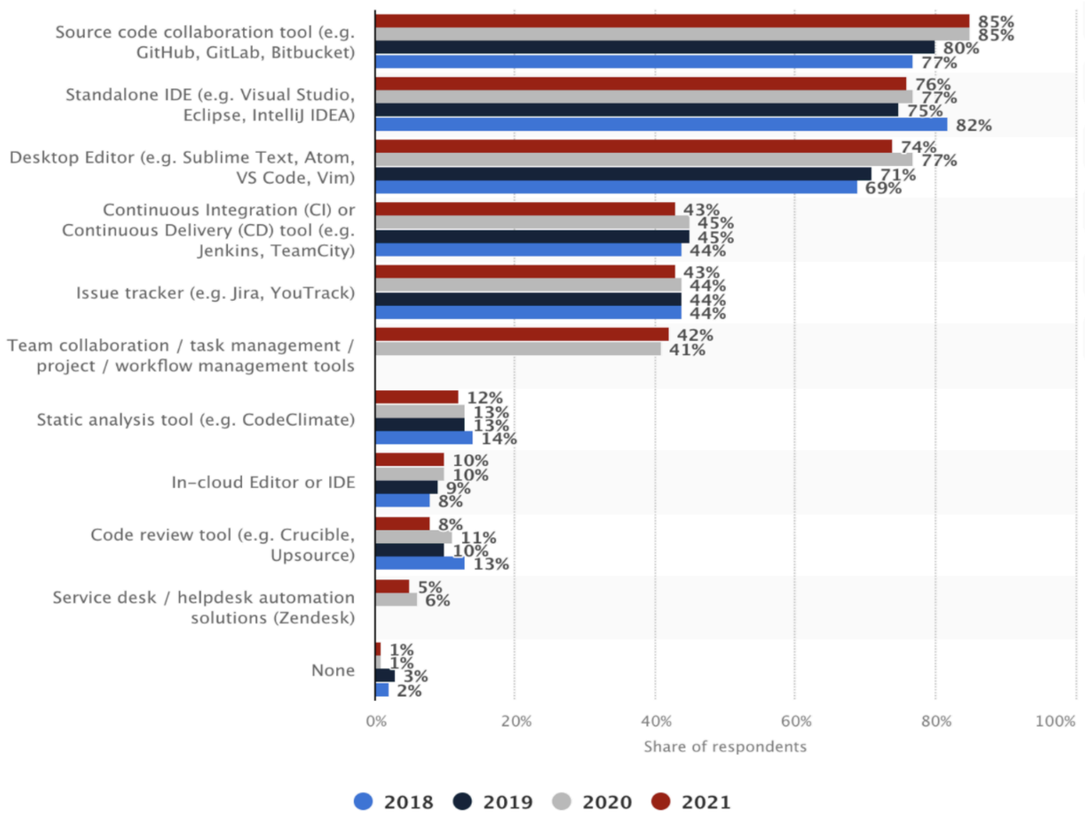


- Here Non-Cloud is self hosted which is free or at minimal cost
- Dev Tools are being consumed on Cloud - which means subscription
- Software Delivery Lifecycle is now moving to Cloud



Source: Open Cloud Report 2021

Source: State of Developer Nation



- Developers use atleast 4 tools on an average
- Primary Tools used by them are in following categories:
  - Version Control
  - IDEs and Code editors
  - CI/CD tools
  - Issue Trackers like JIRA, Asana

How much do they earn and retain

Source: Developer-Led Landscape

Developer-Led Landscape

Products sold directly to, purchase-influenced, or consumed by developers — **$64B +16%**

Software Delivery Lifecycle

Process solutions that coordinate how teams design, develop and test software — **$5.4B +10%**

Project Management + Agile	→ $2.88B +9%
ChatOps	→ $1.36B +6%
RPA for DevOps	→ $81M -1%
Engineering Efficiency	→ $143M +12%
Developer Enablement	→ $642M +35%
Value Stream Mgmt.	→ $307M +5%

164 Cos, 25 New, 10 Acq., 5 Bankrupt

Dev Tools

Individual software construction instruments — **$3.7B +4%**

Languages	→ $546M +0%
SDKs + FWs	→ $967M +12%
Design IDE	→ $898M +3%
Code IDE	→ $994M +3%
Dev Envs	→ $245M +70%
API IDE	→ $46M -1%

230 Cos, 36 New, 8 Acq, 9 OOB

Dev Infrastructure

HW & SW to support distributed, repeatable software construction — **$12.0B +12%**

Version Control	→ $1.4B +35%
CI + CD + Build	→ $1.27B +5%
Test Automation	→ $2.28B +3%
Code + App Security	→ $2.14B +32%
Artifact Repository	→ $529M +18%
Config + GitOps	→ $1.19B +11%
SRE + Debugging	→ $3.18B +10%

557 Cos, 101 New, 43 Acq., 19 Bankrupt

Dev Platforms

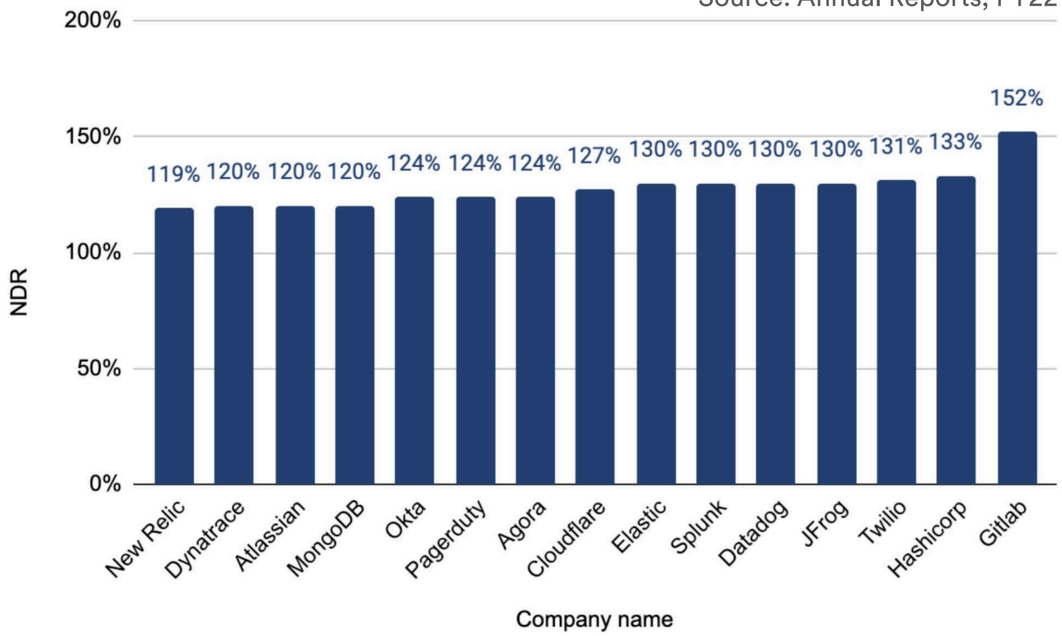
Developer-interfacing, code-first, and API-only runtimes — **$42.8B +22%**

App Srvrs	→ $13.5B +2%
PaaS	→ $7.3B +9%
Low Code	→ $5.02B +67%
API as a Product	→ $16.9B +26%

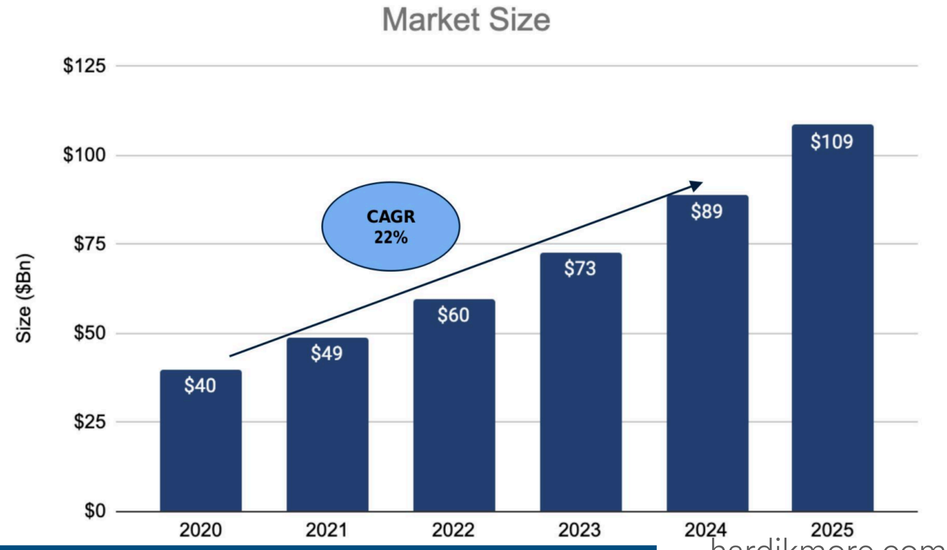
549 Cos, 51 New, 22 Acq., 20 OOB

Last Update: July 2023

Source: Annual Reports, FY22



- Developer Led Landscape is around $64B, with YoY growth rate of 25% in previous years
- Tech Startup spend on Dev Tools is around 22.7& (here)
- NDR for Developer Led Landscape stands at an average of 125%+



At 22% CAGR, Developer Landscape is expected to be $109B by 2025

Developer Tool Ecosystem and emerging themes

The Periodic Table of DevOps Tools (V4.2)

Source: DevOps Periodic Table

- The classification of Developer Landscape into segments and nature of availability shows Open Source availability in maximum segments
- Leaders in terms of features and offering in each segment is driven by Enterprise tools
- Even though developers do not prefer paying for tooling, inability to build and maintain internal tools has resulted in this industry to adopt more of cloud based tools

Amongst the 22 segments of Developer Tools, following are few themes that we would like to focus with expected high growth rates and adoption

Emerging Themes

As cloud infrastructure scales at various levels, optimising for performance and spends become important

FinOps - Cloud Spend Monitoring

With increase in tech proliferation, low-code tools across functions are critical

Low - Code Tools

ML at edge is evolving as end user device compute ability increases

Edge Computing

With more companies being API-first, features for API design, documentation and deployment are high in demand

API Management Tools

FinOps + Cloud Monitoring

- FinOps is a new discipline that has emerged in recent years. It caters to forecasting and monitoring cloud spends, usually reported to CTOs.
- With Multi-Cloud adoption as a standard, performance & spend monitoring becomes critical

- From orchestration, monitoring to cost management, there are interesting players in the market
- CSPs too provide tools for these - however multi cloud support is not possible in this regard

CloudQuery

lumigo

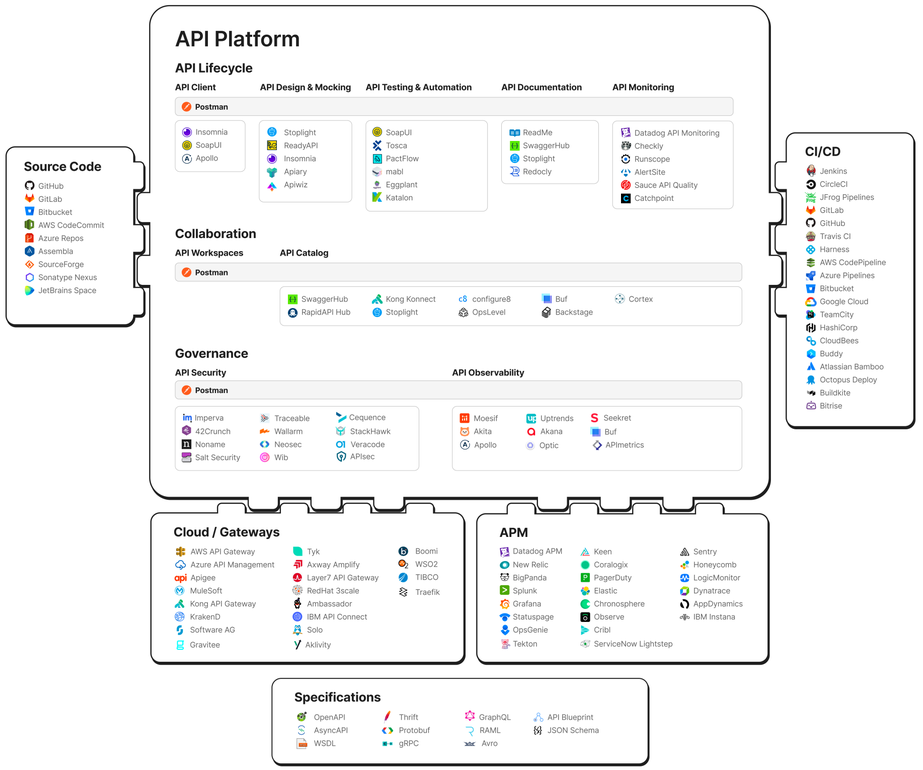
finout

splunk>

API Management

- With more companies going API-first and monetising with API as a product, API designing, developing, testing, security and documentation becomes more important
- Emerging patterns in this segment are:
  - Universal API Management across enterprise
  - In-built automation testing for security
  - API discovery and documentation

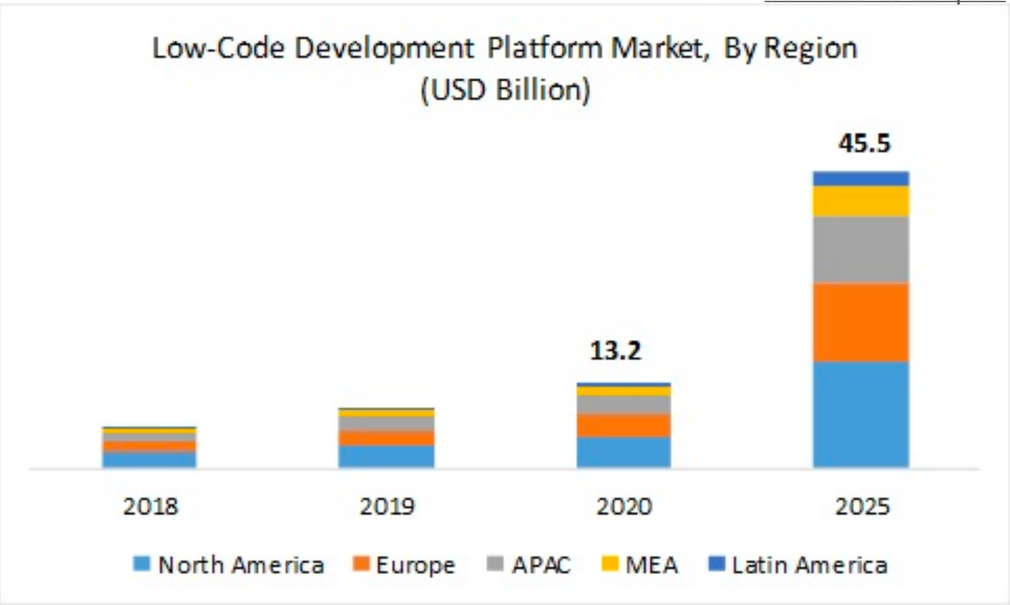
API Platform Landscape Source: State of API Report



Low Code Tools

- As organizations look to enable non-tech employees with the ability to create and maintain applications and services using opinionated techniques, low-code tools has seen growth in adoption and subscriptions
- Freemium models or per user/application pricing ensure organisations can adopt faster and as per requirement

Source: Gartner LCD Report

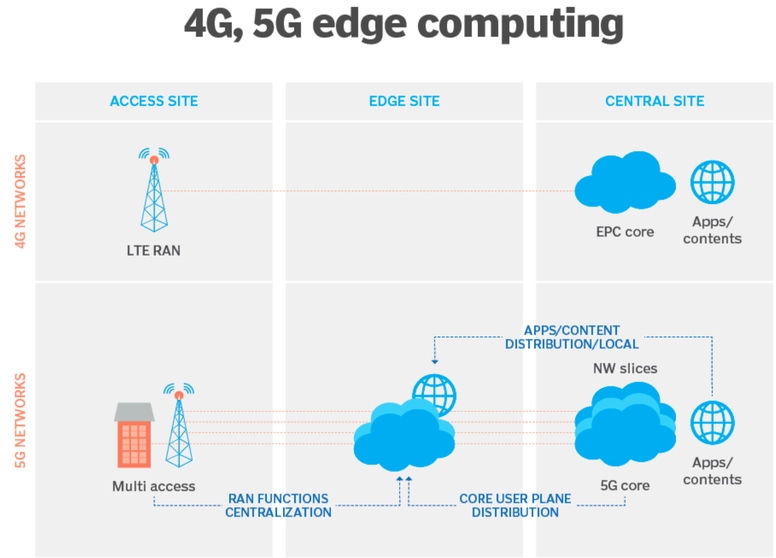


- Low Code Development Tool Market has annual growth rate of around 23%

quickbase outsystems Retool bubble

Edge Computing

- Edge Computing is a distributed application architecture which brings computation and data storage closer to sources of data
- Most effective for event driven applications, where cloud computing models fail to provide edge
- Moving ML closer to data to end service to reduce privacy concern along with automation to enable edge scalability
- With 5G adoption and increased computation capability of end user devices, Edge Computing is bound to grow



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