

Indian SaaS start-ups to be valued at \$50 billion by 2025

Revenues of start-ups will grow to \$10 b in 10 years, says Google-Accel report

OUR BUREAU

Bengaluru, March 4

Software-as-a-service (SaaS) is emerging the next big growth opportunity for Indian SaaS start-ups in the global market over the next 10 years, led by demand from small and medium businesses (SMBs) in the US and Europe.

According to a joint report released by Google and Accel Partners on Friday, Indian SaaS start-ups, which generate annual recurring revenues of \$600 million from global demand at present, will see revenues grow to \$2.5 billion by 2020 and \$10 billion by 2025. The country is home to over 500 SaaS start-ups at present.

Pointing out that, India's advantages in engineering, inside sales, product management and mobile-first skillset create a highly advantageous opportunity for SaaS businesses to be profitable and scale quickly, Shekhar Kirani, Partner at Accel India, said: "These competitive advantages will help Indian SaaS companies see strong growth and create \$50 billion in value over the next 10 years. We are already seeing many Indian SaaS start-ups creating world-class products successfully for



Emerging trend Rajan Anand (left), Vice-President and MD, Google Southeast Asia and India, with Shekhar Kirani, Partner, Accel India, at a press conference in Bengaluru, on Friday GRN SOMASHEKAR

global SMB market." Twenty five per cent of Accel's portfolio companies in India are SaaS start-ups.

The report outlines that purpose built global SaaS products will see hyper growth and adoption from SMBs and contribute to more than 75 per cent of the public cloud revenues driving the global SaaS industry to \$132 billion revenues by 2020 from \$68 billion today; of which SMB SaaS is expected to reach \$76 billion from \$24 billion today.

Key areas

By comparing unit economics advantages and current spread of demand fulfilment, the report reveals customer relationship management, data visualisation, human resource management, marketing, healthcare and educa-

tion as some key areas where big global SaaS companies can emerge out of India.

Rajan Anandan, Vice-President and Managing Director, Google Southeast Asia and India, said "Cloud computing is one of the top technology investment trends of this decade with venture funding for purpose built SaaS solutions exceeding \$18 billion in the last four years. Indian start-ups have an edge as mobility is also becoming a key requirement by SMBs for SaaS."

Our start-ups are already building world-class solutions for the mobile first users, this strength combined with easy access to global customer base online, will help India become a strong player in the global SaaS industry, added Anandan.