

New Dot Spot

3 Expenses You (Probably) Failed to Account For

by **Michael A. Borthwick** Founder of New Dot Spot. February, 2017



This is a free excerpt from the book, “What’s Next? Everything I wish startup founders knew about the software development lifecycle” by Michael Borthwick

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Startups Wanted
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Most of this eBook appears in two other publications; the whole book, “What’s Next? *Everything I wish startup founders knew about the software development lifecycle*” by Michael Borthwick. It is also reproduced in the free eBook, “*How much is this going to cost and how long will it take?*”, which is available for free on newdotspot.com.

If you’ve read any of our other eBooks or attended one of our workshops or seminars, you’ll already know that the most common expense startups fail to account for is change.

Changes to the software after it’s built account for far more than the total cost to implement a first version.

Post Launch Modifications

Price Range: minimum 10% of initial budget per month.

If there is one thing that I would like you to know about what this is going to cost it’s that it never stops costing. I have never ceased to be amazed by the mindset of “we’ll launch when it’s done”. You will never be done. There will always be changes, new features, and bugs. Always. Software development that slows down or stops, dies - just like a shark.

Even as I write this book I know I’ll be coming back and editing it before I publish it. After I publish it I’ll continue to make changes and at some point a “second edition” will be released. The day I stop making changes and updating the content of this very book is the day this book becomes irrelevant.

Change continues in all industries, but for some reason, people seem to hold on to this mythical notion that software is somehow immune to change. Maybe there was a day back in the time of gaming cartridges that meant shipped equaled done, but those days are long gone.

Managed Hosting

Price Range: \$50-\$1,500+/mo

Does your app rely on a server to function? Do you know what runs a server? That’s right, software and just like we talked above, software that doesn’t change becomes irrelevant. While I’m sure you don’t want to use software that’s irrelevant, have you budgeted for changes to the software on your server?

From the operating system to the software you built for your app, you'll need to keep that up to date. From uptime guarantees to basic security you'll need to keep that up to date. You can look at hosting costs from any provider out there and go with the cheapest or free provider you can find, but you're still going to have to maintain that server.

Sometimes people think they can host for free or do it themselves, until the server goes offline and they find themselves on hold with their hosting provider or worse, talking to a level 1 service technician.

The ultimate nightmare also happens when they discover that their hosting provider doesn't do technical support for a failed Wordpress updates and no, they don't do backups for free.

Managed hosting is critical to any venture and yes, just like in life, you get what you pay for.

Roadmap

Price Range: \$1,000 - \$7,500

A roadmap is like a business plan, but for the development of software. Like a business plan, it is only an estimate of what might happen if you execute well and are lucky enough to avoid any unforeseen pitfalls or technical hurdles (did you build a prototype?).

A Roadmap contains descriptions of the primary users, the user story (or stories), wireframes of every screen, outlines of key functionality and is used to organize and identify every component of the project.

Once those components are identified, it becomes easier to estimate how long each component might take. Even more valuable, is that those estimates can be tracked and compared as we move through the development stage giving you a clear velocity (how well the project is moving along). With that understanding, it should be easy to see that your roadmap is critical to your project management efforts.

Roadmaps, like business plans, are best done by highly specialized individuals and take a lot of time to produce. They are, therefore, somewhat costly. The primary value of a roadmap is that they provide the clarity you need to answer the question, "What is this going to cost to develop?" If you are going to raise funds, this is the document you need and the answer you produce will be of a level potential investors will appreciate.

The roadmap has many other valuable uses as well. Developers follow the roadmap while building the software. Marketing uses the roadmap to create their message. Design uses the roadmap to build the user interface, etc... As powerful and as important as your

business plan, the roadmap is a critical piece of documentation that no software startup should be without.

To answer your question, “How much is this going to cost?” The best way to find out is to build a roadmap.

We love to do roadmaps here at **New Dot Spot**.

Contact us if you're ready to get serious, but until then be aware that everything you read online, including this book and all our eBooks, is all based on generalizations.

Thank you for reading!

Be sure to [sign up for our mailing list](#) with more information on workshops, presentations and future eBooks (like when we do a roadmapping workshop in your area our when the Wireframing eBook is ready, for example).

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