Expanding your business and sustaining innovation

How do you go from a lone engineer with an idea, to a business employing five or six others, all working towards the same goal? Here we consider why you should expand your business, explain how, and share developers' thoughts on innovation.

Why expand your app business?

Unless you have a compelling urge to socialize with other people, chances are you'll want to hire more people into your business to increase revenue. Only you can decide when's the right time to do that, but here are some of the drivers that may influence your decision.

The network effect

While it's possible to sustain your business with just one app, it's more advantageous to have several apps. Having a network of apps enables you to cross-promote within your user base and transition users to a new app as they tire of the one they're currently using. Nearly half of users surveyed by AdMob say they stop using an app because they lose interest.[35] More apps mean more users, but you'll need more hands on deck to help develop and maintain them.

Going cross-platform

To increase your market reach, you need to make your app available across multiple platforms. If you don't possess the skills or have the time to learn, you'll need dedicated developers for Android, iOS and other platforms.

Better customer support

It's important to build an efficient support system to keep your users happy. Even the most simple, non-transactional app can yield support questions, and your ability to respond can impact how users rate your app. In our five-market survey, we found that on average, 42.5% of respondents contacted an app's customer support team for help. The top reasons for doing so included app crashes or certain features failing to function as intended.[36] Inevitably, these enquiries will increase as your user base grows.

Manage and improve an existing app

As we've mentioned here, losing interest is the number one reason why users discontinue using an app. Developers need to keep their apps fresh to keep users interested and engaged. You should continually update your apps to make them more user friendly, intuitive, and to keep up with platform-specific design principles. In our research, we found that most users expect an app to be updated monthly.[37]

Consider too that if you have a global user base, you should localize your apps to give them the best experience. See chapter six on app localization for tips and best practices.

Challenges you'll face as you expand, and how to tackle them.

Hiring good developer talent

Recruiting the best talent is the first step towards success. Ilkka Paananen, the CEO of successful games app developer, Supercell, attributes the success of his company to the caliber of his team, all of whom had at least a decade of experience in the gaming industry. "When you set up a company, the only thing - the only thing - you should care about is getting the best people" he says, "From that, good things will happen."[38].

Family and friends.
Recruiting friends and family is a great way to find people you know and trust. Due to their familiarity, they may make a better cultural fit, but you may not be recruiting the best employees.

Staffing agencies.
A staffing agency can help you recruit from a wider pool. The advantage is they do the work for you: posting job descriptions; screening applicants; and, setting up interviews with candidates deemed most qualified. However, as with any external service provider, hiring a staffing agency will incur fees.

Professional networks.
Another way is to recruit through your professional networks. Present and former co-workers make good candidates because you already know what they have to offer and what their weaknesses may be. You may also want to consider networking sites like LinkedIn, Quora, and Github to find talent.

Building a sales team
If your passion is app development, and you want to continue focusing on that as the business grows, hire people who can put energy into other areas of the business, such as sales.

A business development manager can help you identify new revenue opportunities. If your revenue model is based on advertising, you should expect your business development manager to create a core value proposition which is compelling to advertisers, and build up a portfolio of clients.

As your client list grows, you'll have a more difficult task balancing the needs of your users versus the needs of your advertisers. For example, advertisers may want a larger ad unit to showcase their products, which you don't yet support. Do you assign development time to that or to building a highly-requested feature from users? A business development manager can help define and prioritize these requests.

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ILKKA PAANANEN
CEO and Founder, Supercell

Investing in user acquisition
User acquisition should be treated as a science if you want to get the best results. Finding new users at the right price point, retaining them, and maximizing your income from each one, can take an enormous amount of effort.

An external marketing agency can help define the key metrics that will make your business successful and build a customer acquisition model. They can do this through in-app advertising campaigns, cross-promotions, social media, and many other channels. If you don't have expertise in this area, outside help can generate a positive return on investment for your marketing spend. A good agency will continually seek to improve marketing campaigns to make them work as efficiently as possible through optimization, and apply learnings on an ongoing basis.

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TONI FINGERROOS
CEO and Founder, Fingersoft

Innovating
One of the the hardest aspects of app development is improving an existing app, or following one successful app with another. We spoke with top app developers to understand how they approach this challenge.

Add new features
One way is to improve your existing app is by adding new features. Finnish developer, Fingersoft, did this by improving on its Hill Climb Racing game. They asked users what they'd like to see in the game and implemented the most popular requests, such as adding a tractor that users could race. "We base updates and games on user feedback. It doesn't matter where the user is from, it's about what they tell us," says Toni Fingerroos, Fingersoft's CEO.[39]

Build similar apps
It's better to build an app that appeals to your current user base than to build an app that requires generating a different user base. Japheth Dillman is the co-founder and Chief Creative Officer of Yetizen, a start-up accelerator focused on gaming apps. He explains, "If you already have a successful app, creating an app that is contrary to the user base you've already built is a waste of time because you can't cross-promote in the network you've built." Instead, Dillman encourages developers to figure out what they're passionate about and build up a suite of apps based around that demographic.

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Identify trends
When building a new app, look at popular apps, identify their strengths, and consider how to iterate on those to make something new. In fact, many innovative apps result from small tweaks in existing apps, says Japheth Dillman.

"If you look at some of the most innovative products that redefine a genre, they didn't innovate the entire experience, they worked on a small part of it. For example they've combined two different experiences so their understanding was the combination of the two."

Consider combining the best elements of two or three apps and tailor them to a certain kind of demographic.

If people love to do one thing on one app and another thing on another app, an app that enables users to do both can have a unique advantage.

One example is Pheed, a popular social-media app that lets users share videos, photos, audio, and more in one convenient place. The app not only combines elements of other social media - Twitter, SoundCloud, Tumblr, Ustream, Instagram - but also expands on their capabilities. Pheed users can send longer messages, filter content, rate their own channels and copyright content.

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Best Practices

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Solve for practical needs.
Sometimes the best innovation comes from thinking about how an app could solve your own, everyday problems.

We spoke with Edward Kim, the developer of Car Locator, an app that helps users find their parked cars. "I came up with the Car Locator idea because I had a poor memory. I would park my car in the parking lot and not be able to find my way back to it after shopping. I thought that it would be cool to write an app to find where you parked your car." Car Locator became a huge success, winning third place in the travel category of the Android Developer Challenge 2 contest.

"My advice is to just build something that you yourself want because its likely other people will want it as well. As long as you focus on that, the rest will fall into place. You don't really have to push it onto others or convince others," says Kim.