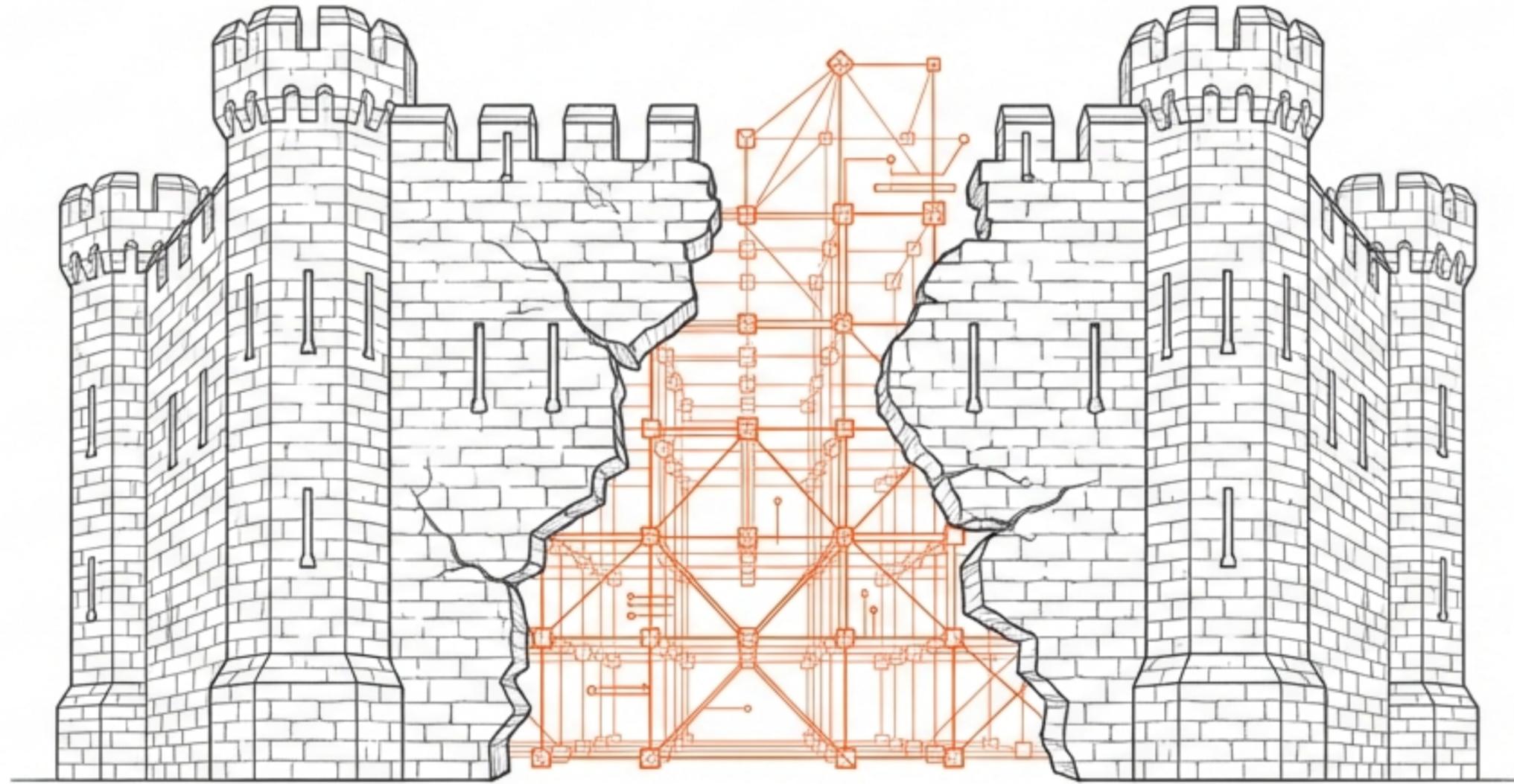# THE SAAS MOATS ARE CRUMBLING, BUT THE OPPORTUNITY IS BIGGER.

From Software-as-a-Service to Context-as-a-Service (CaaS)

ANALYSIS BASED ON INSIGHTS FROM SCOTT BRINKER
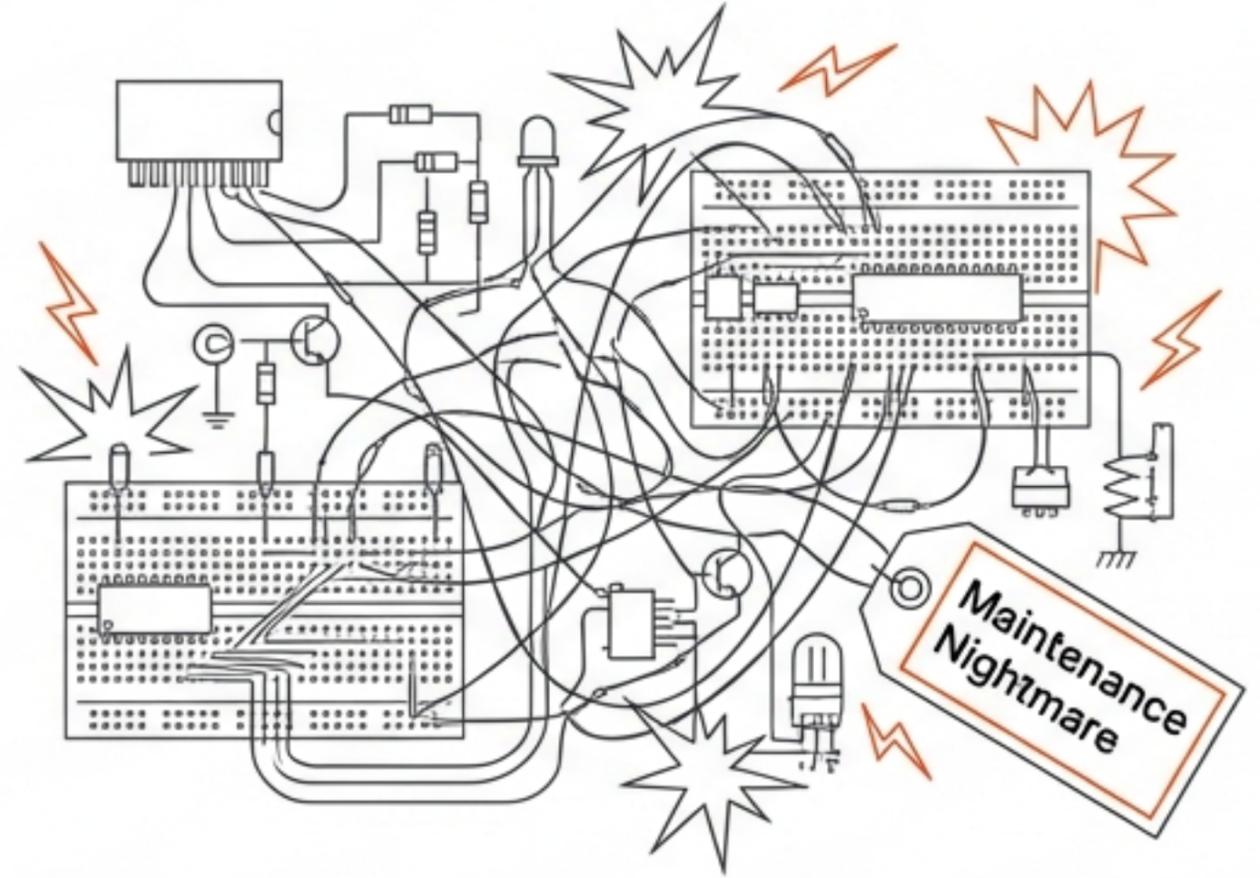
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Who Moved My Moat?

THE FEAR

SaaS stocks are hammered. Pundits claim **AI can can code anything.** The narrative is that **software is dead.**
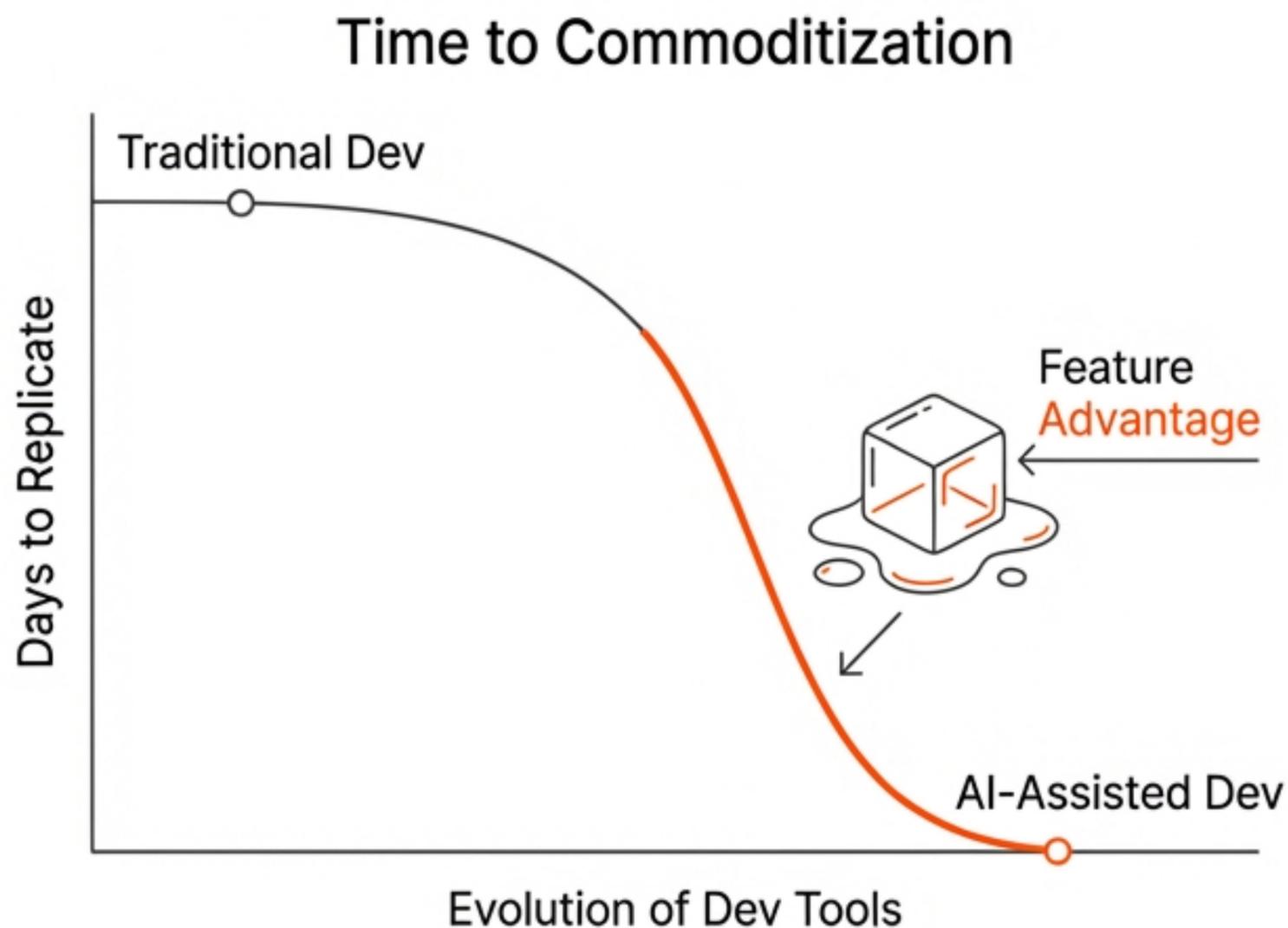
THE REALITY

The "build it yourself" fantasy is seductive but dangerous. Thinking **everyone** will **conjure enterprise software** from prompts is like saying, **"I'll just cut my own hair."** The results are messy.

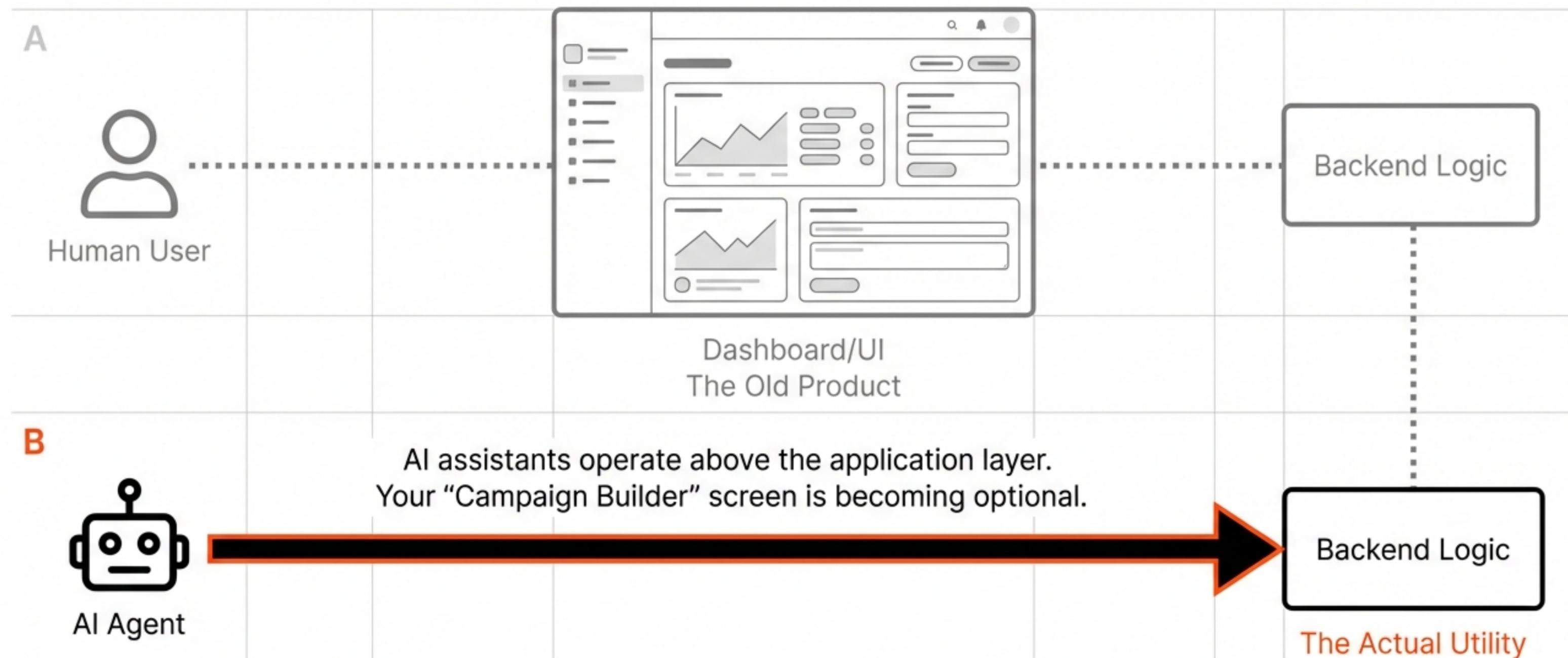# Threat #1: The Half-Life of a Feature Is Approaching Zero

Features have shifted from competitive differentiators to commodity expectations.

- AI compresses build time from months to minutes.

- Your "shiny new capability" is someone else's weekend project.

- Features are now the ante, not the winning hand.

Time to Commoditization

Traditional Dev

Days to Replicate

Feature **Advantage**

AI-Assisted Dev

Evolution of Dev Tools

Threat #2: The Great Unbundling of the Interface

Customers bought your UI. AI Agents don't need UI; they need APIs.

A

Human User

Dashboard/UI
The Old Product

Backend Logic

B

AI Agent

AI assistants operate above the application layer.
Your "Campaign Builder" screen is becoming optional.

Backend Logic

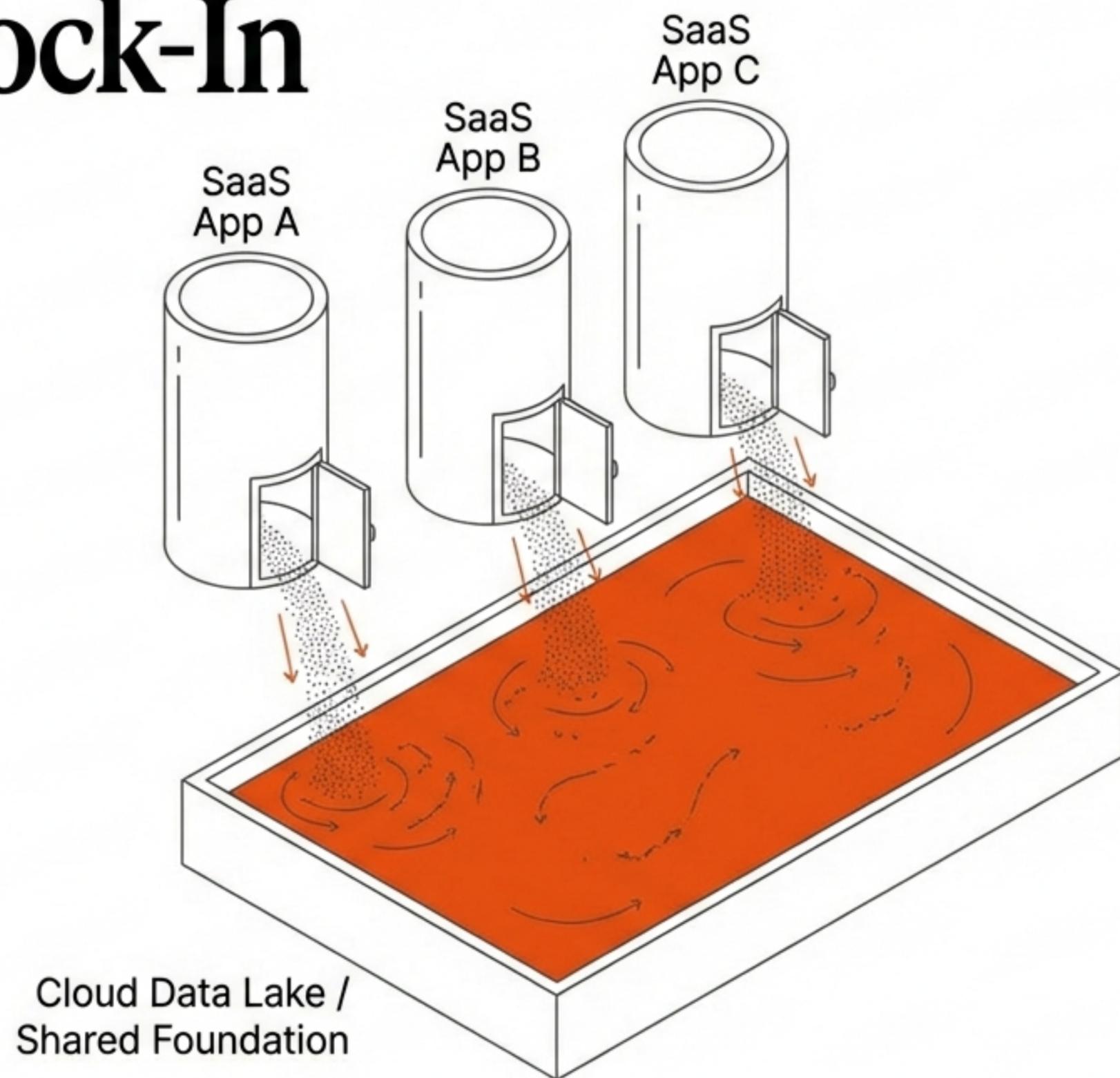The Actual Utility

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Threat #3: Data Lock-In Is Losing Its Lock

Being the "System of Record" is no longer a prison for your customers.

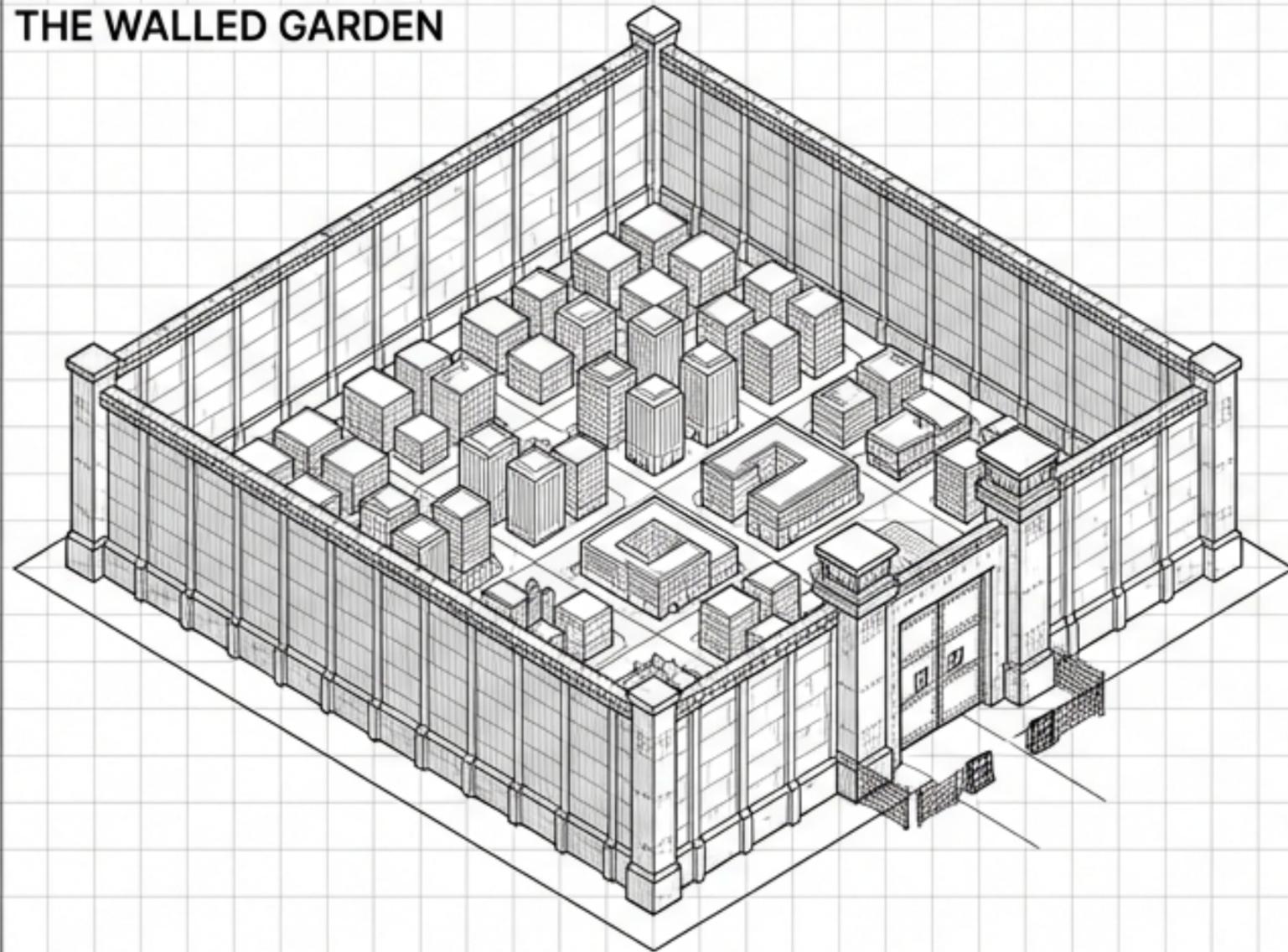Cloud data platforms (Snowflake, Databricks) have liberated the data.

If your value is "we hold the data," you have no value.

SaaS App A

SaaS App B

SaaS App C
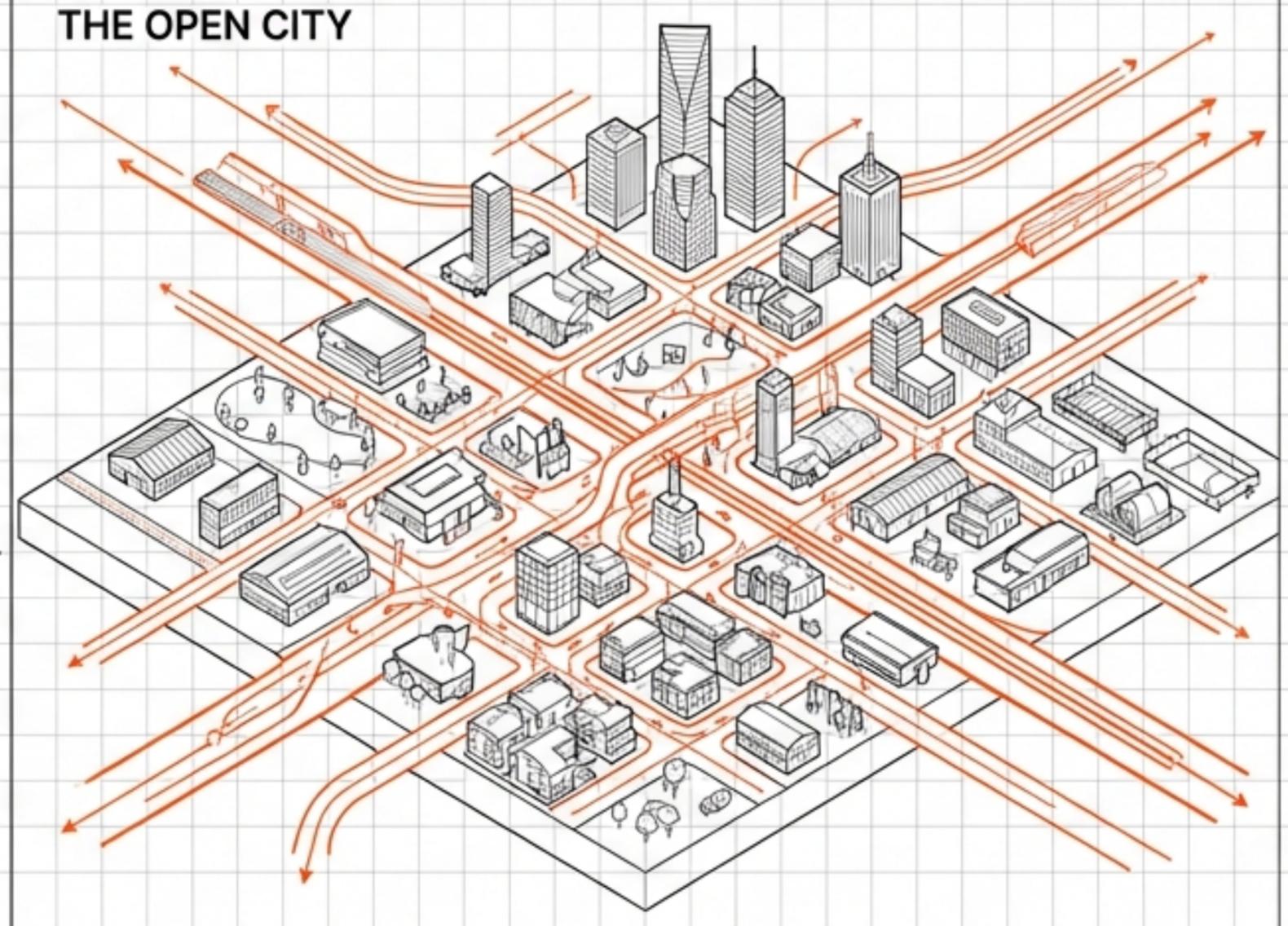
Cloud Data Lake / Shared Foundation

Threat #4: The Fake Ecosystems

Most SaaS "platforms" are just products with a marketing page for integrations.
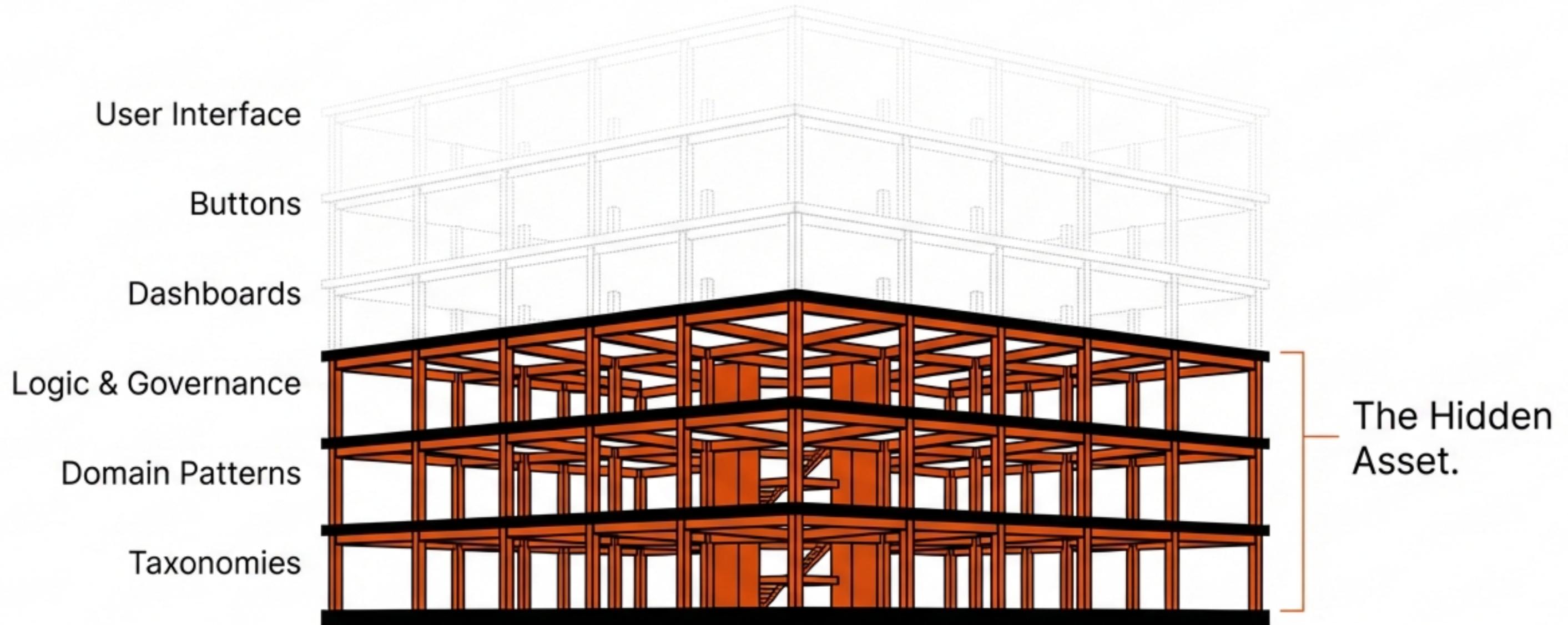True ecosystems require ceding control.

THE WALLED GARDEN

THE OPEN CITY

Strip Away the UI and Features... What Remains?
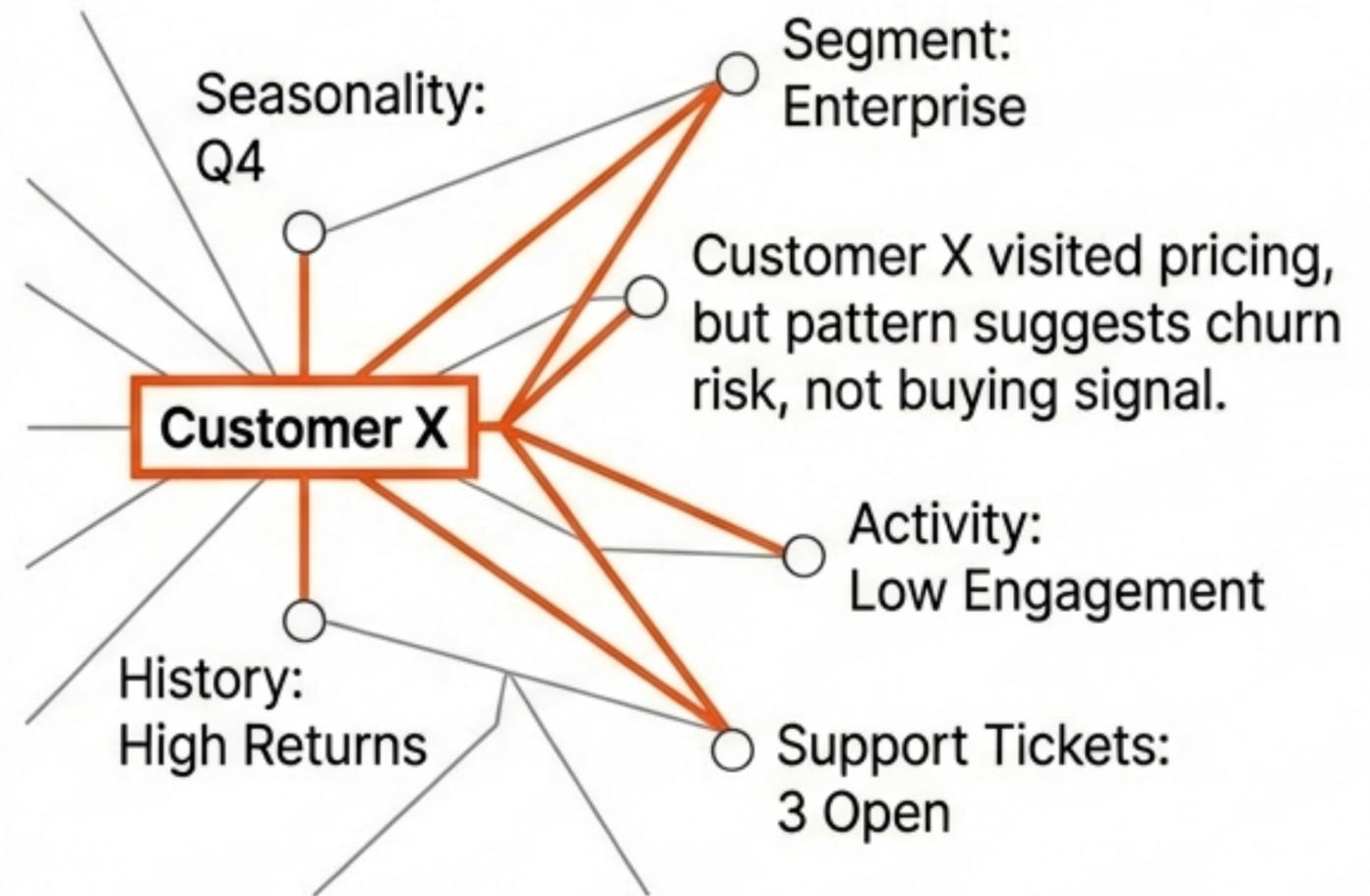
The accumulated wisdom of the platform: Context.

User Interface

Buttons

Dashboards

Logic & Governance

Domain Patterns

Taxonomies

The Hidden Asset.

Records Are Just Data. Context Is Meaning.

DATA (System of Record)

	EVENT	Customer X visited pricing page.		

Universal. Static. The Record.

CONTEXT (System of Context)

Seasonality: Q4

Segment: Enterprise

Customer X

Customer X visited pricing, but pattern suggests churn risk, not buying signal.

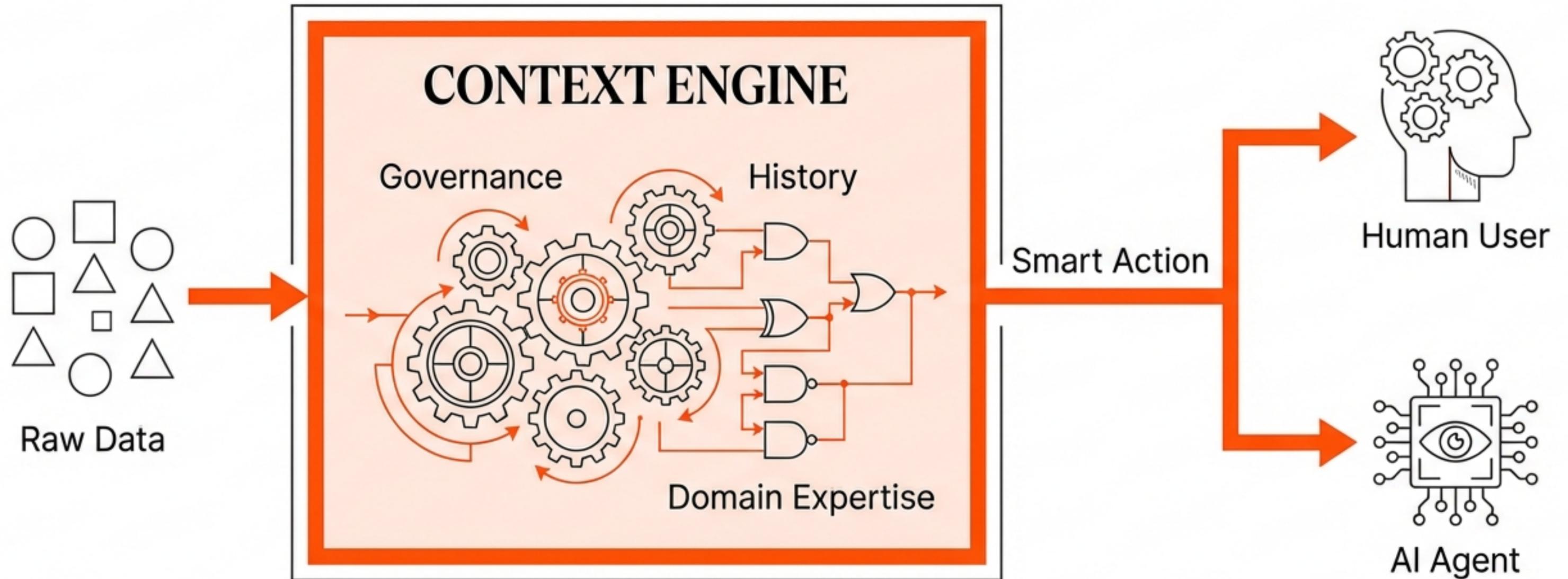Activity: Low Engagement

History: High Returns

Support Tickets: 3 Open

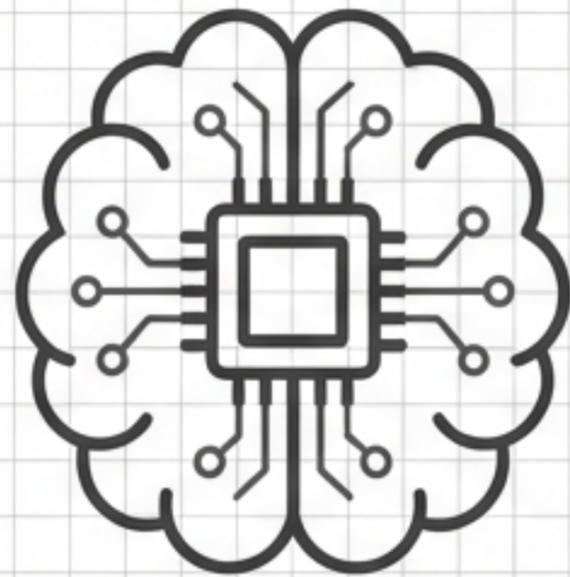Personal. Situational. The Meaning.

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The New Value Proposition: Context-as-a-Service (CaaS)

Providing the intelligence for HOW a tool should be used.

The Essential Role: Context Engineering

Generative AI without context is just clever autocomplete.
To be an expert, it needs fuel.
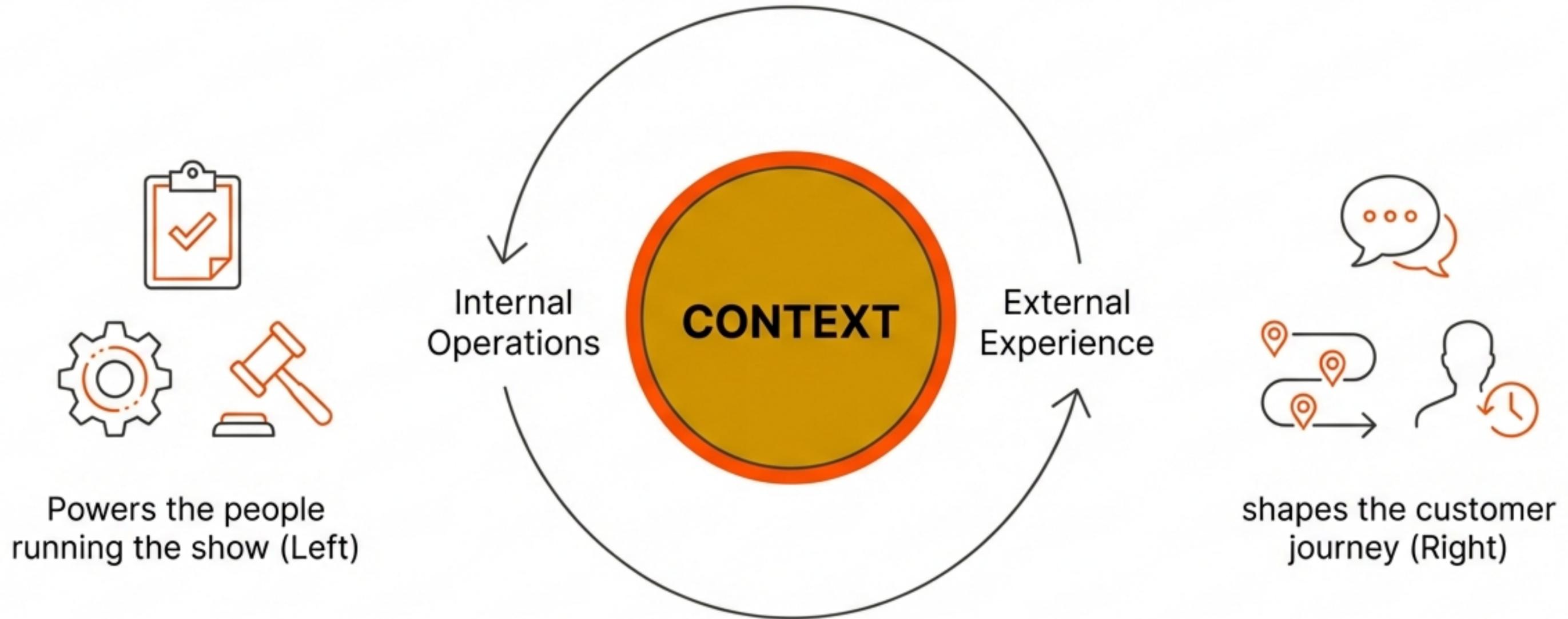

General AI + Deep Domain Context = Trustworthy Operator

SaaS platforms must do this engineering. Most customers cannot.

# Two Dimensions of Contextual Intelligence

Internal Operations

CONTEXT

External Experience

Powers the people running the show (Left)

shapes the customer journey (Right)

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The Catch: You Must Be Radically Open

You cannot be a CaaS platform if you insist on controlling every interaction.

Custom Apps

3rd Party Agents

Custom Apps

3rd Party Agents

Unknown UIs

CONTEXT FOUNDATION
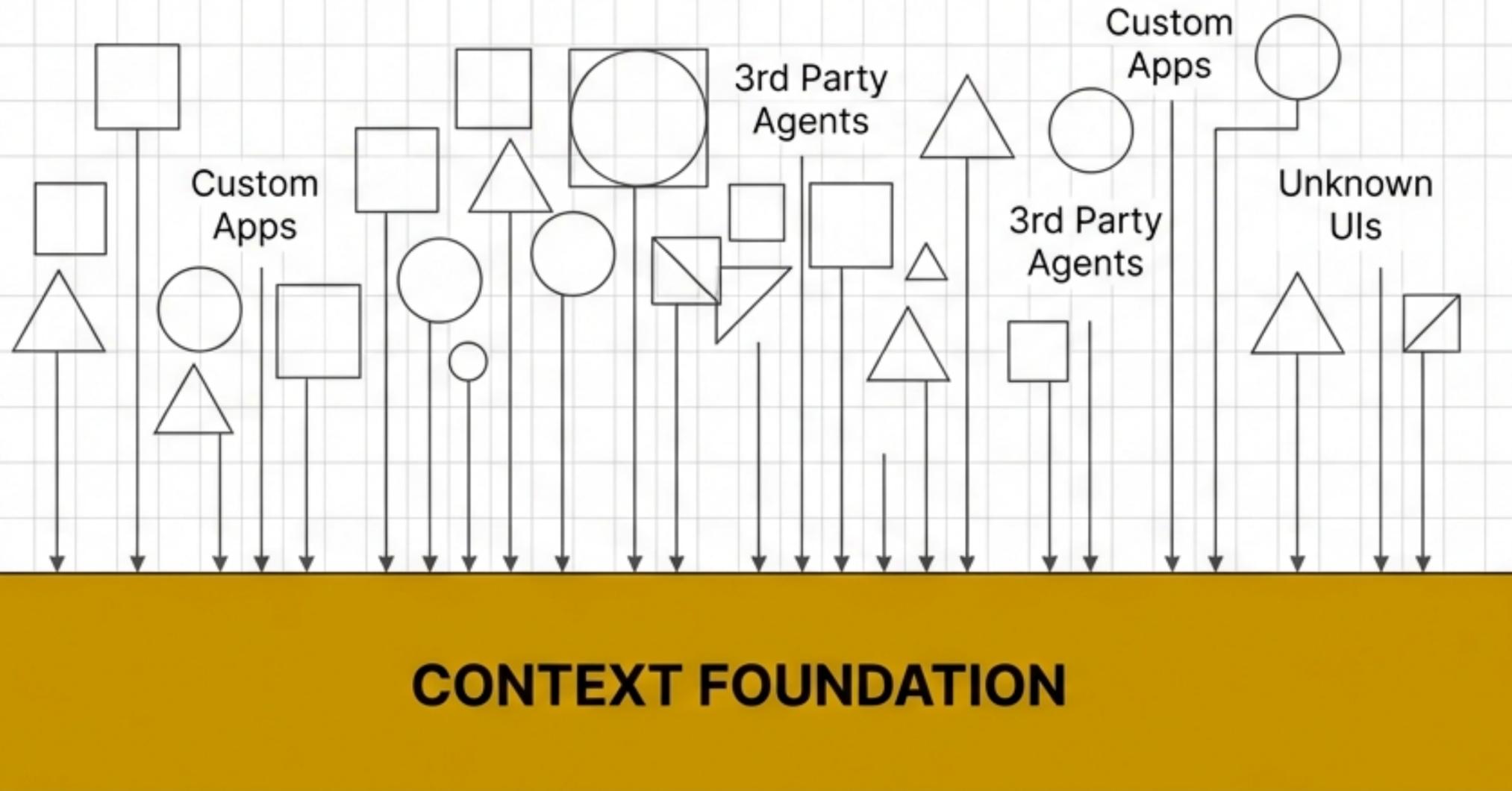
**Let people build.
Let people choose.**

From Destination to Foundation

By giving up control of the interface layer,
you become MORE essential, not less.

New CaaS

Various Interfaces   3rd Party Apps   Custom Agents   Unknown UIs

Old SaaS

UI

Data
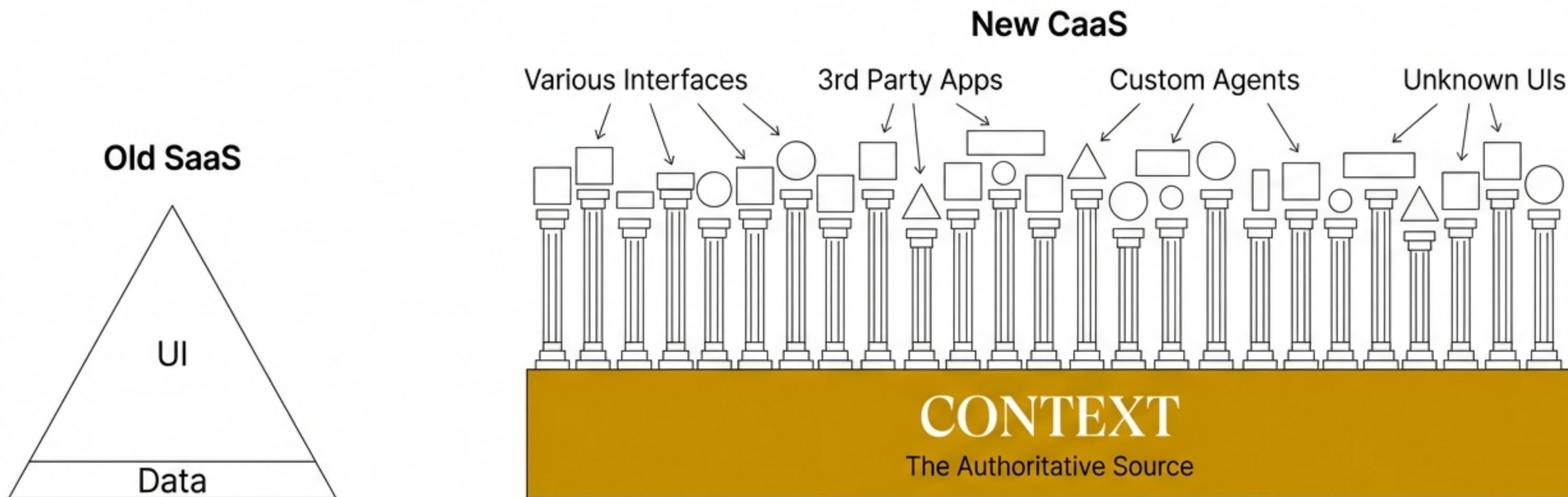
Destination
(Narrow Value)

CONTEXT
The Authoritative Source

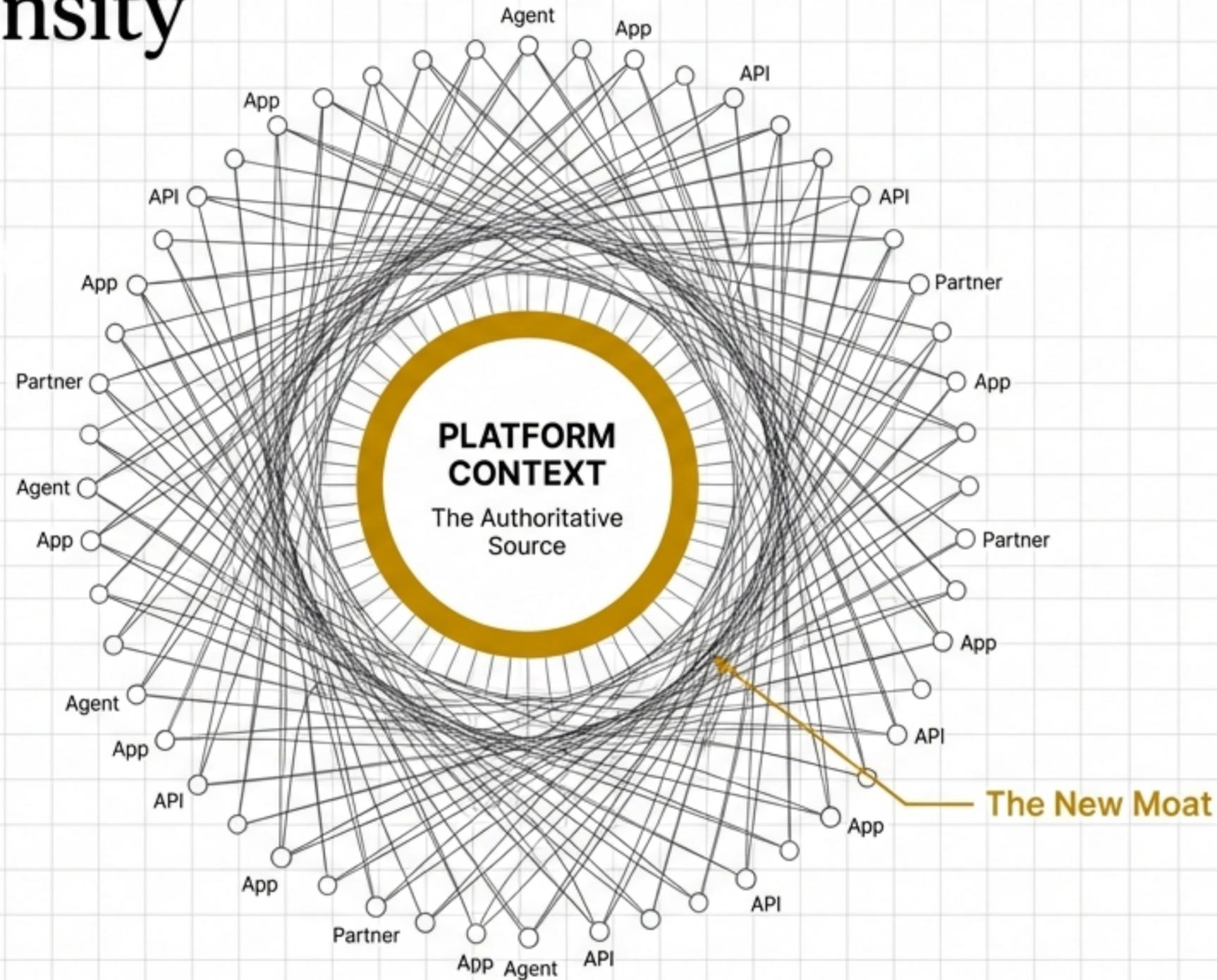**When you are the authoritative source
of context, you are durable.**

The New Moat: Ecosystem Density

Strategy
Stop measuring logins.
Measure ecosystem health.
Invest in the developer experience.

PLATFORM CONTEXT
The Authoritative Source

The New Moat

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In an agentic world, Context isn't a feature.
It's the whole game.

Productize your context. Open your gates. Become the foundation.

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