

Global Technology Company Intetics on the Ins and Outs of Custom Software Development Costs

Exploring the key factors having a direct impact on custom software development pricing and figuring out how to use these aspects to bring the costs down.

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EINPresswire.com/ -- Answering how much [custom software development](#) costs requires understanding of the primary software development cost

factors. In the estimation of development cost, one needs to grasp the average cost of software development, the size and project complexity, geographic location, team composition, platforms used, hiring models employed, and UI/UX design complexity. These are the elements having a direct impact on the cost of software development. The ins and outs of custom software development costs are available in the new article by Intetics.



Statista indicates the global custom software development market to reach \$812 billion by 2027. It is a major growth from the market's current worth of \$593 billion. It means that more and more industries and businesses will use custom software development to go in step with innovation and gain a competitive advantage.

Average Custom Software Development Cost

Knowing the cost of software development is vital for accurate budget planning. To get some estimation of the solid figure, multiple discussions are often involved. Usually, a development vendor runs through all the project requirements and then offers some custom software development cost estimates.

In general, the average cost of a simple app with low-level user interaction and low backend processing is the cheapest option. Yet, depending on the tech stack involved, the cost can range from \$20,000 to \$500,000. For the app we mentioned before, the price tag will be closer to

\$20,000 and will require about 600-700 hours to develop. In turn, if one wants a multi-platform app with a broad server-side application, be ready to pay a hefty six-figure price tag. Luckily, there are exceptions. Companies offer [next-gen mobile solutions](#) for prices lower than market averages.

Software Development Pricing by Size

The average cost of custom software development varies from business to business. In such a case, there are three categories to explore:

1) Startups. This category of businesses does not have much budget and needs to launch products as soon as possible to seek reputational gains. While having a tailored software solution is extremely important for startups, these companies usually cannot afford products with a price tag above \$45,000. This figure is most relevant when issuing a Minimum Viable Product (MVP).

2) Small and medium enterprises (SMEs). For this category of businesses, streamlining is the key. SMEs can afford more expensive software products and can wait longer for them to be developed. An average custom software development cost for SMEs can go up to \$100,000 and may need up to 2,000 hours to deliver.

3) Enterprises. This category of businesses has a well-established reputation and often employs thousands of employees. Respectively, the cost of custom enterprise software development can be much higher than for startups and SMEs. Moreover, these companies need to pay particular attention to compliance because noncompliance can lead to hefty fines. Usually, with enterprises, the contract for custom software development cost per hour averages \$50 per hour, and the total cost of the project can go as high as \$500,000 with an average of six months needed to deliver the product.

The price tag for average custom software development costs changes correspondingly depending on the company's size.

Software Development Cost by Product Type

Another critical aspect of understanding the average custom software development pricing is the type of project delivered. For example, customers might need a new Customer Management System (CMS), Enterprise Resource Planning (ERP) platform, a healthcare app, a SaaS product, or an AI-based voice agent. Respectively, for each product type, there will be a different average cost of custom software development. To illustrate, there are several examples:

- 1) A CMS product costs from \$10,000 to \$50,000.
- 2) An ERP platform costs from \$150,000 to \$750,000.
- 3) A healthcare app costs from \$10,000 to \$500,000.

4) A SaaS product costs from \$50,000 to \$200,000.

5) A mobile app costs from \$10,000 to \$200,000.

At this point, an average custom software development cost fluctuates depending on the company's size and the essence of the project delivered. While these two key aspects grant an understanding of average budget estimates for different businesses, you need to explore specific software development cost factors to have more accurate estimates.

Nine Key Custom Software Development Cost Factors

The budget estimates a company pursues directly correlates with all the direct and indirect costs associated with product development. These are both internal and external aspects at play. Understanding these factors grants a most accurate estimation of what a custom software development pricing will be. So, without further ado, here are nine key custom software development cost factors:

- 1) Product Complexity
- 2) Product Size
- 3) Target Platforms
- 4) UI/UX Design Complexity
- 5) Internal Infrastructure and Connected APIs
- 6) Integrations
- 7) Geographical Location
- 8) Development Team Composition
- 9) Hiring Model

The custom software development cost depends on several factors. In general, it is about the size of the company developing the product and the type of product itself. More specifically, the cost depends on the project's complexity, size, target platforms, UI/UX design, integrations, backend infrastructure, geographic location, team composition, and hiring model you choose. Considering all these factors grant the most accurate budget estimates.

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