

2026

— EXECUTIVE SUMMARY — MARCH 2026

SOFTWARE & SAAS PAINFUL DEATH BY 2030

THE \$5 TRILLION WIPEOUT —
HOW AI IS ABOUT TO VAPORIZE TRILLIONS IN MARKET VALUE
AND WHAT THE SMARTEST CEOS WILL DO ABOUT IT

IB

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SITUATION

AI is driving the cost of software creation toward zero. Any dashboard, workflow, or application that once required a vendor contract and a six-figure budget can now be generated on demand. The “build vs. buy” equation has permanently flipped.

This is not a prediction. It’s a stress test. The \$5 trillion question isn’t whether AI will commoditize software—it’s already happening.

THE DAMAGE SO FAR

WHO SHOULD BE WORRIED?

The market is already punishing the biggest names in SaaS. Wall Street has coined the term “SaaSocalypse.” These are not small startups—these are category leaders:

COMPANY	MARKET CAP NOW	YOY DECLINE	VALUE LOST
Salesforce (CRM)	~\$180B	-42%	~\$130B
ServiceNow (NOW)	~\$113B	-40%	~\$75B
Adobe (ADBE)	~\$110B	-47%	~\$100B

Combined value lost in 12 months: over \$300 billion.

And these are just three mid-tier players. The real exposure sits higher up the food chain.

\$ 5 TRILLION EXPOSURE

BIG 3 SCENARIOS

The total bear-case wipeout for Alphabet, Microsoft, and Oracle alone ranges from **\$2.8 to \$4.2 trillion**. Add SAP, Salesforce, Adobe, ServiceNow, Intuit, and dozens of mid-cap software firms—and you’re looking at **\$5 trillion or more** in total software industry value at risk.

COMPANY	CURRENT	BEAR 2030	DROP	BULL 2030
Alphabet	~\$3.7T	\$1.8–2.5T	-50%	\$5.5–6.5T
Microsoft	~\$2.9T	\$1.2–1.8T	-60%	\$4.0–4.5T
Oracle	~\$430B	\$150–250B	-65%	\$800B–1T

▲ CRITICAL INSIGHT

The spread between bull and bear for Microsoft alone is up to \$3 trillion.
That’s not a rounding error—that’s the GDP of France.

THE THREAT

THE TWO-WAVE THREAT

WAVE 1

CREATION COST → ZERO

AI code-generation tools are commoditizing the act of building software. Pricing power, feature differentiation, and developer moats are evaporating. Billions in market cap have already been destroyed.

WAVE 2 – THE KILL SHOT

SWITCHING COST → ZERO

The last moat protecting SaaS vendors is proprietary data lock-in—your CRM records, workflows, and configurations trapped inside vendor-specific data models. AI-powered, one-click data migration will break this moat. When switching costs collapse, so does the entire SaaS retention model.

The argument isn't that software disappears. It's that software as a differentiator is dead. When AI builds in one hour what took teams years to create, three things break simultaneously:

65-80%

GROSS MARGINS CRUSHED

10,000

ENGINEERS REPLACED BY 1
+ AI

YRS → WKS

PRODUCT CYCLES COLLAPSE

01

PRICING POWER
EVAPORATES

You can't charge \$30/user/month for something a competitor spins up in a weekend.

02

ENGINEERING MOATS
VANISH

10,000 engineers used to be a barrier. Now one person with AI is a credible competitor.

03

SPEED EXPLODES

Product cycles shrink from years to weeks. No lead is safe. No feature is defensible.

⚠ WAKE - U P CALL

THIS IS NOT THEORY

PROOF POINT — JANUARY 2026

If you think this is a distant threat, consider what has already happened:

In January 2026, at a Seattle developer meetup, a Google principal engineer publicly confirmed that Claude AI reproduced an entire year of architectural work—in one hour.

Meanwhile, Microsoft—which sells GitHub Copilot to the world—directed thousands of its own engineers to install and use Anthropic’s Claude Code across major divisions, including Windows, Office, Teams, and Edge.

Read that again: Microsoft is replacing its own software development tool with a competitor’s AI. If the vendor of Copilot doesn’t trust Copilot, why should you trust the longevity of any SaaS product?

If AI can replicate a year of engineering work in one hour today, the math for 2030 is brutal:

TIMELINE	WHAT AI WILL BE CAPABLE OF
2026 (Now)	Replicating a full year of engineering in one hour. Microsoft deploying a rival's AI over its own tools. SaaS stocks in free fall.
2027	Entire product suites generated from a single prompt. Front end, back end, database, and deployment—all autonomous.
2028	One-click data-migration tools mature. Customers leave legacy SaaS vendors overnight. The switching-cost moat is gone.
2029	AI-native companies with zero engineering headcount outperform Salesforce, ServiceNow, and Adobe on speed, cost, and customization.
2030	The traditional SaaS model is functionally dead. Vendors that failed to transform are acquired for pennies or shut down. The \$5T+ wipeout is complete.

IMPACT

WHAT THIS MEANS FOR YOUR BUSINESS

PRICING POWER COMPRESSING

If a Google engineer can replicate a year of work in one hour, what is your annual license really worth?

RETENTION WILL BREAK

Once AI solves data portability, churn becomes frictionless. Your "sticky" product becomes disposable.

YOUR SURVIVAL PLAYBOOK

7 STRATEGIC MOVES

If you are the CEO of an XXL software or SaaS vendor, these are the strategic steps to take now—not next quarter, not next year—to keep your business alive.

1. RUN A REPLICABILITY AUDIT—THIS WEEK

Map every feature in your product. Can a customer prompt-generate this with AI today? If yes for 60% or more of your feature set, your roadmap is a dead man walking. Kill what's replicable. Double down on what isn't.

2. STRESS-TEST YOUR DATA MOAT

Assume AI-powered, one-click data migration is 12 to 18 months away. Model the churn impact. If losing data lock-in means losing 30% or more of your customer base, you don't have a product—you have a hostage situation. And the hostages are about to escape.

3. SELL OUTCOMES, NOT SOFTWARE

Stop charging for tools and start charging for results. Instead of "\$30 per seat for Office," price per deal closed, per workflow completed, per problem solved. When code is free,

4. PIVOT FROM CODE TO INTELLIGENCE

Your code is a commodity. Your data intelligence is not—yet. The only durable moats left are proprietary data insights, network effects, and embedded AI workflows that get smarter with usage. If your product doesn't compound in value the more it's used, you're selling a disposable. Become an intelligence company—or die a software company.

5. ACQUIRE OR BE ACQUIRED—CONSOLIDATE NOW

Smaller SaaS players without data moats or AI-native capabilities will get wiped out first. If you have the balance sheet, acquire them for their customer data and relationships—not their code. If you don't, find a partner who does before your valuation craters further.

6. REBUILD YOUR TALENT STACK

You don't need more developers writing code that AI can generate. Having 10,000 engineers used to be a barrier to entry—now one person with AI is a credible competitor. You need AI system architects, data strategists, and people with “ancient intelligence”—creativity, judgment, empathy—who can design what AI cannot. Cut engineering; invest in domain expertise.

7. COMMUNICATE THE PIVOT TO YOUR BOARD—TODAY

Your board is watching Salesforce, ServiceNow, and Adobe bleed market cap in real time. They're reading the same \$5 trillion exposure analysis. The CEO who comes to the table with a transformation plan controls the narrative. The CEO who waits for the board to demand one gets replaced. Frame this as an offensive move, not a defensive retreat.

ASKING SOFTWARE CEOs TO PREDICT SOFTWARE IS LIKE ASKING **TURKEYS TO VOTE FOR CHRISTMAS**

Never blindly believe Big Tech CEOs. Incentives matter. Most defend valuation, not reality.

WHO

WHAT THEY SAY VS. WHAT IT MEANS

Elon Musk

Says coding may become unnecessary as AI generates binaries directly. **Translation: he agrees software creation is dead.**

Jensen Huang

Says “human language is the new programming language” but rejects “software is dead.” **Translation: defending his GPU customers’ investments.**

Marc Benioff

Dismisses the “SaaSocalypse.” **Translation: he runs Salesforce—down 42% in 12 months. Of course he dismisses the threat.**

Larry Ellison

Positions AI as embedded inside enterprise software. **Translation: Oracle faces the steepest bear case (-65%). He has no choice but to reframe.**

SOFTWARE IS DEAD. INTELLIGENCE IS JUST GETTING STARTED.

BOTTOM LINE

A Google engineer replicated a year of work in one hour. Microsoft is replacing its own tools with a competitor's AI. Salesforce, ServiceNow, and Adobe have lost over \$300 billion in combined market cap in 12 months. The Big 3—Alphabet, Microsoft, and Oracle—face a \$2.8 to \$4.2 trillion bear case. Software creation at zero cost is Wave 1. Data switching at zero cost is Wave 2. Together, they are the extinction event for SaaS as we know it. The companies that survive will be the ones that transform before both waves hit. The rest will be case studies.

"Noah built his Ark before the flood. He went once. This is not your local ferry." —

Igor Beuker

DON'T MISS A THING

ALL TECH AND TRENDS? IN OUR SECRET VAULT