How Small Firms Use Claude to Quit Salesforce

Art by Clark Miller

By Laura Bratton

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The world's largest companies may not be hurriedly replacing traditional enterprise applications with vibe coded alternatives, but some smaller firms are.

Greenleaf Management, an Atlanta-based real estate property and investment manager with about 55 employees, saved around $100,000 annually by replacing Salesforce's customer relationship management software with a custom application developed using AI tools from startup Replit and Claude Code, said Dave Codrea, a partner at the company. The new app costs around $300 per month to maintain, he said.

The Takeaway

Small firms replace Salesforce and HubSpot with custom AI-built applications.

Firms save 40-80% on software costs by using AI-developed custom apps.

AI tools from Anthropic, Lovable and Replit power custom enterprise software development.

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For two years Greenleaf had not only paid a subscription fee to Salesforce but also hired a full-time employee and an outside consultant specifically trained to use its Salesforce account to track interest from investors and potential tenants and manage tenant issues or complaints. The new app also enabled Greenleaf to exit its contracts with real estate software companies Entrata and Yardi, which help property owners manage rental payments, maintenance requests and other issues.

“Salesforce is super complex,” he said. “They provide a lot of value, but…[we were] only using a little piece of it.”

Such customers represent a small fraction of Salesforce’s business, but the example helps explain jitters among public market investors about whether traditional enterprise apps like the kind purveyed by Salesforce will be able to keep printing money as they have during the last decade or two.

Five startups and small companies with staff ranging from 20 to 70 people say they have ended contracts with Salesforce and HubSpot over the past six months in favor of apps they created with AI tools from Anthropic, Lovable, Replit and others, reaping meaningful savings.

If AI continues to improve in coding and handling large databases, that raises the risk that software-as-a-service providers’ influence with large customers could also wane.

During an investor presentation earlier this year, for instance, OpenAI leaders said they expected the company’s future products to replace software from firms including Salesforce, Workday, Adobe and Atlassian, The Information previously reported. And as some large companies increase their budgets for Anthropic and other AI providers, they’re shortening contracts with traditional enterprise software vendors or demanding other favorable terms.

‘True Cost of Ownership’

Still, disentangling enterprise apps from a large company’s data can be complicated. What makes it difficult to move off Salesforce are the layers of customized code, known as workflows, that companies continually add and update in Salesforce software to track everything from product catalogs to pricing to customer commitments. Many large companies hire a team of specialists to handle this type of work in Salesforce, adding costs.

While the “true total cost of ownership” for enterprise software is typically up to four times higher than the advertised price, “ripping them out is still a last resort,” said Bobby Mukherjee, CEO of Loka, an IT consulting firm that works with Amazon Web Services to help Gatorade and other companies use AI.

He said a small minority of clients have replaced traditional enterprise apps with custom-built AI alternatives, lowering their annual software costs 40% to 80%. But he generally advises clients to keep their SaaS apps because eliminating them can be slow and “pulls engineering attention away from things that actually differentiate the business,” he said.

“The smarter play is usually building on top of them: Nobody serious is predicting the death of HubSpot or Salesforce,” he said.

Fears about AI's impact on the software industry, dubbed the SaaSpocalypse, are still mostly theoretical. Salesforce and peers such as ServiceNow and HubSpot have reported continued growth in their businesses and from new AI tools they're selling, though AI providers like Anthropic and Palantir are growing much faster than those other companies.

Salesforce executives and their peers have dismissed the idea that customers could replace its apps with their own homemade software. They're trying to convince businesses they need enterprise app providers to be a trusted intermediary between their wallets and Anthropic or OpenAI, rather than dealing directly with the two AI firms.

Salesforce President Srini Tallapragada, for instance, told investors on a call last fall that companies "all try to do the do-it-yourself, and they're realizing that you can't vibe code your way to enterprise reliability and security."

Indeed, plenty of small businesses still say they will focus on their core business rather than develop software.

Demetri Salvaggio, an executive at Engine, which sells an app for small- and medium-size companies to book and manage corporate travel, said the company has been a Salesforce customer for nearly a decade and has no desire to stop using it. Salvaggio, whose firm has around 1,000 employees, says he believes it would take the company a year to move off Salesforce if it tried.

"If we can build something and do something ourselves—and do it with speed and do it with efficiency—we think about that," he said.

'What Are We Doing?'

For smaller companies, making the transition doesn't seem to take that long.

Adrian Balfour, owner of Seattle's pro rugby team, the Seawolves, said four engineers within the 70-person organization used Claude Code to build an app that replaced Salesforce's CRM and AXS, its ticketing sales system. The club began using it in March, and it took the engineers just four months to create it.

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bell and whistle known to man on CRM."

While the Seawolves previously moved customer data from AXS into spreadsheets for analysis, the new app manages ticketing sales and tracks customers' information directly, analyzing it in real time.

"We're paying all of these fees to all these SaaS providers. It's costing us a lot of money, and we then have to add additional headcount to manually integrate that stuff together using spreadsheets, so what are we doing?" Balfour said.

Balfour said getting rid of the systems reduced the company's software spending around $100,000, but he wouldn't share its overall SaaS budget. He said the new vibe coded app has helped the organization sell more tickets and add-ons such as merchandise or experiences like meeting players. As a result, revenue since the start of the season in March is up about 25% compared to the same period last year.

The Seawolves' Anthropic bill has "absolutely" gone up, he said, but "the cost benefit is still much better" than paying for Salesforce.

Emmanuel Frenehard, chief digital officer of Sanofi, which aims to reduce its ServiceNow usage.

Then there's Hank AI, a South Carolina–based medical software provider with 24 full-time employees, which decided not to renew the $40,000 annual contract it had with Salesforce that ended in January, according to CEO Jack Neil. The seven-year-old startup had used Salesforce for multiple years to perform administrative tasks such as tracking its employees' hours and pay and generating customer invoices.

But in February, Neil said the firm had developed its own apps with Claude Code that can do the same tasks for about $500 per year by his estimate.

“We completely switched over to our own thing we built that is far, far better than even what we had in Salesforce,” he said.

And in January, Atonom, a 45-person startup based in Utah that sells AI agents for customer service, human resources and receptionist roles, decided not to renew a $40,000 annual contract with Salesforce. Instead, it built a custom CRM app with Lovable that it expects will cost $1,200 per year to run. The app tracks potential and existing customers, and AI agents follow up with those clients through autonomous calls and emails. It also manages client billing.

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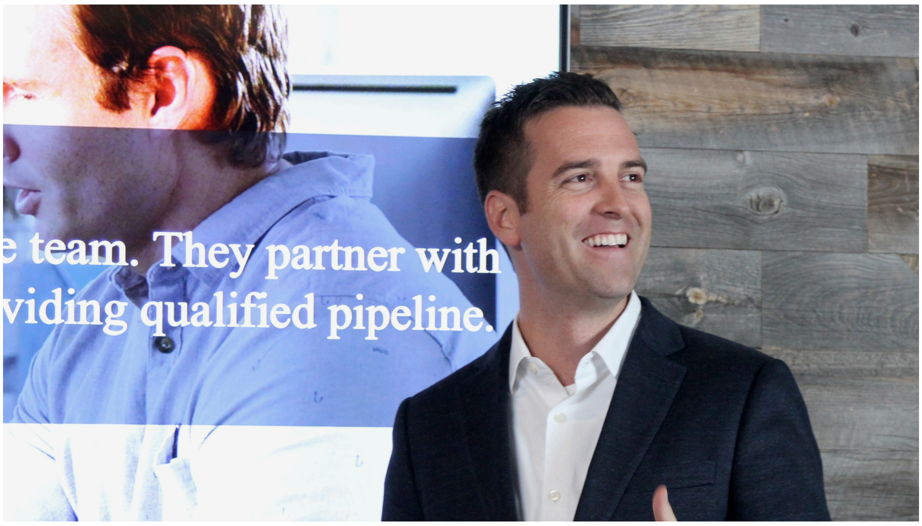

Atonom Chief Revenue Officer Gabe Larsen. Photo via Atonom

Seeking Control

Some startups simply want more control and features in their software than traditional apps provide.

Arcade.dev, a startup that sells tools for companies to manage AI agents, said it recently stopped using HubSpot after two years. CEO Alex Salazar said the issue wasn’t cost. The 30-person startup paid HubSpot tens of thousands of dollars annually for its CRM software and today pays about the same amount for an engineer to manage the in-house alternative it developed with AI.

But Salazar said he and his staffers wanted to track their customer data without having to interact with the HubSpot app or use its AI agents. Arcade now uses AI agents built with Claude Code on top of data stored with ClickHouse, a database provider, to handle customers and deals.

"Does that mean I'll never buy a CRM again? No," he said. "But whatever our expectations of what we would pay for has materially changed." (HubSpot did not provide a comment.)

Arcade AI CEO Alex Salazar. Photo via Arcade

To be sure, a handful of large companies are also vibe coding alternatives to traditional business software.

Emmanuel Frenehard, chief digital officer of Sanofi, a French biopharmaceutical firm with around 75,000 employees, said the company expects to save millions of dollars this year in part by cutting its use of ServiceNow. Instead of using ServiceNow's software to report issues with company devices such as laptops, employees have begun resolving issues through AI agents built by Claude Code and Cursor that connect to software from Utah-based startup Elementum and data that Sanofi stores with Snowflake.

Using such AI agents, Sanofi is aiming to cut 80% of the work it currently handles with ServiceNow, other software apps, and outsourcing firms that handle some of its back-office tasks, saving at least $10 million annually. Overall, Sanofi spends hundreds of millions of dollars each year on software, and it still stores critical corporate data with SAP.

Frenehard said he "faced a fair amount of resistance within my own team" to the ServiceNow change.

For its part, ServiceNow said its customers are largely “expanding their ServiceNow footprint, not walking away from it” and pointed to the company’s 97% renewal rate among customers in the first quarter of the year, referring to the share of revenue from expiring customer contracts that ServiceNow held on to. That rate has been steady in recent quarters.

This story was updated to reflect new information shared by Sanofi about how it uses AI agents and software.

Laura Bratton writes The Information's Applied AI newsletter. She covers all things enterprise software and AI. Follow her on X @LauraBratton5.