The Cost of Time in Deploying and Using Technology

Small Business

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Executive Summary

All technology has its price. But for small businesses, the payment in time is often more costly than the actual purchase price. Time has both real and hidden costs, demanding days and sometimes weeks in evaluation, installation, training and maintenance.

Databases are no exception. In fact, they are more often the rule – given their reputation and reality for complexity.

But this is changing. Database software from FileMaker reduces or removes many of the time-consuming barriers to adoption and helps small business become instantly productive. Out-of-the-box templates are designed specifically for many common small business functions – such as managing contacts, organizing inventory or tracking projects. Plus, information can be imported into the database directly from Microsoft® Excel spreadsheets, or exported and shared with others in Excel or Adobe® PDF over email.

Small businesses don't have the time or money for complicated technology. They need help managing information and resources. As the world's best-selling easy to use database, see why authorities like *The New York Times* have called FileMaker Pro "an unsung hero in small businesses."

When it comes to buying and using technology, small businesses often have the same needs as large companies. Whether it's a company of 5 or 5,000 employees, businesses look for ways to help people manage individual information, be more productive, and collaborate with others. The main difference is not in what small businesses need, but in the resources they have available.

Large companies have entire staffs of people dedicated to making technology decisions, special budgets, even strategic roadmaps of what to buy, and when. Small businesses, on the other hand, look to technology to solve immediate problems. Their decisions are often urgent, and purchases often come from the owners' pocket.

It is not surprising, then, that price is a major issue. In fact, according to a November 2005 survey by Small Business Trends, the most frequent objections to investing in technology are related to price and budget. But it's not just about dollar cost. It's also about the cost of time. For small businesses, lost time or unproductive time has a more significant impact on the business than in a large company. Buying, installing and learning to use technology requires time – to pick the right product, time to install and maintain it, time to learn how to use it effectively, and finally, to find usefulness beyond the technology's initial purpose.

The good news is there is a whole new class of technology – driven by companies like Google and eBay – giving small businesses the same capabilities that have traditionally been available only to large companies. While these technologies lower the price, they also increase the speed that small companies can begin to see the benefit to their business.

While much has been written about personal time management for small businesses and individuals, not much has been written about the need to manage time for technology.

Speed Matters

Moving quickly makes all the difference in the world to a small business. Whether it is finding new customers, closing a sale, or shipping a product, speed matters. It's also a competitive advantage for smaller companies competing against larger fish.

A new class of software and services, driven by some of the largest technology companies in the world, are helping small businesses move faster and do more.

- Google – makes advertising instantly available to anyone, giving small businesses the same access and knowledge that large companies traditionally enjoyed
- eBay – allows small business to sell quickly and competitively on the Web
- Apple – with its popular iPod and iTunes product lines, small businesses now are creating "podcasts," a new and simple low-cost audio and video broadcast marketing medium
- Accounting software – gives accounting control and financial forecasting to businesses of all sizes

In each instance, improvements in speed across the company led to rapid adoption among small businesses.

Advertising

- Placing an ad the first time on Google takes an hour or two, as opposed to months of working with an ad agency and publications.

Marketing

- Audio and video broadcasting can be created and synced to iTunes for distribution, instead of the traditional complex and expensive radio and television broadcast model.

Sales

- Offering an item for sale on eBay the first time takes a couple hours, versus days of placing an ad in the newspaper, or hiring a firm to create online banner ads.

Finance

- Accounting software now gives small businesses control and knowledge over finances that were typically run out of a checkbook, or impossible without hiring a bookkeeper or accountant.
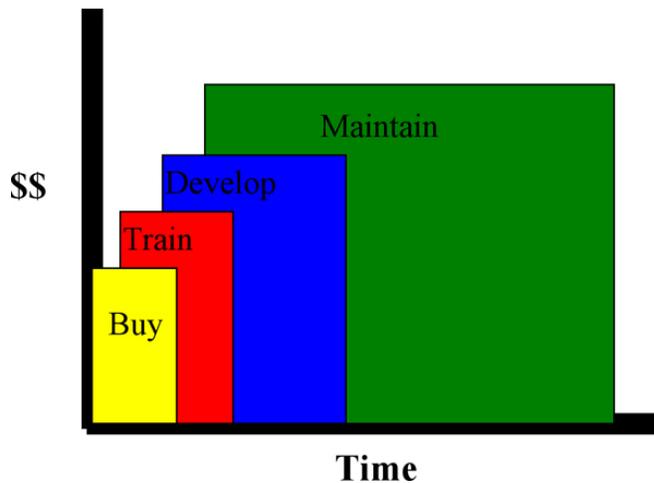
Operations

- FileMaker Pro, the #1-selling, easy-to-use database, anyone from the CEO to a part-time admin can immediately begin managing projects, people and assets – without the need for a database programmer or full time support staff.

Factors of Technology Time Management

Taking time to maximize the power of technology can work against a small business in several ways – from the lost productivity of trying to learn the software, to the frustration of not being able to share results.

Not only are costs hidden, but also are incremental – increasing the money costs and time commitments

Here are some of the more common business inflictions of taking too much time for technology:

I. Time to Deployment
How long does it take to get started? A day, a week, a month? Can someone start being productive the same day, or do they need teams of specialists to set up and get started?

Next to price, this could be the single greatest factor in technology selection. In a world of email, cell phones, instantly messaging and web publishing, the time to install and learn new software is critical to its use. Small businesses need things to work now, not later.

II. Usability and Training
Once the product is ready to use, is it intuitive and natural to learn? Surveys show that even though small businesses value technology, many rely on older, paper-based systems because that is what they know.

In November 2005 survey sponsored by FileMaker:

- 86% of all respondent think technology helps them work fast
- Almost half still use paper to organize important non-financial info

The barriers of adoption for small businesses are not just in needing to understand the value of software, but also in understanding the software itself.

Training is a hidden time bomb. While hard costs – such as instructors, facilities, tuition, and materials – are readily visible, it is hidden costs steeped in a learning curve that can take a toll. Aside from creating a delay in productivity, training can lead to production losses on an incremental basis.

III. Utility and Flexibility
The history of computing is, in many ways, an evolution beyond single purpose computing. From the first programs that ran on dedicated machines, the trend toward more portable software code and components continues to improve software design and production. But, for small businesses, portability extends beyond the code and to the application itself.

Popular office software – like word processing and spreadsheets – are used again and again for many different purposes. Small businesses benefit most from software with more than one use. Easy-to-use databases can tackle may problems as your business changes and grows.

IV. Compatibility with popular applications
Volumes have been written about the need for interoperability among systems in large businesses, using acronyms like ERP and EAI. But in small business the needs are simpler. Does it work easily with email? Can I import or export a spreadsheet? These more mundane notions of interoperability feed the speed of an application in adoption and use.

V. Development
Development time can eat into any projects. Can you start without a team of developers writing code? What if the needs of the project change? Do you start from the beginning? What about getting reports? Do you need a special software program for creating reports from the data?

VI. Maintenance
Maintenance is not only the amount of money spent on updating the software, it is also the IT and time resources necessary for any configuration or conversion of data.

FileMaker Pro for Small Business
Thousands of small business in a wide variety of industries – as diverse as architecture, publishing, entertainment, healthcare, insurance and retail – rely on FileMaker Pro, making it the world's #1 easy-to-use database software. Here's why:

I.   Time to Deployment
FileMaker Pro is ready-to-go out of the box. It includes 30 starter solutions. Plus, the free FileMaker Business Productivity Kit includes ready-to-use solutions for the most popular small business functions, such as:

- Managing contacts and companies
- Organizing products and inventory
- Processing sales orders
- Tracking projects and production
- Sending targeted mailings
- Producing invoices and reports

II. Usability and Training
FileMaker Pro is used by millions of business professionals worldwide to manage people, projects, assets, and more. FileMaker made its name and built its business on usability.

With hundreds of starter solutions already built, getting started is simply a matter of deciding on which task you would like FileMaker Pro to organize for your business.

If you can enter text in a form, you can use FileMaker Pro. And to make it even easier, text entry can be automated with drag-and-drop. Just drag an Excel spreadsheet onto FileMaker for instant data import. Advanced functions are available, as your database needs grow.

III. Utility and Flexibility
Unlike software designed to only address one specific function, FileMaker is flexible enough to meet the varying needs of a small business. The same software that manages one function can be used to manage other functions time and time again – whether that is managing contacts, organizing inventory, or processing sales orders. And with hundreds of ready-made solutions, FileMaker will grow and adapt to the changing needs of the business. It is also easy to customize FileMaker Pro by adding a company logo, background colors, custom field names, or more.

IV. Compatibility with popular applications
It is simple to share data with colleagues on other computers, over email, or on the Web:

- Create Web access with a single click.
- Share databases with up to 5 simultaneous users over a network.
- Save data in popular formats such as PDF and Excel.
- Share data with both Mac OS or Windows users
- Instantly attach data to an email – as PDF or Excel – to share outside the application.

V. Development
FileMaker does not require any developer time to get started since it comes with starter solutions, but it can easily be modified as your needs change or projects grow.

Naturally, there are more complex functions that you can learn over time. That's why FileMaker has a developer program and certification for thousands of FileMaker developers worldwide. Non-technical people can add new users and security to their database.

VI. Maintenance
To help ensure that your software is always up-to-date, FileMaker maintenance contracts are only 20 percent of the cost of a new license. And since FileMaker is built on a new architecture (since FileMaker Pro 7), it means there is no effort required to convert to new solutions. You simply open data in the new version and immediately start benefiting from additional features.

Compare Software
Sometimes the best way to demonstrate value is in comparison to others.   Last year, Government Computer News – the publication that covers technology specifically for government agencies – awarded FileMaker Pro "Reviewer's Choice" as the top database software, beating Microsoft Access. The applications were graded on user interface, features, performance and price. FileMaker received the only overall grade of "A" (see full review here http://www.gcn.com/24_9/prod_reviews/35600-1.html)

Table 1: Microsoft and FileMaker Development Solution Three-Year TCO, 5 users

	FileMaker Pro	Microsoft Access
Database and Development Tool License	$1,196	$1,145
Development Cost (5 Knowledge-Worker Applications)	$7,500	$15,000
Five Application Upgrades	$1,500	$3,000
Toolset Training	$0	$1,000
One Platform Upgrade over Three Years	$717	$1,090
Support/Maintenance	$0	$1,000
Total Cost of Development Platform Ownership	**$10,913**	**$22,235**

Source: Infostructure Associates, May 2006

Table 2: Microsoft and FileMaker Development Solution Three-Year TCO, 1x10

	FileMaker Pro	Microsoft Access
Database and Development Tool License		
10x FileMaker Pro, 1x FileMaker Server (includes one year maintenance)	$2,930	
10x Microsoft Access, 1x Microsoft SQL Server 2005 Enterprise Edition		$16,259
Development Environment		
FileMaker Pro	$0	
Microsoft Visual Studio Professional		$799
Development Cost (1 Programmer)	$13,000	$19,500
Two Application Upgrades (new releases)		
FileMaker Pro	$5,200	
Microsoft Visual Studio Professional		$7,800
Deployment Cost	$3,000	$4,500
DBA Cost		
FileMaker Server	$2,000	
Microsoft SQL Server 2005 Enterprise Edition		$33,000
Training (Knowledge Workers and Programmer)		
FileMaker	$895	
Microsoft Visual Studio Professional		$4,000
One Platform Upgrade over Three Years	$1,550	$2,180
Support/Maintenance	$1,226	$5,000
Total Cost of Development Platform Ownership	**$28,801**	**$93,038**

Source: Infostructure Associates, May 2006

For a more technical comparison between FileMaker Pro and Microsoft Access, see "FileMaker and Microsoft Access: A Criteria-based comparison."
http://www.filemaker.com/downloads/pdf/comparison_fm_access.pdf

Small Business & Technology Successes

Captain David Cook, President
YachtCrews.com
"FileMaker has made it easy to access my information. The other agencies are not even close to what I'm doing to make it easy for crew as well as owners to use the site. The owners like my solution because it is fast and they can see what a crew member looks like in a matter of seconds. The crew members love it because now their resumes are seen 24/7 – knowing that their password protected information is safe and secure."

Keith Sykora, IS Manager
Shady Oaks Nursery
"We needed a database to store and retrieve customer information, mail them our marketing materials, process their orders, control our inventory, and produce reports for the needed feedback to effectively manage our business … The FileMaker solution has met the challenge by providing a system that is easier to

manage, runs on less expensive hardware, and the maintenance is significantly less than the Oracle system we had considered."

Steve Davis, Vice President, Media and Communications
Nimmo Bay Resorts
"We considered other basic CRM packages like GoldMine and ACT! but found them too cookie-cutter like and not suitable for our needs," comments Steve. "On the higher end, custom solutions done in other databases like Oracle and Microsoft Access proved to be either far too expensive and rigid or to limiting in custom feature sets. FileMaker Pro has benefited us with a high level of customization while still being very low cost."

Ian Kuhn, Monitor Engineer
Dave Mathews Band
"I've seen databases made with other software, and they take forever! With FileMaker Pro we can build massive databases that just make people gasp at what they can do! The first few weeks we were using FileMaker it was sort of an experiment - now it's an integral part of the band!"

David Hart, Principal and Co-founder
McGinley & Hart (architecture firm)
"Without FileMaker Pro, I would probably need three or four more people to manage what we're doing now. With fewer staff members and lower overhead, we're saving up to $280,000 per year."

Monica Von Thun Calderon, Co-owner
Sullivan Street Bakery
"Most programs designed for bakeries are for large scale manufacture. Small-batch artisan style bakeries have different needs … Instead of using several different programs, we could consolidate our system through FileMaker Pro."

Media Praise of FileMaker

Don't just take our word for it. Since shipping in August 2005, FileMaker Pro 8 has received numerous top editorial awards from leading publications, including "Product of the Year" awards from *PC Magazine* and *Macworld*. A columnist from The New York Times calls FileMaker an "unsung hero."

***New York Times*, David Pogue**
"Many small-business owners, in particular, would be lost without some convenient way to track inventory, print invoices, maintain customer lists, tally billable hours, prepare expense reports and so on … FileMaker Pro became an unsung hero in small businesses and in homes by permitting even amateurs to create powerful, good-looking databases with no programming."

***PC Magazine* "Product of the Year"**
"With the new version of its venerable database software, FileMaker solidifies its position as the ideal tool for knowledge workers who want to enjoy the benefit of relational databases without scaling the learning curve of a more IT-centric product like Microsoft Access."

***SmallBusinessComputing.com*, Gerry Blackwell**
 "FileMaker Pro from FileMaker, Inc. has quietly grown over a 20-year span from being a fairly simple tool for developing simple databases to one capable of building very sophisticated systems that can run entire businesses. Yet the latest version . . . retains at least some of the program's historical simplicity, and in fact adds a bunch of new easy-to-use features."

InfoWorld
"It's time to deep-six Access."

FileMaker: Table vs. Microsoft Access

Methodology
Infostructure Associates' qualitative research findings are based on interviews with small businesses using "embedded infrastructure" (i.e., platforms with databases) to create new applications, extensive research into the programmer-productivity characteristics of various types of development tools; and case studies of recent users of both a 3GL and a higher-level development platform. The aim of the study is to provide buyers of both development and production platforms with an understanding of the costs and benefits of FileMaker Pro vs. Microsoft Access. Actual costs incurred by any organization may vary based on each implementation's unique characteristics; hence, costs cited in this study should be used only as broad guidelines.

We consider cases of 5 and 10 users. In the 5-user case, five copies of FileMaker Pro used standalone are compared to 5 of Microsoft Access. The 5-user case would consider informal development and use of five small applications by "knowledge workers" (e.g., collating the results of a survey).

In the 10-user case, 1 copy of FileMaker Server plus 10 of FileMaker Pro are compared to one copy of Microsoft SQL Server 2000 and Visual Basic plus 10 copies of Microsoft Access. The 10-user case would consider development of one substantial application by a trained programmer and its use by 10 knowledge workers (e.g., development of a 2-page Web site with customer-order-processing capabilities).

A knowledge worker's or developer's fully loaded cost is assumed to average $78,000/yr. Knowledge workers upgrade their applications every ½ year.

Further details of the methodology of the Infostructure Associates TCO/ROI study are provided in other TCO studies published on Infostructure Associates' web page at www.valleyviewventures.com.

Database and Dev. Tool License: FileMaker: 5 users = 5-user starter pack. 10 users = volume discount for 10 users and FM Server. Microsoft: 5 users = 5 times 1-user price (note: volume discounts start at 5 for Microsoft). 10 users = 10 x 1-user price plus 25-client SS 2005 enterprise edition cost.

Development Environment: Assumed no knowledge workers used for small apps. (5-user case). 10-user case (1 professional developer): FileMaker: included in FM Pro cost. Microsoft: VS Professional cost.

Development Cost: Assume 5 or 10 small knowledge worker apps. (one per worker) plus 1 larger app by professional developer (10-user case). Each smaller app. takes 1 week to develop for FM user, 2 for Access user. Larger app. takes 2 months for FM user, 3 months for VS user. Multiply by fully loaded worker cost. Application upgrades: 5 for 5-user case (once per ½ year), 2 for 10-user case (of larger app.; smaller app. upgrades ignored for simplicity). 1/2 days per upgrade for 5-user case, about 2/3 weeks per upgrade for 10-user/1-developer case.

Deployment Cost: Assumes no cost to deploy each small app., 2 weeks/1 person to deploy FM large app., 3 weeks/1 person to deploy SS 2005 large app.

DBA Cost: As per previous study, $667/yr. to administer FM Server, $11,000/yr to administer SS 2005. Training: Research indicates no training needed for FileMaker below large-application size; include 1 $895 course from trainer. Microsoft estimate based on approximation of $200/course for each knowledge worker, $1,000 development course and $1,000 SS 2005 course for developer.

Platform Upgrades: Assume neither FM Server nor SS 2005 upgraded over 3-year period. FM 5-user cost is approximately 5 users = 5-user upgrade pack cost, and 10-user cost is the volume discount. Microsoft 5-user cost is 5 x 1-user cost, and 10-user cost is 10 x 1-user cost.

Support/Maintenance: Again, research shows that SMBs do not need to spend anything on FM Pro support, and 10-user/FM Server support is taken from FM reseller price list. Microsoft 5-user support is 5 x approximately $67/yr/user, and 10-user support is 2 x 5-user support plus $1,000/year SS 2005 support.