



FileMaker as a Low-Cost Alternative

By Bob Shockey

If you are considering ways to improve your business's productivity, you may be examining custom software as a way to save on employee costs, reduce mistakes, and increase efficiency. Kudos to you for recognizing the value of such a move. Let's take a moment to consider the many different options and their associated costs.

Custom software development for your company has a price tag associated with it. It's not just a purchase, it's an investment, and you must consider the return on that investment. If the software takes a long time to pay for itself, it may not be a wise choice. But how do you measure return on investment (ROI)? There are two main areas in which ROI is measured: tangible and intangible benefits. The former of the two, tangible benefits, are primarily measured in terms of employee time savings and error reduction.

Labor costs are most likely the largest expense your company incurs every month. You can't run your business without employees, but you want to make those employees as productive as possible. In similar fashion, errors cost your business in many ways, including time to make up the error, refunds and credits to your customers, and lost sales. Reducing these would be a measurable benefit.

The intangibles are equally important, just harder to measure. For example, what price tag can you put on the higher profile an efficient software system gives your company? When your customers call and want answers, and you are able to provide those answers without placing anyone on hold, those customers are more likely to return. Within your company, the fact that everyone's job has gotten better with the introduction of a new, easier to use, and more powerful software system helps you retain your good employees.

Let us now move on to the many choices available to you. There are many platforms out there to help you manage your data. Assuming that your business is unique enough to need a customized system, built to spec, you will need to hire expertise to help you through the rather complex process of custom software adoption. Every company has its preferred method for delivering a system to you, but that method may not be the best fit for your company, in terms of scale, delivery time, and cost. The various methods available fall into two categories: "Big Iron" database systems like Oracle, MSSQL, MySQL, 4D, and PeopleSoft; and mid-range software like FileMaker and Access.

The primary difference between these two choices come down to number of records, number of users, customizability, and cost. If you need to search a million or more records in a few seconds, or if you have 300+ people using the software, one of the "big iron" platforms is probably going to be your best bet. But such a system will cost you the most in terms of dollars and delivery time.

If your needs fall somewhere less than the above, you fit the profile of the majority of businesses in the U.S. 50-100 employees searching tens or hundreds of thousands of records can work comfortably with a properly designed system based on the FileMaker platform. As for the price tag, a FileMaker database will cost you anywhere from 10% to 25% of what a big iron system will cost, and the delivery time is also significantly smaller.

Big Iron database systems can cost in the hundreds of thousands of dollars, and may take many months or years to produce. If you want changes to the system after it's delivered, it can take a significant amount of time for them to be implemented. By comparison, FileMaker databases are, in the hands of an experienced FileMaker Developer, flexible and easily modified. Their cost is usually measured in the tens of thousands, and project times take far fewer months.

Now for a real-world example of the ROI on a typical FileMaker system from an experienced, reputable consultant: Let's say we have a company with ten employees that will use the new database system. These employees are paid at the U.S. national average salary of \$40,400 per year, or about \$19.42 per hour. Each employee will save a very conservatively estimated 5 minutes per hour. For a medium-sized database system, it will take 13 months for it to pay for itself, based on minimal time savings alone. Increase the estimated time saved to a (still conservative) 10 minutes per hour, and the time to full return on the investment is halved to just over 6 months. Not bad!

In uncertain economic times, investing in your business may seem risky. Yet, choosing the right software to help you run a leaner, tighter ship may be the smartest decision you make.