

**Aberdeen Group**

# Profile

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*FileMaker, Inc.*

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## **Leadership Role in Workgroup Databases Propels FileMaker into the Big League**

### **Preface**

Many of today's small-business and departmental information management database buyers are drowning in a tide of rising end-user expectations — and they need a solid partner to help them stay afloat.

Information System (IS) has had great success generating business-critical information in workgroup databases such as FileMaker's FileMaker Pro and Microsoft Access. As a result, these databases have become storage centers for information that must be widely available and effectively supported. However, making the data widely available requires that IS combine the end-user ease-of-use of a FileMaker Pro or Microsoft Access with "good IS citizen" connectivity and integration with large-scale databases — and that is a long-term job. To complete it, IS needs a financially stable supplier focused on workgroup needs.

This *Profile* describes the status of FileMaker, Inc., a company that provides time-tested and field-proven workgroup database software via its FileMaker product line, has the scale to handle both small and midsize businesses (SMBs), and has the multiple coordinated departments of large enterprises. The FileMaker product line offers targeted versions of an end-user-empowering database that allows IS to have its cake and eat it, too — that is, to provide a user interface that end-users are pleased with, along with increasingly robust data connectivity and integration with large-scale corporate databases. FileMaker's combination of usability and compliance with enterprise standards allows the enterprise to tap previously isolated workgroup and end-user data either across a geographically far-flung small business or by mass deployment across multiple departments.

### Executive Summary

FileMaker's recent arrival at a revenue run rate of more than \$100 million is clear evidence that FileMaker has joined the database "big league" and can reasonably claim to be the largest "pure" workgroup database supplier. FileMaker also continues to show a strong focus on workgroup needs and an ability to extend its reach across all major workgroup vertical markets and desktop platforms. As a result, IS buyers should view FileMaker not merely as a one-off, one-time purchase for a few users, but rather as a solid supplier with a strategic product that can support the entire organization at the workgroup level — with significant impact on end-user productivity.

FileMaker, Inc.'s product line provides Relational Database Management System (RDBMS) power via version 5 of FileMaker Pro, FileMaker Server, FileMaker Developer, and FileMaker Pro Unlimited (Table 1). Many workgroups find that FileMaker provides significant user-friendliness advantages over Microsoft Access. The FileMaker product line offers major end-user database design advantages over most — if not all — other databases and specific workgroup capabilities for managing projects, assets, and people. FileMaker provides key value-added features for querying Open Database Connectivity (ODBC) data sources such as Oracle7, Microsoft SQL Server, Microsoft Access, and Microsoft Excel; the ability to publish live databases to a Web site rapidly and easily; and support for the euro, kiosk databases, ODBC import and ODBC driver support; and Windows and Macintosh environments.

FileMaker partnerships and services provide cost-effective added flexibility. FileMaker requires little or no administrative support. A worldwide community of more than 17,000 developers (of which more than 2,500 are members of The FileMaker Solution Alliance) provides customized solutions or in-house development of customized FileMaker implementations. To back these up, FileMaker provides technical support that is battle-tested in consumer markets, including Internet-based support such as the FileMaker XML Central Web site.

These capabilities allow IS to employ FileMaker not only for traditional desktop database uses, but also for workgroup situations that go well beyond these uses. For example, as enterprise reporting becomes a key focus of large-scale organizations, FileMaker's ability to query a wide variety of Database Management Systems (DBMSs) allows IS to infuse departmental and local office solutions with enterprise data. FileMaker's ability to manage processes and assets gives enterprise workgroups and entire small businesses easy-to-use versions of those large enterprise tools that are more scalable (for fast-growing businesses) than other desktop databases. FileMaker can also serve as a logical upgrade for workgroups whose Access databases do not scale to new needs, but whose members are hesitant to

commit to the large database administration and DBMS sophistication requirements of Microsoft SQL Server.

Aberdeen finds that many of the problems afflicting large-scale businesses at the enterprise IS level today — resource constraints, increasing proliferation of unaggregated business-critical data, and the drive to make the most of competitive-advantage packaged applications — are also affecting the small business and the department. For these situations, a low-maintenance, integrative, long-term desktop/workgroup database from a solid, workgroup-focused supplier is key. FileMaker is a strong example of a scalable, flexible desktop/workgroup database supplier that can help.

**Table 1: Fitting the FileMaker Product to the Need**

FileMaker Product	Effective for Group/User	Examples of Key Capabilities
FileMaker Pro	Small workgroup in SMB	Core capabilities (described in subsequent sections of text)
FileMaker Server	Large workgroup in SMB	Core capabilities plus: <ul style="list-style-type: none"> <li>- shares databases with up to 250 users</li> <li>- simultaneous support for Windows, Mac clients</li> <li>- automated backup</li> <li>- remote administration</li> </ul>
FileMaker Developer	Small workgroup SMB with development needs	Core capabilities plus: <ul style="list-style-type: none"> <li>- builds custom databases, Web interfaces, and front-ends with XML, ODBC, etc.</li> <li>- creates and deploys runtime databases</li> </ul>
FileMaker Pro Unlimited	Large workgroup SMB or large enterprise department with development needs	All capabilities of FileMaker Pro, plus: <ul style="list-style-type: none"> <li>- security (Secure Sockets Layer)</li> <li>- load balancing and failover</li> <li>- integrates with middleware and application servers</li> <li>- supports Java and Visual Basic clients</li> <li>- sets up a redundant array of inexpensive computers (RAIC)</li> </ul>

Source: Aberdeen Group, August 2000

**FileMaker the Company: Focused on, Scaled to Workgroup User Needs**

Aberdeen research shows that \$100 million in annual revenue is a strong indicator of long-term success in any database market. Oracle, Sybase, and other RDBMS suppliers have been able to leverage their size to create and provide long-term service to loyal installed bases. Object database companies never made the \$100-million cutoff and are now acquired or focused on other markets. Therefore, the fact that FileMaker has grown beyond \$100 million in yearly revenues should be a clear message to IS buyers that FileMaker is among those who have a significant installed base and should be viable over the long term.

As it grows, FileMaker preserves a strong focus on the needs of the workgroup. Its products and services aim at multi-purpose usage and ease-of-use, as well as the Internet support, multiple data-type, and connectivity needs that are characteristic of both workgroups and enterprises.

This combination of supplier stability and workgroup focus is what SMB and departmental workgroup users need now. As rapid technology changes (especially those associated with the Internet) hit the workgroup, users need a supplier that not only ensures support for new technology over the long term, but also understands their needs. FileMaker's ability to combine scale and focus should be just what the doctor ordered.

**Technology Overview**

Aberdeen research shows that, to meet end-users' rising requirements, IS needs a desktop/workgroup database that provides the following:

- *Scalability* — to handle fast-growing small businesses and departments;
- *Connectivity* — to large-scale databases from departments that have not been able to combine their business-critical desktop data with enterprise information;
- *Ease-of-use* — for end-users to ensure that they are not confronted by the arcana of an Oracle8 or an IBM DB2;
- *End-user and department "speed-to-information"* — allowing rapid implementation and querying of key customer and workgroup databases, especially via intranets; and
- *"Zero-administration" support* — particularly for small businesses with scarce IS resources and departments that lack central IS support.

Along with the typical desktop database's ease-of-use, FileMaker has several core capabilities that clearly separate it from today's run-of-the-mill desktop database, as well as allow IS to better meet departmental/small-business end-user requirements:

- It allows rapid, flexible end-user database design (speed to information).

- It supports ODBC and Java Database Connectivity (JDBC) import and drivers, ensuring that developers and end-users can access large database information and combine it with FileMaker data. Moreover, users can query against data from Oracle7, Microsoft SQL Server, Microsoft Access 97, and/or Microsoft Excel and use it to populate an entire database within FileMaker (large database access).
- It provides instantaneous data sharing and workgroup process management capabilities. Workgroups ranging in size from 2 to 250 workers can share data easily and cost-effectively (scalability).
- It handles typical database administration tasks automatically — with little need for a trained administrator (“near-lights-out administration”). For example, administrators can deploy FileMaker Server for a workgroup in minutes with plug-and-play connectivity to desktop applications and can share forms and automate forms-handling easily.

### **Handling Today’s Key New Technologies**

Workgroups and growing small businesses also need to participate in today’s popular technologies: the Internet, decision support, groupware, and Microsoft Office software. FileMaker provides specific features for each of these cases.

#### *The Internet/Intranets*

FileMaker’s rapid-design and Internet-support features allow users to create Web site databases quickly and publish this “live” data to the site with a few mouse clicks. Data housed in dynamic FileMaker databases can be viewed on the Web or across an intranet using a browser.

FileMaker also includes support for JDBC, an enterprise standard that allows FileMaker to work with standard Web development tools, and for XML, today’s most popular method of Web content exchange.

#### *Decision Support*

FileMaker allows end-users to query ODBC data sources via Structured Query Language (SQL) statements or via the ODBC SQL Query Dialog. End-users or workgroups can store SQL statements as scripts for reuse (for example, for group reports). Windows and Macintosh end-users can access the same database.

#### *Workgroup Solutions*

FileMaker provides support on the server for database sharing across a group, including access control. FileMaker also offers templates that allow rapid deployment of customized asset and process management, as well as other common tasks such as Web publishing. Therefore, FileMaker — by itself or combined with third-party applications — can allow small businesses and workgroups to manage projects or business inventories with exceptional ease.

*Integration with Microsoft Environments*

Workgroups often find it hard to scale project-/asset-management tasks whose database is a quick-and-dirty spreadsheet. FileMaker's Excel Companion allows project managers to drag-and-drop an Excel file into the FileMaker application; FileMaker then automatically creates a new FileMaker database from the workbook data. And Microsoft Office 2001 for Macintosh will make it just as easy to import FileMaker data into Excel for sophisticated charting and analysis. Similarly, Microsoft Word will streamline the process of combining documents with FileMaker data for mass communications.

FileMaker also supports OLE, allowing developers to integrate FileMaker with applications like Word and Excel. And FileMaker's ODBC support means that end-users can import data from Microsoft Access, Microsoft Excel, and Microsoft SQL Server.

*Other Useful Capabilities*

For workgroups of small businesses that do any business with Europe, FileMaker offers recognition of the new currency symbol for the euro. The Kiosk Mode allows workgroups seeking to implement information-rich, user-friendly user interface screens to employ FileMaker as a kiosk's database.

**Where FileMaker Can Be Most Effective**

A key area in which FileMaker can be especially useful to enterprise workgroups and small businesses is in scaling the desktop and run-the-business tasks, such as desktop publishing, asset management, project tracking, marketing, and human resources. By providing both Internet workgroup and rapid database design support (customized via templates), FileMaker allows fast-moving workgroups to log and track key data for business-critical tasks immediately, while sharing the information widely across local or geographically dispersed offices. Aberdeen expects FileMaker to enhance its integration with large-scale databases so that, as workgroups and small businesses grow, they can connect FileMaker with a large-scale database with minimal disruption.

FileMaker is also useful in upgrading users' Microsoft Access implementations. Groups of 40 to 200 employees are large enough to need more workgroup support than Access can provide. Microsoft's typical response is to suggest upgrading to Microsoft SQL Server; and this recommendation is likely to continue, given Microsoft's Windows 2000-related push to upgrade corporate desktops to large main memories and NT — platforms more suited to Microsoft SQL Server.

However, for the 40- to 200-person workgroups, a scalable desktop database like FileMaker has significant advantages over Microsoft SQL Server. SQL Server is designed to be relational, transaction-based, and large-scale, and is therefore often less user-friendly in querying and database design. Despite recent advances in file

system support, eliminating some of the need to periodically reorganize the database, SQL Server 7.0 still requires significant administrative support, whereas FileMaker customers testify to its low administrative overhead. As a result, and because of its ability to play well with Microsoft Office, FileMaker offers Microsoft Access users an attractive alternative to migrating to Microsoft SQL Server.

A third area in which FileMaker potentially can be valuable is as a desktop or workgroup complement to large businesses' data marts. FileMaker's ODBC import from large-scale databases allows users to combine personal insights from desktop databases with corporate insights from the data mart.

### **The Competition**

FileMaker competes most directly with desktop databases — especially Microsoft Access — plus workgroup versions of large-scale databases. FileMaker now claims the second largest desktop database market share on Windows platforms behind Microsoft Access. As noted above, FileMaker differentiates itself from Microsoft Access particularly by scalability and administrative ease-of-use. FileMaker distinguishes itself from larger scale databases particularly by this usability, low administrative overhead, and rapid database design support.

### **Easy Database Design Considered Important**

Although database design is not a make-or-break factor in the typical buying decision, Aberdeen strongly believes that IS buyers should also consider the subtle but profound impact of easy end-user database design on the typical workgroup.

Most current databases' support for end-user database design is, to put it bluntly, poor:

- End-users design databases in an iterative and exploratory fashion — today's databases typically assume a full-blown-when-entered, rarely changing design.
- End-user databases are sets of highly overlapping, hierarchical structures driven by typical queries and information displays — today's databases are driven inexorably toward non-overlapping flat structures by the underlying relational model.
- Good end-user database design software leads the user to design a structure that optimizes performance on typical queries implicitly, without overloading the end-user with unnecessary technical detail. Today's databases treat query support and performance as an add-on — typically by the administrator — to a flat relational structure.

The potential effect of truly easy end-user database design on the workplace is comparable to that of the spreadsheet and the word processor. The typical end-user is awash with unused, local, significant data on customers and the business.

Gaining insight into one's own data empowers the end-user to operate more effectively and at a more strategic level. Multiplied by all of the end-users in a workgroup, and then by information sharing across groups, these data insights allow the enterprise to mount a competitive-advantage "full-court press" by all employees rather than relying on initiatives driven from above.

Aberdeen does not bless any database as the ultimate in end-user database design; but even a modest increase in databases' support for easy design can have a major impact — as many FileMaker end-users have testified. In short, easy end-user database design is not a major buying criterion for most users, but it should be.

### **Aberdeen Conclusions**

As 10- to 200-person small businesses and workgroups try to meet increasing end-user demands for scalability, ease-of-use, and broad data connectivity, they should consider suppliers with the scale to be a solid long-term solution and with a strong focus on the workgroup. FileMaker, with products such as the FileMaker server, client, Web-publishing, and developer tools, is such a supplier. FileMaker provides scalability, fit with enterprise and desktop standards, ease-of-use, speed to information, and minimal administrative overhead — all of which are key benefits for today's rapidly growing workgroups. Moreover, FileMaker offers support for technologies such as the Internet, decision support, groupware, and integration with new versions of Microsoft Office. This new technology support can be especially important in solving workgroup-critical tasks such as project management, desktop publishing, marketing, and human resources; scaling Microsoft Access implementations; or querying data marts.

Small business/departmental IS buyers should also consider the potential of easy database design for empowering their end-users — and FileMaker has long been a standout in providing easy end-user database design. As a result, FileMaker is an attractive alternative not only for relatively short-term business needs, but also for sharing and tapping the potential of underused local workgroup and personal data.

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