

Total Cost of Ownership and Return On Investment

Financial Benefits of Our Software Solutions



➔ Your evaluation of a software vendor’s application product should not only involve considering factors such as functionality and performance. You should also consider the financial benefits of the new application and its underlying software platform.

The new software application should result in low Total Cost of Ownership (TCO), as well as high Return On Investment (ROI), meeting your organization’s financial objectives for the application’s procurement and use. TCO and ROI can be an important part of your selection process. Facility Wizard’s applications provide excellent TCO and ROI when compared to:

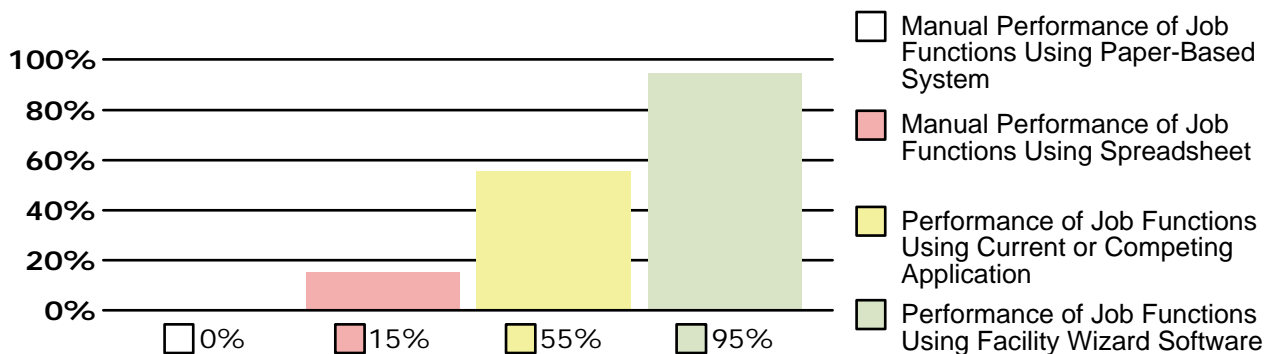
- Manual systems for performing the job functions
- Competing application vendors
- Developing a computer software solution in-house

At Facility Wizard Software, our application products, and the technical platform on which they are based, FileMaker Pro, result in low TCO and high ROI. These financial benefits primarily accrue from cost savings resulting from procurement and utilization of the software, and also from the effectiveness and efficiency of our development platform, and our development process which we use to tailor our software to our customers’ unique requirements.

Productivity Gains with Our Software

Our software is simple, powerful, and flexible. This amounts to substantial ease-of-use while maintaining a very high degree of functionality and adaptability, including being able to readily integrate with your other software systems and databases.

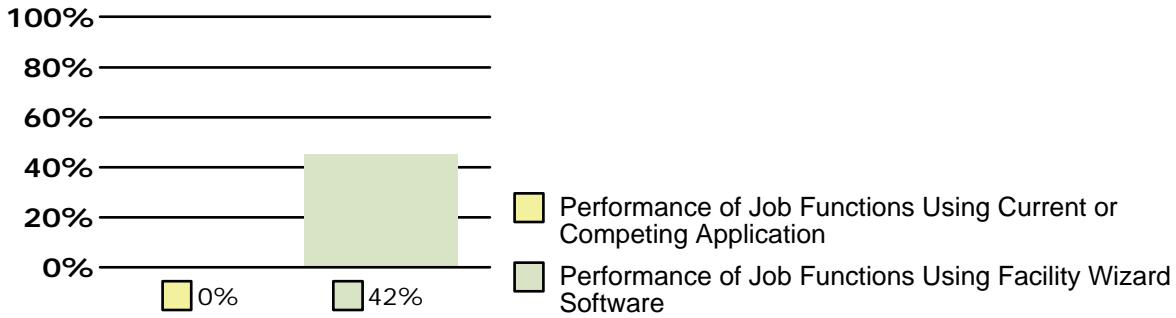
The result of these benefits are productivity gains for your users when compared to your previous way of performing facility management or real estate administration job functions. These productivity gains are also realized when comparing our software applications to competing products.



Facility Wizard Software Productivity Compared to Previous Methods of Performing Job Functions

Note1: Source is information from Facility Wizard Software Sales.

Note2: Because each situation is unique, these productivity gains are estimated representative averages and do not constitute an agreement that these will be the improvements attained by your organization.



Facility Wizard Software Productivity Compared to Current or Competing Applications

Note1: Source is information from Facility Wizard Software Sales.
 Note2: Because each situation is unique, these productivity gains are estimated representative averages and do not constitute an agreement that these will be the improvements attained by your organization.

ASP Hosted Applications

In addition to providing application software products that you host in-house on your own computers, at Facility Wizards Software we also provide hosting for our applications. This product offering, called ASP (Application Service Provider), has further resource and cost benefits when compared to software that resides on your own servers. These consist of the elimination of hardware costs and IT support costs. All that is needed for this option are computers with a standard web browser.

Cost Benefits of the Facility Wizard Development Process

A key part of the overall cost of application software are process costs. Some competing platforms lend themselves to a waterfall process. In this kind of process, the development efforts are split into stages (e.g., design, code, test) that developers perform in sequence. Development rigidly proceeds from stage to stage.

A waterfall process impedes the ability to take into account user feedback and make adjustments to the requirements and to the developed software. This reduces the efficiency and effectiveness of development efforts, which can cause lacking functionality.

At Facility Wizard Software, we utilize a *spiral* process to rapidly develop, deploy, and refine the customizations of your application. The keys to this are defining and implementing the basic starting requirements, and then quickly putting the application into use within your organization. Feedback is then captured from your users, and this information is utilized to implement successive revisions of the application. This *iterative* approach allows us to continually refine the requirements, ensuring a high degree of functionality, usability, reliability, and performance.

FileMaker Pro, our technical platform, lends itself specifically to our spiral development process. FileMaker Pro includes a fully integrated visual programming environment. The complete application is developed within FileMaker, including screens, data, and reports.

FileMaker Pro also provides a simple, file-based, deployment capabilities which further contribute to process efficiency. FileMaker applications can be easily deployed and upgraded by copying just the affected files. Application changes can also be made to a FileMaker application while it is executing, not requiring that the system be taken down or offline. This is particularly worthwhile for making minor changes such as fixing development defects or tweaking functionality.

	Requirements and Design	Coding	Testing	Total
Waterfall Process (No visual programming environment)	28%	48%	23%	100%
Spiral Process (No visual programming environment)	18%	33%	21%	73%
Waterfall Process and Visual Programming Environment	18%	33%	18%	70%
Spiral Process and Visual Programming Environment (Facility Wizard Software process and platform)	12%	23%	16%	51%

Facility Wizard Software Development Process Time and Cost Savings Compared to other Process Approaches

Note1: Source is Infostructure Associates (see http://www.facilitywizard.com/downloads/tech_documents/filemaker/IA_FM_TCO.pdf)

Note2: Because each situation is unique, these process savings are estimated representative averages and do not constitute an agreement that these will be the improvements attained by your organization.

As shown in this table, utilization of a spiral process, when performed using a development platform that provides an integrated visual programming environment, maximizes development efficiency. The combination of this process approach and technology platform, which is what we use at Facility Wizard Software, results in the greatest development time and cost savings when compared to other processes and platforms.

Cost Savings vs. Competing Applications

When evaluating options for a facility management or real estate administration solution, most of our customers compare our software with competing software. The initial software licensing costs is just one aspect of the total costs that need to be weighed. Other considerations include hardware costs, training, maintenance, and support costs.

	Software Licensing	Hardware Platform (Server and workstations)	(Typical 2 functions + 3 reports) [see Note4]	Training
Facility Wizard Software Workorderama™	38.0	37.3	11.4	7.0
Facility Wizard Software Workorderama™ ASP	63.0	35.0	11.4	7.0
Typical Competing Application	45.0	37.4	15.5	14.0
Difference Between Facility Wizard Software Application and Competing Application	(7.0)	(0.1)	(4.2)	(7.0)
Percent Difference	84%	100%	73%	50%
Difference Between Facility Wizard Software ASP Application and Competing Application	18.0	(2.4)	(4.2)	(7.0)
Percent Difference	140%	94%	73%	50%
Facility Wizard Software REPortfolio™	48.0	37.3	11.4	8.8
Facility Wizard Software REPortfolio™ ASP	67.5	35.0	11.4	8.8
Typical Competing Application	48.0	37.4	15.5	11.4
Difference Between Facility Wizard Software Application and Competing Application	0.0	(0.1)	(4.2)	(2.6)
Percent Difference	100%	100%	73%	77%
Difference Between Facility Wizard Software ASP Application and Competing Application	19.5	(2.4)	(4.2)	(2.6)
Percent Difference	141%	94%	73%	77%
Facility Wizard Software Projecto™	53.0	37.3	11.4	10.5
Facility Wizard Software Projecto™ ASP	67.5	35.0	11.4	10.5
Typical Competing Application	92.8	37.4	15.5	8.8
Difference Between Facility Wizard Software Application and Competing Application	(39.8)	(0.1)	(4.2)	1.8
Percent Difference	57%	100%	73%	120%
Difference Between Facility Wizard Software ASP Application and Competing Application	(25.3)	(2.4)	(4.2)	1.8
Percent Difference	73%	94%	73%	120%

Facility Wizard Software Costs Compared to Competing Applications - 25 Users for Three Years (Dollar values in thousands; dollar values in parenthesis indicate cost savings) (Continued next page)

	Application Technical Support [see Note5]	Software Updates [see Note5]	IT Support	Total
Facility Wizard Software Workorderama™	11.4	11.4	56.3	172.7
Facility Wizard Software Workorderama™ ASP	18.9	18.9	0.0	154.2
Typical Competing Application	13.5	13.5	56.4	195.4
Difference Between Facility Wizard Software Application and Competing Application	(2.1)	(2.1)	(0.2)	(22.7)
Percent Difference	84%	84%	100%	88%
Difference Between Facility Wizard Software ASP Application and Competing Application	5.4	5.4	(56.4)	(41.2)
Percent Difference	140%	140%	0%	79%
Facility Wizard Software REPortfolio™	14.4	14.4	56.3	190.5
Facility Wizard Software REPortfolio™ ASP	20.3	20.3	0.0	163.1
Typical Competing Application	14.4	14.4	56.4	197.6
Difference Between Facility Wizard Software Application and Competing Application	0.0	0.0	(0.2)	(7.1)
Percent Difference	100%	100%	100%	96%
Difference Between Facility Wizard Software ASP Application and Competing Application	5.9	5.9	(56.4)	(34.5)
Percent Difference	141%	141%	0%	83%
Facility Wizard Software Projecto™	15.9	15.9	56.3	200.2
Facility Wizard Software Projecto™ ASP	20.3	20.3	0.0	164.9
Typical Competing Application	27.8	27.8	56.4	266.6
Difference Between Facility Wizard Software Application and Competing Application	(11.9)	(11.9)	(0.2)	(66.3)
Percent Difference	57%	57%	100%	75%
Difference Between Facility Wizard Software ASP Application and Competing Application	(7.6)	(7.6)	(56.4)	(101.7)
Percent Difference	73%	73%	0%	62%

Facility Wizard Software Costs Compared to Competing Applications - 25 Users for Three Years (Dollar values in thousands; dollar values in parenthesis indicate cost savings) (Continued from previous page)

Note1: Source is information from Facility Wizard Software Sales, and from Infostructure Associates (see http://www.facilitywizard.com/downloads/tech_documents/filemaker/IA_FM_TCO.pdf).

Note2: Because each situation is unique, these costs are estimated representative averages and do not constitute an agreement that these will be the actual costs incurred by your organization.

Note3: Assumes average employee burden rate of \$75,000/year

Note4: Includes retrofitting customizations to subsequent updates.

Note5: Assumes both technical support and software updates covered by maintenance agreement.

At Facility Wizard Software, our products and services cost less when compared to our competitors. This results primarily from our competitive pricing, and the efficiencies of our development process and technical platform. We supply everything you need for installing and configuring, customizing, and supporting our applications. For ASP solutions, we also take care of server hardware and IT support, including secure data backups.

Cost Savings vs. In-House Developed Solutions

Perhaps you are considering developing your software solution in-house by your own development staff. In these cases, there is also a clear cost advantage to procuring your solution from Facility Wizard Software. This is evident when you compare the total cost of our software, with the overall costs of acquiring and utilizing a development infrastructure. There are many additional costs to developing a solution in-house.

	Software Licensing [see Note4]	Hardware Platform (Server and Workstations) [see Note5]	Development, or Customization (Typical 2 functions + 3 reports) [see Note6]	Training
Facility Wizard Software Workorderama™	38.0	37.3	11.4	7.0
Facility Wizard Software Workorderama™ ASP	63.0	35.0	11.4	7.0
In-House Developed Solution	35.0	40.3	225.0	14.0
Difference Between Facility Wizard Software Application and In-House Developed Solution	3.0	(3.0)	(213.6)	(7.0)
Percent Difference	109%	93%	5%	50%
Difference Between Facility Wizard Software ASP Application and In-House Developed Solution	28.0	(5.3)	(213.6)	(7.0)
Percent Difference	180%	87%	5%	50%
Facility Wizard Software REPortfolio™	48.0	37.3	11.4	8.8
Facility Wizard Software REPortfolio™ ASP	67.5	35.0	11.4	8.8
In-House Developed Solution	35.0	40.3	241.1	15.0
Difference Between Facility Wizard Software Application and In-House Developed Solution	13.0	(3.0)	(229.7)	(6.3)
Percent Difference	137%	93%	5%	58%
Difference Between Facility Wizard Software ASP Application and In-House Developed Solution	32.5	(5.3)	(229.7)	(6.3)
Percent Difference	193%	87%	5%	58%
Facility Wizard Software Projecto™	53.0	37.3	11.4	10.5
Facility Wizard Software Projecto™ ASP	67.5	35.0	11.4	10.5
In-House Developed Solution	35.0	40.3	241.1	15.0
Difference Between Facility Wizard Software Application and In-House Developed Solution	18.0	(3.0)	(229.7)	(4.5)
Percent Difference	151%	93%	5%	70%
Difference Between Facility Wizard Software ASP Application and In-House Developed Solution	32.5	(5.3)	(229.7)	(4.5)
Percent Difference	193%	87%	5%	70%

Facility Wizard Software Costs Compared to In-House Developed Solution - 25 Users for Three Years (Dollar values in thousands; dollar values in parenthesis indicate cost savings) (Continued next page)

	Application Technical Support [see Note7]	Software Updates [see Note7]	IT Support	Total
Facility Wizard Software Workorderama™	11.4	11.4	56.3	172.7
Facility Wizard Software Workorderama™ ASP	18.9	18.9	0.0	154.2
In-House Developed Solution	74.9	37.5	60.8	487.5
Difference Between Facility Wizard Software Application and In-House Developed Solution	(63.5)	(26.1)	(4.5)	(314.8)
Percent Difference	15%	30%	93%	35%
Difference Between Facility Wizard Software ASP Application and In-House Developed Solution	(56.0)	(18.6)	(60.8)	(333.3)
Percent Difference	25%	50%	0%	32%
Facility Wizard Software REPortfolio™	14.4	14.4	56.3	190.5
Facility Wizard Software REPortfolio™ ASP	20.3	20.3	0.0	163.1
In-House Developed Solution	80.3	40.2	60.8	512.6
Difference Between Facility Wizard Software Application and In-House Developed Solution	(65.9)	(25.8)	(4.5)	(322.1)
Percent Difference	18%	36%	93%	37%
Difference Between Facility Wizard Software ASP Application and In-House Developed Solution	(60.0)	(19.9)	(60.8)	(349.5)
Percent Difference	25%	50%	0%	32%
Facility Wizard Software Projecto™	15.9	15.9	56.3	200.2
Facility Wizard Software Projecto™ ASP	20.3	20.3	0.0	164.9
In-House Developed Solution	80.3	40.2	60.8	512.6
Difference Between Facility Wizard Software Application and In-House Developed Solution	(64.4)	(24.3)	(4.5)	(312.4)
Percent Difference	20%	40%	93%	39%
Difference Between Facility Wizard Software ASP Application and In-House Developed Solution	(60.0)	(19.9)	(60.8)	(347.7)
Percent Difference	25%	50%	0%	32%

Facility Wizard Software Costs Compared to In-House Developed Solution - 25 Users for Three Years (Dollar values in thousands; dollar values in parenthesis indicate cost savings) (Continued from previous page)

Note1: Source is and information from Facility Wizard Software Sales, and from Infostructure Associates (see http://www.facilitywizard.com/downloads/tech_documents/filemaker/IA_FM_TCO.pdf).

Note2: Because each situation is unique, these costs are estimated representative averages and do not constitute an agreement that these will be the actual costs incurred by your organization.

Note3: Assumes average employee burden rate of \$75,000/year

Note4: For in-house developed solution, licensing cost consists of development environment licensing; for Facility Wizard Software, licensing cost is for the application software product.

Note5: For development of in-house solution, this also includes the cost of two additional developer systems.

Note6: For in-house developed solution, this column shows the total cost of developing the solution, including the functions that would be customizations to the Facility Wizard's application; for Facility Wizard Software, this column shows the cost of customizing the off-the-shelf application product. This column also includes costs for retrofitting customizations to subsequent updates.

Note7: Assumes both technical support and software updates covered by maintenance agreement.

When a solution is developed in-house, there are substantial additional costs involved. These include all aspects of development (requirements definition, coding, QA-test, deployment) as well as training and support (IT support and user support). At Facility Wizard Software, we provide all of these, which amounts to a substantial time and cost savings.

Total Cost of Ownership

Thus far in this paper we have discussed the productivity gains that can be attained by using our software, as well as our software's lower procurement, implementation, and support costs. Total Cost of Ownership is calculated by factoring-in both of these values.

	Total Software Procurement and Implementation Cost	Replacing Paper Based System		Replacing Spreadsheet Based System	
		Productivity Cost Savings	TCO	Productivity Cost Savings	TCO
Facility Wizard Software Workorderama™	\$ 173	\$ (3,420)	\$ (3,247)	\$ (2,880)	\$ (2,707)
Facility Wizard Software Workorderama™ ASP	\$ 154	\$ (3,420)	\$ (3,266)	\$ (2,880)	\$ (2,726)
Facility Wizard Software REPortfolio™	\$ 190	\$ (481)	\$ (290)	\$ (405)	\$ (215)
Facility Wizard Software REPortfolio™ ASP	\$ 163	\$ (481)	\$ (318)	\$ (405)	\$ (242)
Facility Wizard Software Projecto™	\$ 200	\$ (334)	\$ (134)	\$ (281)	\$ (81)
Facility Wizard Software Projecto™ ASP	\$ 165	\$ (334)	\$ (169)	\$ (281)	\$ (116)

Facility Wizard Software Anticipated TCO -- 25 Users for Three Years (Dollar values in thousands; dollar values in parenthesis indicate cost savings)

Note1: Because each situation is unique, these costs savings are estimated representative averages and do not constitute an agreement that these will be the actual costs incurred by your organization.

When viewed from a TCO perspective, our software results in a overall cost savings in the representative examples we have shown in this paper. A major contributing factor is the productivity improvement that results from our software's ease of use.

Return on Investment

When evaluating our software, Return On Investment (ROI) is a worthwhile financial metric that takes into account all of the cost benefits we have discussed. This is determined by calculating the ratio of money gained relative to the amount of money spent. Money gained includes productivity gains resulting from functionality and ease of use, and cost savings that include process and platform cost benefits.

	Replacing Paper Based System	Replacing Spreadsheet Based System	Incremental Compared to Competing Application Replacing Paper Based System	Incremental Compared to Competing Application Replacing Spreadsheet Based System	Incremental Compared to In-House Developed Solution Replacing Paper Based System	Incremental Compared to In-House Developed Solution Replacing Spreadsheet Based System
Facility Wizard Software Workorderama™						
ROI Dollars	\$ 3,247	\$ 2,707	\$ 1,463	\$ 1,463	\$ 1,755	\$ 1,755
Total ROI %	1880%	1567%	967%	930%	1574%	1372%
Total Yearly ROI %	171%	156%	120%	118%	156%	145%
Total Yearly ROI % Above 8.25% Prime	162%	147%	112%	109%	148%	137%
Facility Wizard Software Workorderama™ ASP						
ROI Dollars	\$ 3,266	\$ 2,726	\$ 1,481	\$ 1,481	\$ 1,773	\$ 1,773
Total ROI %	2118%	1768%	1205%	1131%	1812%	1573%
Total Yearly ROI %	181%	165%	135%	131%	167%	156%
Total Yearly ROI % Above 8.25% Prime	173%	157%	127%	123%	159%	148%
Facility Wizard Software REPortfolio™						
ROI Dollars	\$ 290	\$ 215	\$ 210	\$ 210	\$ 525	\$ 525
Total ROI %	152%	113%	112%	110%	198%	173%
Total Yearly ROI %	36%	29%	29%	28%	43%	40%
Total Yearly ROI % Above 8.25% Prime	28%	21%	20%	20%	34%	32%
Facility Wizard Software REPortfolio™ ASP						
ROI Dollars	\$ 318	\$ 242	\$ 237	\$ 237	\$ 552	\$ 552
Total ROI %	195%	148%	154%	146%	241%	209%
Total Yearly ROI %	43%	35%	36%	35%	51%	46%
Total Yearly ROI % Above 8.25% Prime	35%	27%	28%	27%	42%	38%
Facility Wizard Software Projecto™						
ROI Dollars	\$ 134	\$ 81	\$ 207	\$ 207	\$ 453	\$ 453
Total ROI %	67%	40%	94%	88%	129%	113%
Total Yearly ROI %	19%	12%	25%	23%	32%	29%
Total Yearly ROI % Above 8.25% Prime	11%	4%	17%	15%	24%	21%
Facility Wizard Software Projecto™ ASP						
ROI Dollars	\$ 169	\$ 116	\$ 242	\$ 242	\$ 488	\$ 488
Total ROI %	103%	71%	130%	118%	165%	143%
Total Yearly ROI %	27%	20%	32%	30%	38%	34%
Total Yearly ROI % Above 8.25% Prime	18%	11%	24%	22%	39%	26%

Facility Wizard Software ROI -- 25 Users for Three Years (Dollar values in thousands; dollar values in parenthesis indicate cost savings)

Note1: Because each situation is unique, these returns are estimated representative averages and do not constitute any agreement that these will be the actual costs incurred by your organization.

ROI is calculated using the procurement, support, productivity, platform and process cost savings we have shown previously. Facility Wizard Software applications provide superior ROI when compared to the other solution options, including manual systems, competing applications, or an in-house developed solution.

The Facility Wizard Difference

In this paper we have quantitatively demonstrated the TCO and ROI benefits that can result from procurement and implementation of our facility management or real estate administration software applications. Although this particular case study pertains a 25 user installation with a moderate degree of customization, the figures in this paper contained can be extrapolated to give you a sense of the financial benefits of your specific proposed solution. These cost benefits, which accrue from a combination of productivity improvements and cost savings resulting from our software, technology platform, and process, can give you confidence that your Facility Wizard Software solution will have valuable cost benefits for your organization.

About Facility Wizard Software

Facility Wizard Software develops and markets simple, powerful and flexible software tools and web-based solutions for facility management and real estate professionals.

The Facility Wizard family of software products is based on three fundamental principles. Our products are designed to be:

- **SIMPLE.** Making you feel comfortable with your software is our #1 priority. We never underestimate the importance of simplicity and usability.
- **POWERFUL.** Built for performance and productivity, with scalable tools and interfaces that reach out to your entire organization and integrate with enterprise applications.
- **FLEXIBLE.** Our standard products have all the core features you need and can be easily modified or custom-tailored to meet your current and changing requirements.

Available software solutions include asset maintenance and work order tracking, construction project and capital program management, and real estate lease administration. Facility Wizard Software is known for exceptional customer satisfaction.

Facility Wizard Software is a privately held corporation, with the home office in Chicago Illinois, and with branch offices in Ohio, Texas and California. The company has been in-business and profitable since 1992, and has served over 600 customers worldwide.



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