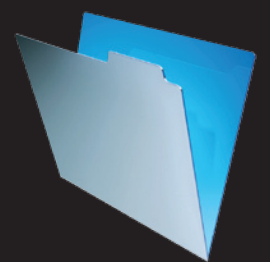




Executive Summary
Business Information Silos Survey
FileMaker Research Report 2007



Executive summary

FileMaker's 'Business Information Silos' research sets out to understand how SMEs in the UK manage and control IT processes within their businesses. The tools available to organisations today have never been more plentiful or more powerful in terms of their potential impact on business processes, yet the research tells a story of undiscovered potential where the very people who could benefit most from technology are the ones compromising its possibilities.

“... IT skills and consequently power, no longer reside solely in the IT manager’s broom cupboard”

With technology pervading commerce on many different levels, users are not only more familiar but also increasingly confident of engaging with technology. As a result, IT skills, and consequently power, no longer reside solely in the IT manager's 'broom cupboard' but have dissipated, to varying degrees, across the organisation as a whole. Technology know-how is diluted across the business. The research explores the current IT skill landscape within SMEs and the changing role of the IT manager against this backdrop, whilst challenging conventional thinking on how businesses capitalise on software use.

The research shows an increased level of end user IT skills across organisations of all sizes, with higher levels of skill witnessed in smaller companies (less than 20 employees). A wide gulf between small and medium sized businesses exists in terms of application penetration, with intranets, payroll and CRM systems very much more the preserve of the larger (SME) business.

“... end users are taking IT policy into their own hands”

With fewer users and applications to manage, it seems that smaller businesses have focused more on developing internal skills than their larger counterparts. However as the old adage goes 'with knowledge is power', and it seems that end users are taking IT policy into their own hands and creating micro silos of data within their organisations where manipulation of business applications and poor local drive and email management create a wilderness of files outside existing processes.



Highlights of the research include:

Diluted IT

- Overall, 76% of non managers and 91% of managers are described as having medium or high level IT skills, with smaller companies likely to demonstrate more IT skills than larger businesses
- In 71% of small businesses (less than 20 employees), more than three quarters of the workforce has the necessary software and network access to create simple databases - only 22% of businesses with 20-250 employees have this level of access
- IT outsourcing is more prevalent in larger companies - two thirds (69%) outsource to some extent, compared to 38% in smaller companies

Micro Silos: The new challenge for connected business

- Employees in 60% of companies use email as an ad hoc server for documents whilst two thirds of companies (66%) have business professionals who are creating new ad hoc files outside existing processes / systems
- Sales teams are the biggest culprits (61%) when it comes to rogue data management, whilst IT are the least likely to step outside corporate processes (25%)
- 64% of respondents believe their businesses have something of a silo mentality when it comes to how information is created and used. This is more evident in companies that outsource their IT (83%)
- 56% attribute silo mentality to the fact that users are working from local drives rather than a shared network or database

Power to the people

- More than three quarters (77%) of businesses think it is easier for business users to create and customise applications than three years ago
- Simultaneously, end user skills to manage IT applications have increased in 60% of businesses
- Almost half (48%) think that increased user autonomy leads to issues with compliance and workflow management across the business

Modern day IT managers

- Four in ten IT managers/owners have dual responsibilities within the business- most notably, in a Director (41%) or Operations (36%) role
- A third of IT managers (33%) have no formal IT qualifications, and are either self-taught or trained on the job



“... employee free-styling within IT is a potential cause for concern.”

SMEs are typically viewed as more flexible and adaptable workplaces where independent thought and creativity are often encouraged. Whilst these characteristics are the foundations for success in businesses of all sizes, it appears that excessive employee free-styling within IT processes is a potential cause for concern. Positively, in 2007, employees at all levels are better able to manage IT applications than ever before. This coupled with the fact that it is easier for business users to create and customise applications paints a portrait of a highly empowered user base.

The research, however, also shows that IT owners face a strategic challenge in managing and administering business applications and the new data they control. With makeshift servers residing in the inboxes and local PC drives of the majority of employees in SMEs, the question is whether better policing or education is needed to reverse this trend.

The solution is likely to be a combination of changes on many different levels. Importantly, there is a need to identify the software and user habits that contribute to fluid workflow and efficiency, whilst removing those practices that compound the problem of rogue application and data use.

“SMEs have never had it better...”

SMEs have never had it better in terms of the technology available to them and IT skills within organisations have never been so well developed or widespread. The reality, however is that autonomy is fast translating into challenges in many businesses. Taking these issues into account and balancing the need for organisational control as well as individual independence when it comes to the utilisation of technology, the report makes the following recommendations:

- **Integrate the micro silos in your business:** Are you a business of local hard drives and replicated files? Do your applications work from common repositories that benefit the business, or do users have to tame a ‘data wilderness’ to undertake businesses tasks and make decisions?
- **Identify common data management challenges at source:** Is there a clear written policy in terms of what is and is not acceptable use of IT by employees? Is data use abused by lack of control or poor IT management? Are there particular applications that work well as shared resources? If so, what can be learnt from their use to improve other aspects of IT?
- **User behaviour is more a symptom than a cause:** Are employees’ needs for fluid workflow or flexible working being supported by IT or are they free-styling as a workaround solution? Is email a default business drive because the network is too cumbersome?
- **Target key areas of the business as a catalyst for change:** Who are the database rebels in your organisation and how can you better support them? If certain roles in the business place greater strain on IT controls, perhaps more support, education, or even restriction is required in these areas
- **Differentiate between data for sharing and data for individuals:** Identify which data needs to be used either by more than one person or for more than one purpose. Choose the appropriate location and tool for that data and then do not compromise on the implementation of a process that protects that data. BUT do allow data used by only one person to be handled in the way they wish.

More than a simple case of bad habits, the research describes a fundamental gear change in how software pervades business. Increased autonomy and diluted IT skills lead to a more fluid use of business information. But, process management must still function efficiently. This requires a rethink in SME database processes, nurturing and refining new levels of application functionality and user skills and access in order to benefit existing and future business needs.



Research methodology

The FileMaker “Business Information Silos” survey was conducted by Loudhouse Research, an independent research agency based in the UK. The sample of the survey comprised of 100 people responsible for IT management within UK businesses of less than 250 employees. The research was conducted online during July 2007.

For a copy of the full research results please contact
uk_marketing@filemaker.com or call 01628 534100

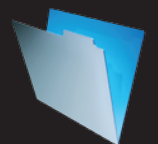
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