Does SOFTWARE INVESTMENT Drive ROI?

For Door, Frame & Hardware Distributors

Software
FOR HARDWARE

Contents

Introduction

In today's rapidly changing economy, keeping up with industry trends or even maintaining a competitive status-quo, becomes increasingly difficult. Many door, frame and hardware distributors question the value of spending money purchasing new software. They rightly ask, "Does the cost of business software really produce a return on the investment?"

This whitepaper, based on actual research and ROI data, clearly concludes, yes. Software investment produces a positive return on investment for small businesses. But not all software. Specifically, small business owners find the greatest ROI by implementing productivity software to foster better time management, project management, and reduce staff workload. Productivity software also enables the company to pursue more new business. Hence, investment in business productivity software directly produces bottom line returns.

In the past, new software thrust upon older, non-technical staff, often became a real stumbling block toward realizing the return on investment potential. But today, with a workforce dominated by tech savvy millennials, the success rate of implementing new software literally skyrockets. Younger staff members not only quickly adopt and learn new software but they expect their employer to provide technology tools.

If your company lacks technology and software tools, don't feel alone. Research shows that a large portion of small companies remain "old school" with little new technology. But, you can address and quickly change your technology readiness if you simply make the decision. This whitepaper presents a model to help you identify and make the right technology decisions that will drive high return on investment.

TAKE THE LEAP to serious ROI
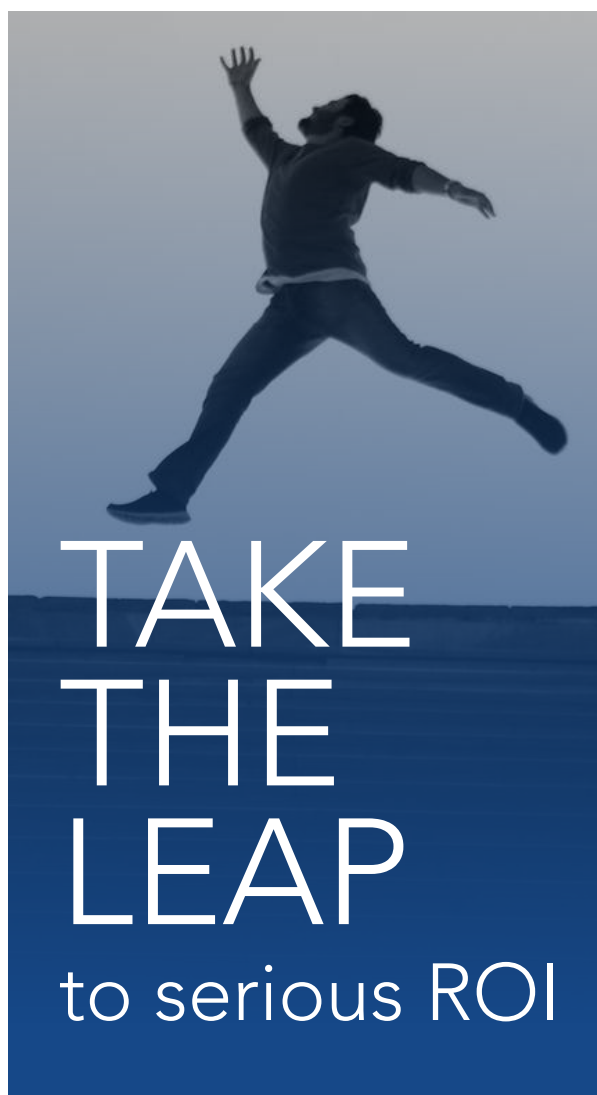
Current State

Oasis, a leading HR consulting firm, conducted a study on 300 U.S. small businesses and found that 42% of small businesses do not utilize technology to the fullest. More shocking, 14% of small businesses owners report that their companies use little to no technology. Often, the lack of technology use stems from a business owner personally uncomfortable with software and technology. Oasis also found that 31% of business owners attempt to use technology but acknowledge misunderstandings and lack of proper implementation resulted in technology not utilized correctly or to its fullest.

Outside of productivity technology, many businesses remain woefully unprepared in terms of data security and cyber protection technology. If you run virtually any business, you possess sensitive information and data about your employees, your financials, and your customers. This data must be protected with security software. The cost of not implementing data security software can be, no exaggeration, bankruptcy.

Small businesses often believe cybercriminals only attack big companies with deep pockets; actually it's the reverse.

Small business owners often avoid investing in cyber security software believing that their small size enables them to fly "under the radar" of cyber criminals. However, David Balban, eWeek Magazine, states, "A new ransomware attack is detected every 11 seconds." In 2020, 57% of all ransomware attacks worldwide targeted small businesses. IT Manager at SFH, Michael Schecter stated, "Small businesses often believe cybercriminals only attack big companies with deep pockets; actually it's the reverse".

To understand the current state, also involves understanding the changing demographic of business technology users. While baby boomers have possessed the decision authority over

Millennials typically expect and embrace business technology

technology purchases, today that power is shifting to millennials. Millennials range in age from mid twenties to late thirties. Today, millennials now comprise the largest segment of the U.S. workforce. The Bureau of the Census states that millennials surpassed 50% in 2019 and will continue to grow their majority. Millennials typically expect and embrace business technology.

Software Types

Research indicates the highest return on your software technology investment lies in productivity software. Productivity software takes many different forms but all with the same goal: improve existing staff work output to better serve customers, reduce costs, and enable the generation of more revenue. While security software certainly remains critical and HR software can help manage employees better, only productivity software can reduce costs, improve work

The biggest ROI for door, frame and hardware distributors lies in project management software

efficiency and facilitate new revenue generation. Hence, start thinking about productivity software relative to the aspect of your business you believe could most gain in productivity.

The types of productivity software are many and varied. Some of the more common productivity software categories are:

Project Management
Project Collaboration
Time Management
Communication Platforms
Payment Software
Data Management
Documentation Management

Project collaboration and communications software programs allow users to work and communicate more efficiently and effectively. Depending on the scale of projects, incorporating a tool that facilitates high interactivity can bring positive results. One side benefit being an improvement in staff morale and improved communications drives better customer relationships.

Time management software can improve staff discipline and organization. Time management tools can facilitate quicker efficient response from employee to customers. The ability to quickly access organized information leads to quickler customer response and resolution of their issues. This ability dramatically impacts the customer's perception of your company.

Payment software is usually utilized by business to consumer companies, to ease and speed the process payments. Many door, frame and hardware distributors have to communicate financially with vendors and manufacturers. Payment software ensures a more accurate method of processing payments. Data and Documentation Management software is designed to enhance enterprise productivity, allowing users to enter data efficiently and accurately.

The biggest ROI for door, frame and hardware distributors lies in project management software. Software

specifically designed for DFH distributors to facilitate efficient and accurate job management and more streamlined work processes. Along with aspects that implement productivity within actual jobs or tasks, productivity software allows users to work and communicate other project partners or internal staff users.

Productivity software can also produce a great return from simply reducing costly errors in project management.

Bottom line, productivity software should enable your shop to increase revenue per employee and reduce labor costs per project.

Real Return on Investment

The old adage, "You have to spend money to make money," certainly rings true relative to technology investment. But not all software investments create the same level of return. **Research shows that productivity software, as discussed in the prior section, leads to the greatest and most reliable return on investment.** This section discusses several published studies of specific productivity software products and the real life return on investments.

One of the leading Project & Collaboration Management software products is SmartSheet. SmartSheet uses

a tabular interface to assign tasks, track project progress, manage calendars, share documents, and manage any other work. With millions of users, SmartSheet provides its product to some of the largest, most successful companies in the world including; Starbucks, Cisco, and Uber. Director of Program Management and Performance Marketing at Uber, Bhavik Joshi, stated "We adopted SmartSheet, and we were able to cut process time by 50% while relying on a single source of truth for planning, execution and reporting."

Another productivity software, Teamwork,

also developed a successful Project Management software that enables users to efficiently manage projects and reduce time and costs. A musical instruments manufacturer, D'Addario, with approximately 1,100 employees, implemented Teamwork and reported tremendous efficiency. D'Addario documented the software enabled them to identify project efficiencies which led to reducing over 70.000 square feet of manufacturing and distribution space."

Along with the reduction of space and the cost of that space, D'Addario stated that the implementation of the Teamwork software also facilitated reductions customer support hours and order processing. "Work processes were reduced, in certain instances, from four months to three hours". This allowed for more staff availability to pursue new jobs and revenue opportunities.

In the category of time management software, Hive Software published a return on investment case study. Reichman Jorgenson LLP, an elite legal trial firm. implemented Hive to complete tasks quicker and more efficiently. The law firm reported dramatic savings of "60 hours/month/case saved by streamlining the case management process leading to $150,000/month savings via improving workflow processes and billing procedures across the entire firm." In addition, the improved productivity enabled staff to focus more on work quality rather than just productivity which led to lower error rates.

> "Staff productivity improvement and the ability to quote more jobs, in just year 1, produces revenue gains that far exceeds the software cost."
>
> —Lisa Oxman, Co-Owner
> Software for Hardware

Data management also falls under the category of productivity software. Specifically, software tools that help IT staff, data analysts, and other employees manipulate, store and share data more efficiently directly increases productivity. Cohesity provides productivity software for data management. Novartis, Senior Storage Architect, Amit Singh reported, "With Cohesity, we cut our data center costs in half by eliminating legacy backup products and tiering replicated data in the cloud - first to Amazon S3, then to Glacier after 30 days." Since implementing Cohestity for recovery and backup the company has cut data management costs by 50 percent, improved efficiency, and regained staff time for innovation while boosting peace of mind.

Software for Hardware, a productivity software designed exclusively for door, frame and hardware distributors, also publishes return on investment customer case studies. Clients that implement the SFH project management software produce bottom line return on investment. Across the customer base, Software for Hardware clients report a 25% increase in productivity, i.e., higher job output with the same staff. One client, Tal Kno, reported that by using the SFH software they now quote complex jobs 3 times faster than before. "Staff productivity improvement and the ability to quote more jobs, in just year 1, produces revenue gains that far exceeds the software cost." states Lisa Oxman, Co-Owner, Software for Hardware.

Getting Started
Making the Decision

No amount of ROI data, expert recommendations, or staff pleas, can make new software suddenly appear in your business. The business leader must actively make the decision to purchase and install the system. Doing so, in an area out of the leader's comfort zone, can be difficult. Using a formal decision process can help get action started.

Step 1. Identify your goal or current business problem

Step 2. Evaluate the alternatives

When deciphering whether or not to implement the cloud into your businesses, it is essential that you generate an overall, long-term goal. Narrowing down what you hope to attain in the future of your business will facilitate in assisting your decision making process.

Analyze the potential outcomes for your business, look into the data and see what has worked best in the past. This idea of the decision making process will allow for consideration of many different options and will assist in deciding where to bring focus in your business.

**Step 3.
Consider
consequences**

**Step 4.
Make decision,
Monitor decision**

When you dissect all of the potential benefits and risks, it will facilitate a successful result. In some cases, you may not know of a potential threat or hardship down the road but considering the options will only make you more prepared.

In order to make the decision a success, it is essential that you monitor the impact of the decision. Determine the proper metrics and data you need to collect.
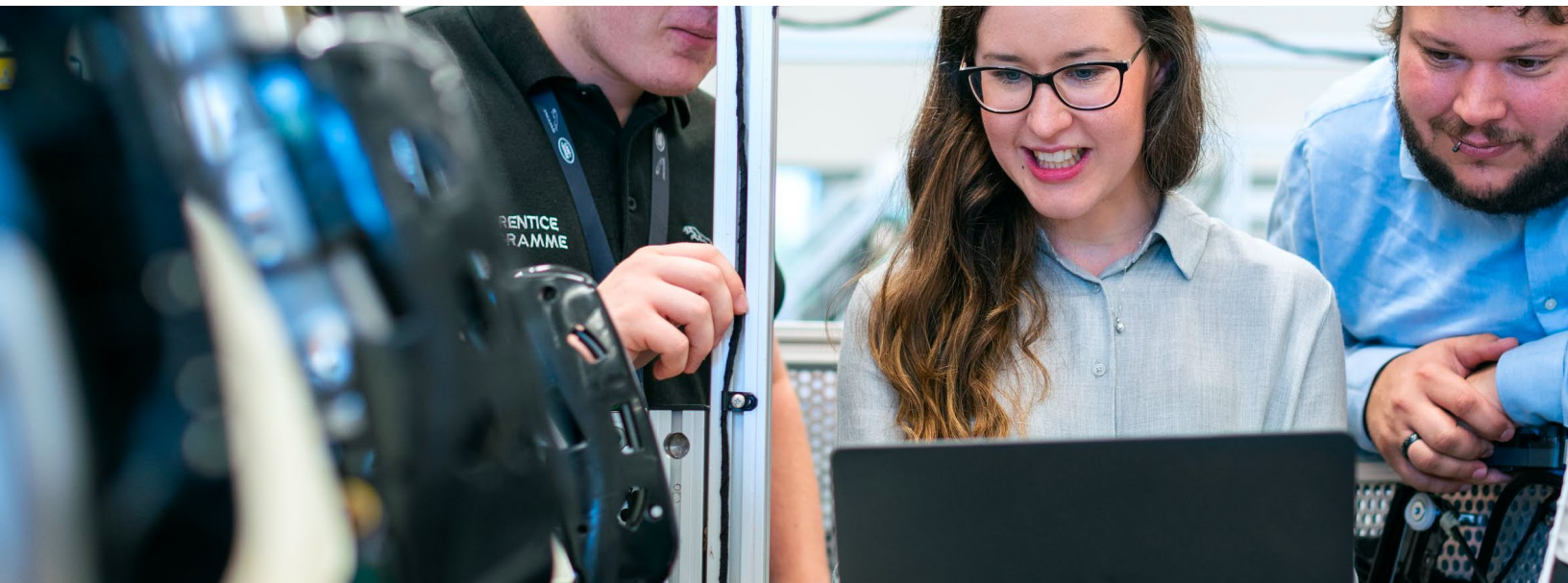
Let Your Millennials Lead the Way

Many business owners, mostly baby boomers, often feel uncomfortable making software and technology decisions. These business managers are expert within their business field, doors, frames and hardware, for example, but feel less qualified to evaluate and implement new state of the art software. But here, your millennial staff can come to the rescue.

Millennials not only feel comfortable with technology, but they also actually expect their workplace to embrace and provide technology for the staff. Deloitte's Millennial attitudes study found that millennials rank their personal and career priorities quite differently than Boomers. For example, Millennials prioritize travel and experiencing the world (59%) above

career success (52%) or starting a family (39%). Similarly, the majority of Millennials choose to not work for companies that don't embrace and provide technology to help them do their job. Hence, your millennial staff will eagerly participate in evaluating and implementing new productivity software.

Don't underestimate the employee retention value of including millennials in your company's software upgrade process. PriceWaterhouseCoopers research shows that 60% of millennials expect to leave their current job within 3 years. A stark contrast to boomers that expect to remain with their employer for 10 or more years or until retirement.

While baby boomers possess many

Millennials Want Technology!

Everyday, approx. 10,000 baby boomers retire.

Embrace Technology

Values and Social Conscious

KEYS TO SUCCESS WITH MILLENNIALS

Career Clarity

Rewards Beyond the Paycheck

Diversity, Flexibility, & Creativity

Today, millennials dominate the U.S. workforce.

Millennials account for 75% of workforce by 2025

remarkable and positive characteristics, unfortunately, technology savvy does not make the list. But, within most companies today, much of the staff are Millennials who are in fact tech savvy and eager to understand and implement new software for the business.

Today, millennials represent half of the workforce and are quickly becoming a majority. Everyday over 10,000 Baby Boomers retire and are typically replaced with millennial workers. This shift not only represents a generation change but also a change in mindset and attitudes. The hardline work-ethic mentality of the baby boomers has given way to a new generation of workers that bring a technology savvy and bent for creativity and teamwork. As a leader, implementing new productivity software can be a terrific project management opportunity for a millennial leader in your staff.

Conclusion

Implementing new productivity software can completely alter the future direction and long term success of your business. Productivity software such as: project management, data management, collaboration, communication management, time management and even data management tools, have proven to produce real financial return on investment.

But the options can be overwhelming. Focus on the critical areas of your business that could be streamlined and run more efficiently. Take a close look at what areas of your business need improvement, analyze feedback from employees and customers, and compare current standings to your competition.

Making the decision to invest and then getting the initiative underway will not be easy tasks. Two methods may help you get into action quickly and successfully. First, leverage a formal process model to break down the decision, document the costs, risks and opportunity. Walking through this process will enable you to make a clear minded decision more quickly. Second, if you decide to move forward, leverage the millennials on your staff to carry the project forward. These younger, technology minded employees will eagerly embrace the opportunity to lead a technology initiative.

Long term business growth depends on many uncontrollable factors in your

marketplace. But, long term success more so depends on the controllable factors within your own company. The productivity of your staff remains one of the most significant drivers to your profitability and long term success. As you commonly hear these days, "follow the science". The science and research shows that investment in productivity software will produce a positive ROI for your business.

Do Software Investments Pay-Off?

Yes! Focus on Productivity Software

Types of Productivity Software:

Collaboration
Communication
Cloud Computing

Time Management
Payment Processing
Document Sharing

Project Management

Return on Investment

Productivity Software saved $150,000/mo - Hive Software

Cut process time by 50% - SmartSheet Software

Door, Frame, and Hardware Software can save 25% of project time - Software for Hardware

WHAT ARE THE PAYS-OFF?

Financial
High, long-term ROI and profitabiilty

Competition
Gain an advantage in productivity and customer service

Millenials
Reduce frustration: Give staff tools they need. Tech-savvy millennials want technolgoy

Does this apply to me?
If you're interested in improving productivity, profitability and staff morale - productivity software can help!

Making that Purchase Decision
1. Identify goal/issue
2. Evaluate alternatives
3. Consider consequences
4. Measure the results

Software

FOR HARDWARE

Based in Atlanta, GA since 1996, Software for Hardware® provides productivity and project management software to commercial door, frame and hardware distributors across the U.S. and Canada. Nearly 1,000 door industry professionals rely on Software for Hardware® to improve their business productivity, client responsiveness, and bottom line profitability. As a result, Software for Hardware® has become the fastest growing software company in the industry and the software of choice for door distributors.

Distributors across North America contact Software for Hardware® seeking new technology and advice to help manage these transitions and position their business to operate more efficiently and profitably.

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