



**NUCLEUS  
RESEARCH**

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ROI ANALYSIS YOU CAN TRUST™

## The Real ROI from Progress Software

### ***THE BOTTOM LINE***

The Progress Software database, combined with Progress's OpenEdge platform, helps ISVs deliver positive returns for their customers and also helps end users reach a positive ROI by allowing them to run business-critical applications on multiple platforms with minimal day-to-day IT intervention.

Progress Software's enterprise relational database management system (RDBMS) and the related Progress OpenEdge development platform are designed to help companies rapidly build, deploy, and support enterprise applications. The Progress database is often embedded within an application developed by either an internal application development team or an independent software vendor (ISV). Today, end users generally access and gain benefits from Progress technology in one of four ways:

- They are using an internally developed application that runs on the Progress database.
- They are using a custom application developed by a Progress partner that runs on the Progress database.
- They are using a packaged application delivered by a Progress partner that runs on the embedded Progress database.
- They are using a solution hosted by a Progress partner that runs on the Progress database.

Progress differentiates its database and development environment largely based on the ability to rapidly deploy applications with limited database-specific expertise and the ability to run applications with little or no ongoing database administration time. Because of the different ways customers use Progress technology — and the different levels of knowledge they have about the strengths and weaknesses of the development environment — Nucleus had to look beyond just interviews with customers to understand the potential ROI from Progress.

As part of its Real ROI series designed to help end users understand the value a software application actually delivers and the best practices users are employing to maximize ROI, Nucleus Research independently, and without Progress's knowledge, contacted both Progress Software reference customers and partners to conduct in-depth interviews about their experiences with the Progress solution:

- Nucleus contacted 20 Progress customers to interview them about their experience with the solution; three agreed to participate, one declined, and 16 never responded to repeated requests for interviews.

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## HOW TO MAXIMIZE THE ROI FROM PROGRESS SOFTWARE

Utilize Progress's ASP technology.

Use the embedded Progress database whenever possible.

Map out internal business processes early in the planning process.

Reduce ongoing costs by planning out support strategies in advance.

- Nucleus contacted 10 Progress partners to interview them about their experience with the solution; seven agreed to participate, and three never responded to repeated requests for interviews.

During the course of the research, Progress became aware of the project and was allowed to provide reference customers and partners in addition to those that Nucleus found independently. Most companies agreed to participate on condition of anonymity. Data from all customers and partners interviewed was included in this report. A number of partners interviewed for this report were also Microsoft and/or Oracle solution partners.

## PARTNER INTERVIEWS

The partners Nucleus interviewed for this project were able to speak about the time and skills required to develop and support applications as well as their time to deliver applications based on specific customer requirements. In their in-depth interviews with Nucleus, partners were asked about a number of topics, including the following:

- Why and when did you begin using Progress?
- What other solutions or platforms have you used/do you use?
- What are the key returns you've seen in building applications on Progress?
- What are the returns your customers achieve?
- What are the strengths and weaknesses of developing with Progress rather than other competitors?
- What challenges have you had in developing with Progress?

**Table 1. Progress Partner Experience**

Average length of experience	13.5 years
Average total customer contract: software and professional services	\$211,000
Average number of end users per customer	186

## CUSTOMER INTERVIEWS

The customers Nucleus interviewed for this project had all developed Progress applications internally with the support of Progress or partner services or they had purchased software from Progress ISVs and were able to speak with in-depth knowledge about the skills, training, time, and support requirements of a Progress-based solution. Nucleus conducted in-depth interviews with end-user companies about various aspects of their experience with the Progress solution, including the following:

- Why and when did you begin using Progress?
- How are you using the platform?
- What are key benefits your users and database administrators (DBAs) have received?
- What are the challenges with Progress?
- What are the key costs associated with using Progress?

**Table 2. Progress Customer Experience**

Average length of experience	7 years
Software cost	\$566,000
Maintenance fee	17.3%
Hardware cost	\$375,000
Consulting cost	\$175,000
Ongoing administration	1.5 FTEs
Average number of end users	332

**THE BENEFITS FROM PROGRESS**

Progress partners and customers identified four key benefits from using Progress:

- Platform independence
- Faster development and deployment time
- Lower DBA personnel costs
- Increased uptime

**Platform Independence**

The key returns from platform independence with a development environment come from the ability to reuse code and components on different platforms without additional development time or cost and the ability to evolve applications over time as database technology changes to take advantage of better performance without additional coding. According to one Progress partner that over the past decade has ported its applications to several different platforms, *"Progress allows us to quickly track new technologies without writing new code."*

**ISV Benefits**

The benefit of platform independence extends to both business logic and database programming, allowing ISVs to more quickly bring their applications to market on any platform their customers require. This also allows companies to use a single code base for multiple databases, reducing the replication of work often necessary to develop applications for multiple platforms. One ISV Nucleus spoke with said its current product still features the original business logic code from the late 1980s. According to the ISV, *"We don't have to recode for new platforms. Progress does that work for us."*

The Progress database can run on:

- Windows NT 2000
- Citrix MetaFrame
- Windows 95/98, XP, 2000
- Compaq Tru64
- DG/UX Intel
- HP-UX
- IBM AIX
- Red Hat Linux
- SCO OpenServer, UnixWare
- Sun Solaris Intel and SPARC
- SuSe
- Turbo Linux

**Progress allows ISVs to reuse code that is years – sometimes even more than a decade – old. One ISV Nucleus spoke with said that its current product still features the original business logic code from the late 1980s.**

#### End-User Benefits

Of course, these portability benefits also extend to the ISVs' customers. Many of the ISVs that Nucleus interviewed had customers using their applications for more than a decade and were able to migrate from character-based Unix to client/servers to Windows to the Web without a major reinstallation of their software.

#### **Faster Development and Deployment Time**

Programming and optimizing the Progress database is faster than working with Oracle and Microsoft SQL Server because the Progress development environment has been integrated with the embedded Progress database from the beginning.

#### ISV Benefits

The ISVs Nucleus interviewed found that developing applications using Progress is faster because it is a complete platform, including the 4GL, the business logic, the front-end GUI, and the database. The downside to this approach is that when the ISVs build new applications for other databases, the productivity gains are greatly reduced. Because the Progress products (the development platform and the database) are designed to work together, the development process for the ISVs is fastest when they work with the Progress database. One ISV said, *"With Progress, our development time is much shorter, especially compared with other development environments."*

**One ISV noted developer productivity gains of 70 percent after switching to Progress.**

The ISVs also indicated that attempting to replicate the cohesiveness of the Progress development environment as it works out of the box is difficult and that developing on another platform would slow time to market. One ISV noted developer productivity gains of 70 percent after switching to Progress.

**One company said that developing a similar solution with Oracle would have required three times the customization work because of the lack of an integrated development environment for the Oracle database.**

During the deployment stage of a project, the ISVs also noted productivity gains working with Progress. Because the database is packaged with the platform their applications were developed on, the ISVs said that installing and optimizing the database and

application takes two to three times less work than doing so with Oracle or SQL Server. One ISV reported, "*Progress allows us to develop far more efficiently than any other environment*" because of the integration of the 4GL, the business logic and the database, and the efficiency of writing the code itself.

However, the ISVs interviewed found that when they had to develop and deploy solutions for Oracle or SQL Server customers, the time to complete projects increased considerably. Indeed, several ISVs reported that the challenges associated with deploying Progress applications to Oracle or SQL Server oftentimes reduced the returns on those customers' projects. For more on this issue, see the Deployment Challenges section in this report.

#### End-User Benefits

The end-user companies that Nucleus interviewed also said that Progress helped them deploy more quickly than would have been possible otherwise. One company said that deploying a similar solution with Oracle would have required an additional \$1.35 million in customization work. Another company noted that its developers, who had never before worked with the Progress 4GL, were able to quickly become productive on it, with a minimum of training, thereby keeping overall project costs down.

#### **END-USER PROFILE:** *Consumer manufacturing company*

This \$2 billion consumer manufacturing company has been using applications built on the Progress Software platform since 1997. The company's original goal was to build a common ERP platform for its globally dispersed operations. The system would streamline processes by integrating information from manufacturing, marketing, and sales.

In mid-1997, the company approached a Progress ISV that offered customized ERP systems for midsize businesses. The system met the company's goals because of its compatibility with multiple platforms and its multiple language capabilities. The full rollout of the system was completed by July 1998.

The company's director of IT, who had extensive experience working with Oracle databases, says that deploying on the Progress database saved the company months' worth of customization work. These time savings can be attributed to the integration between the Progress database and the Progress-powered applications. According to the IT director, deploying a similar solution on Oracle would have been far more difficult and costly.

The IT director also says that ongoing customization and upgrades conducted by the company's internal programmers is more efficient with the Progress 4GL because of the short learning curve and the speed with which Progress applications can be developed.

The company says that it reached a positive ROI in less than two years because of the previously mentioned efficiencies and because the Progress database does not require a large number of DBAs. The company currently has three DBAs working half time to support five instances of the corporate database globally. The IT director estimates that he would need 15 DBAs to run the same application on Oracle and 7.5 DBAs to run on IBM DB2.

#### **Project Costs**

Software licenses:	\$1 million
Consulting:	\$250,000
Hardware:	\$250,000
Training time:	3–4 hours for 600 employees
Time to deploy:	11 months
End users:	600
DBA personnel:	1.5 FTEs

#### **Key Benefit Areas**

- Fewer DBAs for ongoing maintenance
- Quicker developer learning curve
- Quicker time to market

#### **Lessons Learned**

During the time that the company was running on Oracle, the IT staff had to spend time reorganizing and reoptimizing the database on a regular basis. The company's IT director found that after the company began using Progress, those tasks were no longer necessary. The company wound up going three years before its first database reorganization, resulting in major cost savings. According to the IT director, this unanticipated benefit highlights one of the key differences between the Progress database and Oracle: its ability to run nonstop without any degradation in performance.

#### **Lower DBA Personnel Costs**

For most midmarket companies, hiring dedicated DBAs can be prohibitively expensive and can easily cause a negative ROI on an IT project. The Progress database delivers returns to ISVs and customers because it requires less of an ongoing personnel commitment to manage the database.

**Nearly 100 percent of the ISVs Nucleus interviewed said that their customers run Progress-powered applications with no dedicated DBAs.**

#### **ISV Benefits**

Because OpenEdge is often used as the development platform for applications aimed at the midmarket, where IT budgets are

especially tight and where many companies have no DBA staff, minimizing ongoing costs is crucial to an ISVs' success. This is especially true with regard to the ongoing maintenance necessary to keep a backend database functional and performing 24x7.

All of the ISVs that Nucleus interviewed indicated that the ability to deploy their applications in customer environments without DBAs was the prime benefit their customers receive from software developed using Progress's tools. Indeed, on a database deployment, the ongoing cost of personnel is often one of the biggest drivers toward a negative ROI. It makes sense, then, that when interviewing ISVs, Nucleus found that nearly 100 percent of their customers run Progress-powered applications with no dedicated DBAs.

The ISVs that Nucleus interviewed said that the ability to deploy their applications to customer environments without the need for dedicated personnel is a major competitive differentiator. Because the ISVs can deliver solutions with lower ongoing personnel and maintenance costs, their applications are ideally suited for midmarket companies with little or no IT staff. One ISV reported that one of its customers runs a 33GB database with 150 concurrent users without a DBA. According to one ISV, *"Most of our competitors run on SQL Server, but because we use Progress, our solutions are more efficient and less costly in the long run."*

**One ISV said that the majority of its customers can cut their IT staff by 75 percent after deploying a Progress-powered application.**

This stands in contrast to market perceptions of the personnel resources that would be required to run the same applications on Oracle or, to a lesser extent, a Microsoft SQL Server database. One ISV said that the majority of its customers can cut their IT staff by 75 percent after deploying a Progress-powered application. Another said, *"Our customer would need two to three times more IT personnel to run our application on Oracle."* Another ISV reported, *"Most of our customers do not have dedicated DBAs. If they had Oracle or SQL Server, they would need a number of DBAs to run the exact same system."*

#### End-User Benefits

Of course, being able to sell to customers that don't have DBAs benefits both the ISVs and end-user companies. One end-user company that Nucleus spoke with said that it was able to reassign three DBAs after deploying the Progress database for an annual cost reduction of \$330,000. Another said that running a similar solution on Oracle would require three times the DBA staff.

**END-USER PROFILE:** *Financial services company*

Before deploying the Progress database, this financial services company faced costly performance problems and had to dedicate costly staff to the day-to-day management of its globally dispersed database systems. The company sought a solution that would allow rapid development of applications, lower ongoing costs, and increased performance.

The company's development manager reports that deployment of the Progress database took little time and that performance levels have increased both on the company's reporting system and on its transactional system, which receives three to four million queries per day.

Because the Progress database runs with little daily maintenance, the company was able to reassign three DBAs, for an annual savings of \$330,000. This helped the company reach a positive ROI on the project 13 months.

**Project Costs:**

Software licenses:	\$500,000
Consulting:	\$75,000
Hardware:	\$500,000
Training time:	NA
Time to deploy:	Ongoing
End users:	350
DBA personnel:	0 FTEs

**Key Benefit Areas:**

- Reassignment of three DBAs
- Increased database performance

**Lessons Learned:**

One of the major challenges the company faced before implementing the Progress database was keeping up with database problems and alerts. With the Progress database in place, the company has been able to implement an alerting system called Progress Fathom Management that allows it to be proactive about keeping the database's performance at peak levels. Though the development manager reports that the system did require some initial optimization, the Progress databases' built-in auto fine-tuning tools have kept performance and reliability levels high.

**Increased Uptime**

When an enterprise system runs with a higher level of uptime than previous or competing systems, end users see returns from increased user productivity and reduced support costs. These returns also translate into lower costs for ISVs that provide support services to their clients or that host client applications.

## ISV and End-User Benefits

Because the Progress database is so reliable, many companies are able to run business-critical applications without any staff to oversee it. Indeed, Progress reported that during the East Coast blackout of August 2003, not a single one of its customers' databases crashed. This claim was backed up by the ISVs that Nucleus interviewed. One ISV said that Progress's best feature is that it just works, that it never crashes; another said that the Progress database allows the ISV to manage the growth of its customers' databases on behalf of the customers, which it couldn't do with Oracle. According to one ISV, *"Progress is bulletproof. It never goes down."*

**One ISV that said that the Progress database's best feature is that it never crashes.**

While the ROI on increased uptime can be difficult to precisely measure, the benefits are clear to ISVs. High reliability is important to Progress ISVs because many of them support their own customers. Having those customers running a solid database that rarely requires restoration or rebuilding helps keep customer support costs in check for the ISVs and maximizes ROI for their customers. One ISV said, *"Progress is a very resilient database, which is critical to our customers that have no DBA staff at all."*

One ISV reported that it uses Progress's AfterImage, which allows a database to be rolled back to a specific point in time after a crash or after a customer makes a mistake. The AfterImage software allows the ISV to decrease support costs by automating much of the labor-intensive work that would normally go into restoring a corrupted database.

### **END-USER PROFILE:** *Industrial manufacturing company*

This manufacturing company that caters to the utilities industry has been using a Progress solution for the past eight years. It originally chose Progress when its managers realized that its character-based manufacturing resource planning (MRP) system was underutilized and would no longer fit into the company's long-term IT strategy.

As the company's industry evolved in the late 1990s and early this decade, it found that its new Progress-based MRP system was evolving with it. The company's IS administrator reports the company simply would not have been able to grow as rapidly as it did if it didn't have the Progress system in place. One of the major reasons the project has reached a positive ROI is that its flexibility has allowed the company to shift to a much more complex product set without hiring additional staff.

Another contributing factor to the project's success has been the company's ability to run the Progress database without dedicated

DBAs. The IS manager reports that the company's two-person IT team is trained on Progress database maintenance but almost never has to maintain it because it is self-sustaining, even when performing upgrades.

#### **Project Costs**

Software licenses:	\$200,000
Consulting:	\$200,000
Hardware:	NA
Training time:	4 days for 12 employees
Time to deploy:	15 months
End users:	46
DBA personnel:	0.5 FTEs

#### **Project Benefits**

- Flexibility allowed for a more complex product mix and company growth without additional FTEs
- System maintenance without dedicated DBAs

#### **Lessons Learned**

In order to keep initial customization work to a minimum, the company had to spend about year evaluating a list of almost 200 vendors to find an ISV that knew the company's industry well enough. When the vendor selection process was drawing to a close, all of the top picks were running their solutions on Progress. Nevertheless, the company attributes its success less to the Progress database and more to its ability to work with the ISV that would best allow it to properly utilize technology to meet its business objectives.

### **DEPLOYMENT CHALLENGES**

Though 100 percent of the ISVs that Nucleus interviewed were planning on continuing to use Progress as their primary development platform, some common issues and challenges were evident. The majority of the ISVs that Nucleus interviewed said that the major challenge working with Progress Software was its lack of full support for developing applications for Oracle and Microsoft SQL Server.

Progress has addressed this problem with its DataServer products, which allow developers to use disparate data sources to feed into Progress applications. Many of the ISVs that Nucleus interviewed use the Progress DataServer to link to other databases and said that performance levels were understandably lower and that deployment times were higher, leading to somewhat lower returns from projects where Progress is not the primary database.

Other ISVs have worked around this challenge in another way. One ISV that Nucleus interviewed said that it had developed a custom application programming interface (API) that allows it to use Progress database code and business logic with SQL Server and

Oracle without any performance hits. Although smaller ISVs may not have the resources to develop their own APIs, this innovative strategy does show that the technical challenges of linking Progress applications to other databases can be overcome.

### **MAXIMIZING ROI**

ISVs will find using Progress as the development platform makes sense because of its potential to deliver ROI. Where an ISV's customers require working with Oracle or Microsoft SQL Server, the ISV will need to take additional steps to maximize the ROI on the project, including training developers to effectively use the Progress DataServer to link to other databases and developing reusable APIs that link to other databases. For many midmarket companies that do not have thousands of concurrent users, the impact should be minimal, but for larger customers, it may be necessary to use a more customized solution to maximize returns.

Other steps companies can take to maximize the ROI from Progress Software include:

- Use the embedded Progress database whenever possible. Because the Progress database is the database best suited to work with Progress-powered applications, companies looking to maximize ROI should carefully consider the higher costs associated with running another database with the Progress platform.
- Map out internal business processes early in the planning stages of developing new applications. Though Progress applications deliver positive returns for many companies because of their efficiency and ease of use, the resulting applications will maximize ROI only if they reflect the overall business processes and goals of the company.
- Help reduce ongoing costs by planning out support strategies in advance. One of Progress's major strengths is that companies can run Progress-powered applications with a minimum of IT staff. However, to do so, companies need to establish procedures both internally and with their ISVs to keep support levels high when things do go wrong; otherwise, ongoing support costs can ruin the ROI of the project.
- Utilize Progress's ASP model. Both ISVs and end users can benefit from utilizing Progress's application service provider (ASP) technologies because hosted applications eliminate many up-front costs and ongoing support headaches. Hosted applications also allow companies to pay for only the software they are using, which increases ROI by reducing shelfware.

Organizations considering an investment in Progress Software or any other development platform should carefully evaluate the return on investment before starting — and not just because they want an ROI number to justify the project. A clear understanding of the expected costs and benefits will ensure not just positive ROI but the ability to maximize the return on investment the project delivers over time.

## **CONCLUSION**

Nearly 100 percent of the ISVs that Nucleus interviewed said that working with Progress Software delivers positive returns for them and their customers. Though the ISVs face some challenges with Progress — namely, when they are working with other databases — Nucleus’s analysis suggests that the major return areas from Progress Software will outweigh any detrimental impact that integrating the Progress platform with another vendor’s database may have.

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