

Mark Systems Constructs An E-Business Future

By Elizabeth Barnett

Mark Systems, a New Jersey-based company specializing in homebuilder software, is ramping up to BBj™, first by migrating to GUI and then mapping out and developing the business model for its next move - providing application services.

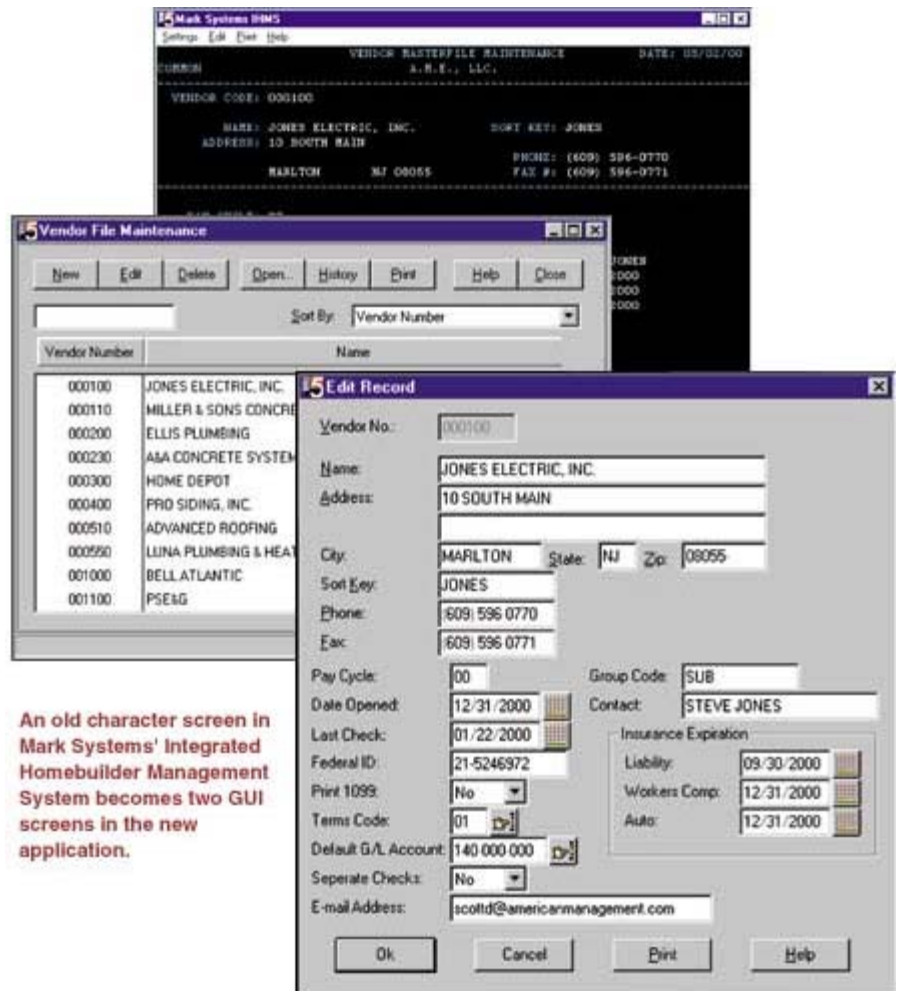
In the blueprint of the future for Mark Systems, Don Scattergood and Scott Duman, both Vice Presidents with the company, say e-business and application service providing are what their homebuilder Customers want. BBj™ is the foundation in that blueprint. "No pressure," Don says half-joking, "but we have everything riding on BBj," specifically, on BBj's thin client capabilities.

Mark Systems provides high-end enterprise management systems to residential builders and developers. Its Integrated Homebuilder Management System (IHMS) provides accounting and administrative software to manage the homebuilding process. Last fall, Mark Systems took the first step to BBj and began migrating IHMS to GUI using Visual PRO/5®.

The First Step—GUI

They started experimenting with the sales management part of the program in September and are now chugging through the last hundred or so programs of the package. According to Scott, it was a huge undertaking, no way around it; an undertaking to which he can't put a dollar figure. But both strongly agree that going GUI was a "do or die" situation for the company. Don quips, "I'm actually quite proud of myself for being able to sell a character-based application into 2000. From a business standpoint, GUI was crucial. It was a question of 'Am I going to be able to sell this package in 2001?' "

In implementing the GUI migration, they decided to continue to support a character-based interface also, so Customers have the ability to choose a character-based interface or a graphical user interface. But in giving Customers GUI, they found they could offer added functionality. "There are things you can do in GUI that you just can't do in character, or they are very difficult to do in character," Don says. For an example,



he points to looking up a builder's contracts. Let's say the builder wants to see cost codes for all models in his or her contracts. All Mark Systems had to do was change a select statement. The database, however, did require some modifications that made it impossible to use the same database for both versions. But now, Mark Systems charges for the data conversion and has made the process into a profit center for the company.

GUI's Immediate Benefits

Mark Systems is seeing its profits climb. "We assumed that we could double our sales with GUI," Don says. "We also assumed that our sales would drop in half this year without it."

The benefit Mark Systems sees in going GUI is the expansion of its market share, and not just directly resulting from Customers' desire to see windows and drop-down menus on screens. The GUI version's more intuitive structure makes it easier for new Customers to learn the application. "We also assumed that GUI would cut our training time in half," Scott says. "The training time to get people up and running and understanding a character-based program is what keeps us out of the smaller businesses in this market."

Mark Systems Customers are building between 15 and 3,000 homes a year. Its average customer builds about 190 homes a year. Mark Systems plans to expand to Customers in both directions - to larger and smaller homebuilding companies. GUI is unlocking the door. The application service provider (ASP) model the company plans as the next step will blow it wide open.

Building the E-Business

"The ASP model is golden," Don says. "It will allow us to sell into all levels of the market."



While the idea of renting software or paying a subscription fee to use an application residing on a remote server is relatively new, Gartner Group, an computer industry analyst, estimates that annual revenues for ASP services are likely to reach \$23 billion by 2003. Don and Scott believe that the homebuilder market is perfect for the ASP business model.

The reason is the geography of homebuilding. Usually, a builder will have a main office location that processes billing and supply transactions, etc., and one or more offices at project sites that may manage the on-site construction process and/or home sales. These project site offices are often located in mobile buildings and have only minimal computer equipment, but they can be easily and cheaply equipped with Internet access. With BBj and its thin client capabilities, the IHMS, hosted on Mark Systems servers, could be accessed from any of a builder's sites simply on computers equipped with Web browsers.

The advantages are significant. A builder will be able to log on and establish an account, through automated setup wizards, within minutes. He or she will be able to access that account 24 hours a day, seven days a week from any workstation at any location. He or she can take advantage of centralized data management, sharing up-to-the-minute data with suppliers, subcontractors, salespeople and even home buyers. And he or she can do all of this with little or no up-front costs. For the ASP model, Mark Systems plans a flat subscription rate, which a builder can budget more easily.

All of this hinges on BBj. In addition to thin client and application server capability, Mark Systems is also hoping to expand data access with enhanced ODBC and new JDBC driver capabilities and to add functionality by simply attaching already-existing applets and other Java objects to IHMS. "Even with the version of IHMS that we have now," Don says, "there are so many things we want to do but just don't have the time. With BBj, we're hoping to be able to take advantage of Java developments. We are estimating that this ability [to add functionality with applets] could cut our development time by 80 percent."

With its GUI migration almost complete and plans for a seamless, integrated ASP offering to homebuilding companies of all sizes, Mark Systems seems well positioned to start building from its blueprint and reap rewards in the new environment of e-business.