Bloomberg Businessweek

CEO Guide to Technology February 06, 2012, 11:25 PM EST

DIY Apps Save Small Businesses Time, Money

A study estimates that small companies have cut 725.3 million annual employee hours by using mobile apps, equaling $17.6 billion in savings

By Rachael King

Realtor Nick Galiano wanted to create a downloadable application that would let clients browse his firm's home listings from mobile phones. Professional software developers wanted him to cough up $30,000 for a trio of apps for Apple's (AAPL) iPhone, Research In Motion's (RIMM) BlackBerry, and devices using Google's (GOOG) Android operating system. Then he found Appsbar, a Deerfield Beach (Fla.)-based company that builds apps at no charge, seeking instead to make money from advertising placed inside the apps.

"It's amazing how you can create something in a couple of hours that would have taken a company $10,000 and six to eight weeks to develop," says Galiano, who built the app for his Metairie (La.)-based company using the Appsbar website.

Small business owners eager to create mobile apps—whether to market services to customers or improve internal productivity—are finding a growing array of alternatives to hiring professional programmers. Aside from Appsbar, the list also features such companies as MyAppBuilder, AppBreeder, AppsGeyser, Mobile Roadie, and Socialize, which makes the AppMakr tool.

Appsbar Founder Scott Hirsch says he got the idea to start his company while running another business, when he was shocked to discover how expensive apps were and how long they took to develop. "I thought, 'this is ridiculous,'" he says. To have a custom app developed could cost anywhere from $10,000 to $100,000 and take six weeks to 12 weeks, he says.

Appsbar mainly caters to small and midsized businesses such as bars, gyms, banks, event planners, and accounting firms. The service has amassed 60,000 users since it began in April 2011. While Appsbar doesn't charge fees, clients must agree to let the company place ads inside apps available through online bazaars, such as Apple's App Store. "Apps are the fastest growing thing in the history of consumer products," Hirsch says. "Everyone is impressed by how fast it's growing and I think it's just starting."

Apps Become Indispensable

Small business owners are becoming increasingly dependent on mobile apps. In 2011, about 70 percent of small businesses used mobile apps for operations and almost 40 percent said it would be difficult to survive without them, according to a survey that AT&T (T) released in March.

Mobile apps can help small business owners save time—about 5.6 hours a week, according to a report published by the Small Business & Entrepreneurship Council in June. The study estimated that small

business owners are annually saving 373.8 million hours of their own time and 725.3 million employee hours by using mobile apps. The employee hours alone translate to about $17.6 billion a year, according to study co-author and SBE Council Chief Economist Raymond Keating.

Lauren Kay says her New York child-care business SmartSitting saved itself about 30 hours of work monthly when she discovered she could create her own app, using tools made by Zoho to automatically convert the time sheets submitted by her 215 sitters into invoices. These time savings roughly translate to from $500 to $600 a month, she says. "The day we discovered we could create that app was one of our best business days," says Kay. Zoho Web apps can be viewed from a mobile phone's browser.

Do-it-yourself apps can also be used to create more complex applications for businesses. Greg Taylor, who runs an investment advisory firm called Powerline Advisors, has created an app that brings together a wide range of data from five different online sources that couldn't be found in a single location. These include easily accessible sources such as Yahoo! Finance (YHOO), as well as harder-to-find information that includes company balance sheets and cash flow statements. He paid programmers about $700 to help him get the app up and running and put in about 100 to 200 hours of his own "sweat equity" into it. Taylor updates the data in his app every night and pays a provider called Xignite about $300 quarterly for corporate financial data. "I'm able to do things I wouldn't have been able to do five years ago cost-effectively," he says.

King is a writer for *Bloomberg Businessweek* in San Francisco.