

Stonefield Query CEO says success came with lessons

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By Allan Maurer

ORLANDO, FL—Mickey Kupchyk, co-founder and CEO of Stonefield Query, a company selling report-writing software that reaches into multiple databases, says venture-capitalists “Are calling about every other day trying to give us money.” But it wasn’t always that way and the bootstrapped company learned many lessons enroute to success. Don’t sell your software too cheaply, for instance.

Kupchyk tells TechJournal South the company evolved from the Stonefield Systems Group, which was founded way back in 1991 in Canada. It spit-off Stonefield Software in 2000 and formed Stonefield Software USA, based in Orlando, in 2004.

Stonefield Systems Group plowed about \$15 million from its lucrative business reselling accounting software into Stonefield Software over 15 years, says Kupchyk. It finally turned the corner toward profitability with Stonefield Query, software that makes it possible for even the non-technically inclined to write reports based on databases.

Development kit key to product

“We’ve done all the hard programming so the end user can go in and follow a simple wizard and create a report themselves with no need to know the technical mumbo-jumbo that makes it work,” explains Kupchyk.

The core of the product is the company’s SDK development kit, which it uses to build custom versions of the software for its clients.

“Any developer can point that at any database applications or multiple databases at the same time and create his own database report or develop one to sell to their own customers,” says Kupchyk.

Someone always wants another report

The company’s clients include firms such as Goodyear, which has a large inventory system on an Oracle database and needed a reporting system it rolls out to its dealers.

“Someone always wants another report all the time,” says Kupchyk. “They took Stonefield and pointed it at their database so dealers can now write reports themselves without knowing anything about Oracle.”

NASA uses the software internally and Crimestar uses it to help police track criminals.

The company’s success resulted from learning over many years, Kupchyk says. He recently gave an interview to Software CEO outlining some of those lessons. Among them:

Importance of pricing

Pricing. “We brought the product out at \$99 a copy,” Kupchyk says. “It’s the Chinese marketing mentality. If everyone in China gave you one dollar, you would be filthy rich. We did get a lot of people buying it, but it was so inexpensive, they wouldn’t do anything with it.”

So, the company raised its price and sales increased.

It had the same experience with its SDK product, raising the price from \$99 to \$6,000.

“We moved upscale with a much better clientele,” says Kupchyk. “If you go the cheap route, you get a lot of mom and pop companies buying and they will suck the life out of your support department.”

That’s as opposed to a client such as Goodyear, which solves most problems internally and only phones Stonefield with a really important question.

Another important element of Stonefield’s success, Kupchyk says, was developing dealer channels. “Because we’re resellers ourselves,” he says, “We’ve seen everything we don’t like. People trying to charge me to sell their software, for instance, then offer a 10 or 15 percent margin.”

So, he says, “We took everything we didn’t like in other dealer programs out of ours and stole every good idea someone had to put in our own program so that it is lucrative and good for the dealers.”

For instance, it provides Web marketing services—the company will set up Webinars to show customers the product and answer questions—close sales for the dealer and send them their 40 percent. “The only thing the dealer has to do is go to the bank and cash their checks,” says Kupchyk.

He also suggests setting up recorded Webinars to sell 24/7.

Among his other tips for success:

“Get out of unprofitable products.” Stonefield’s first commercial product aimed at the pharmacy business took a lot of company time and wasn’t making much money, so they sold it to a competitor and got out of that business.

“Make it simple enough for Mable with the blue hair.” Kupchyk says he knows they are out there because he has worked with them. You can’t think like a programmer when deciding if Mabel will understand it. “So we’ve got to keep making it simpler and simpler,” he says.

Charging for technical support is also important, he adds. Yearly maintenance and support fees keep coming in even during a downturn and have kept many software companies viable. They also help fund new development and new features in the software.

Online: www.stonefieldquery.com

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