

## **Software Packages: Buy vs. Build**

By Roberto DeVet

Most experienced IT executives have, at some point, faced the age old conundrum of 'Buy versus Build'. If you are trying to solve a common problem, there is most likely a software package solution already successfully implemented at many clinic sites or business locations. Building may, indeed, be the only path when the problem you are trying to solve is truly unique and strategic to the business. However, no matter how distinct or "different" an organization may believe its processes are, best practice solutions with planned room for customization are often the best approach. The rise of ERP, CRM and SCM software has shown that businesses do indeed have common problems to solve. Consider the following criteria when deciding to 'Buy versus Build' software for your organization.

### **Speed to Market**

Software development takes time. It takes a several iterations to get the code to match your requirements. This is especially true if you are working with contract software developers who are external to your organization and may not know your business that well. Software developers are generally intelligent people who love to solve complex problems, but they need very clear directions. Your problem has to be described in precise terms in order for the programmers to fully understand what they need to build. This, in turn, means that your own management staff has to allocate a fair amount of time to defining requirements for software development. Without very tight project management, your project's schedule will slip as delays emerge. Even companies that employ the strongest programmers suffer from slipped deadlines.

### **Cost**

Software developers are very expensive resources. Also, there is a balancing act as you will need more than just a programmer. You will need other resources to test the software, fix bugs, and retest. You will also need to document how it works and manage communication. The more programmers you add, the longer the project will take, and it will become more expensive. Your external software development team must also have a good understanding of the problem domain. While some contract development firms may understand your industry or specialty, they will be treating your project like a project that needs to pay for itself. Software vendors that are selling you a solution plan to sell the same solution to other clinics. As such, you should expect to pay 3-5 times less when buying software.

### **Maintainability and Innovation**

One of the biggest problems of software built in-house is maintaining the code. Often the original coder is no longer around, and nobody else will know how the code works, or remember the required passwords. Even when one knows the code, it is extremely difficult to make changes or enhancements without breaking it, introducing new bugs. or having to call in expensive help. If you buy a packaged solution, updates, maintenance and, more importantly, the ongoing enhancements are included in the price. This frees your management team to you focus on strategic, revenue-enhancing projects.

### **Quality**

Quality is influenced by your decision to build or buy a software solution too. When you build software, be aware that it will have bugs. For every bug you fix, there will be other bugs lurking in the shadows. With a custom development project, you will eventually be forced to pay for bug

fixes or live with them. As software packages, however, are used by many customers, bugs are more quickly located. The collective influence of those customers coupled with the vendor's desire to keep customers, especially if the packaged solution is offered via an application service provider (ASP) model, will lead the vendor to continuously fix bugs and make other improvements to the product.

## Uniqueness

When you are contemplating building your own solution because of perceived unique needs, take time to first document and prioritize your needs, your requirements, and what you think makes you unique. This will allow you to agree across your organization on what needs to be done, and will allow you to objectively evaluate pre-existing software solutions. If pre-existing software won't work or can't be customized, your documentation will make it easy to get a custom development quote. Any quote not based on such documentation, but only on an idea is not realistic, and you will spend much more.

## Conclusion

Purchasing a package solution designed for some level of client customization is probably the best solution for your organization. Don't reinvent the wheel unless you have documented unique needs that can't be met by existing vendors and unless you are willing to incur the higher costs and longer timeline of custom development. Consider the above criteria when embarking on a voyage into the perilous world of building your own software package.

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