



Buy vs. Build? When to Go Custom

Businesses face the decision all the time. They need a software solution to address a business need. Should they **buy** or **build**?

Of course, the answer is that there is no single answer for every situation. There are some types of software solutions that are best bought in virtually every situation - operating systems, email systems, word processors, etc. On the other hand, for those more unique business needs, the answer is not as clear. While it's true that most businesses have much in common in their core processes, each business has those unique twists and turns that make its way of doing things different than the next.

It is in these cases where businesses have to decide whether to squeeze their way of doing business into a pre-defined software solution, or to have a custom solution built specifically to their needs. Often, businesses will choose to adapt to an existing solution to save money. But many times, the savings may not be as great as it appears at first, if there even is a savings at all - and sacrificing the needs of the business in the process.

Typically, off-the-shelf solutions are licensed for a price per user or per server. The business has to buy the necessary number of licenses to accommodate the number of users that will use the application. In addition to these initial per-license costs, there are often ongoing annual maintenance costs and upgrade costs to keep the application current and support active. In fact, many times, even if the business does not need the latest version, they are forced into it just to maintain access to ongoing support.

Off-the-shelf solutions most often cannot be modified, except within limited parameters, to suit the specific needs of the business. Almost always, the software company retains all rights to the application and its source code, preventing it from being modified. The software usually winds up offering features that never get used, and missing features that would be useful for some businesses. The result is, in an attempt to save money, the business is forced to compromise on features and bend to accommodate the software.

Custom software, on the other hand, allows the business to specify precisely the features desired to meet their business needs. Because the price is usually presented in the form of a single estimate to design, develop, test and deploy the application, it can appear high at first glance. But carefully compared to the total cost of ownership for an off-the-shelf solution, the cost of a custom solution is often much closer than one might think, and in many cases less.

Custom software also offers the additional advantage of owning the source code, and thus the future, of the application. The business is not at the mercy of a third-party software company to dictate the future direction of the product. That becomes their decision to make. The business can choose to update the application as frequently or infrequently as they need. They can also address small enhancements and fixes more quickly, instead of waiting for the next service release. Many businesses that have custom software built find that they don't need to update it at the frantic pace that often seems to grip the off-the-shelf software world. This allows them to amortize the development costs over a longer period of time.

As the face of software development continues to evolve, it is becoming more possible realize savings in custom development costs by reusing blocks of programming code that are common or similar from project to project. New technology concepts, such as web services, are making this even more of a reality.

So whether the need is for a sales automation system, web shopping cart, tracking and workflow application, human resources system, or some other type of system that doesn't perfectly fit a generic

mod, custom software development is very often the best choice to meet the needs of the business at an economical total cost of ownership.

When you're faced with the next decision to build or buy, don't automatically exclude build from your choices because you believe it will be too expensive. You may be pleasantly surprised that you can get more for your money with a custom solution.

[Jon Kramme](#), Consultant