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Build versus buy:
why the best choice could be both

A build-and-buy software strategy can be a powerful way for an organisation to retain and improve its place in the market.

Digital disruption is a mega-trend sweeping the business world, bringing profound changes for business. In all cases its impact will be keenly felt within core IT infrastructures. For the transformative benefits of digital disruption to be maximised, this infrastructure will need to evolve.

As a first step, organisations needs to critically review installed IT systems. Each should be evaluated to ensure it can continue to provide the support required. A key question must be considered — should new software applications that are required to support transformative plans be purchased 'off the shelf' or developed in-house to match specific business requirements? It's a fundamental question and one that can have big ramifications.

Traditionally, off-the-shelf software has offered particular advantages. It is usually cost-effective and relatively easy for an in-house IT department to implement. There is also always a clear, ongoing upgrade path provided by the vendor, together with the promise of regular updates.

Building complex applications in-house, on the other hand, can be challenging. A skilled internal team is required with the capacity to scope out requirements, and architect and develop the software. Responsibility for ongoing maintenance and upgrades remains with them, as does ensuring the new software successfully integrates with other installed applications.

However, some organisations are realising there is a third option — using a combination of both approaches. They are selecting the most appropriate off-the-shelf applications and having them customised to meet their particular business requirements.

The extent of customisation undertaken can vary significantly depending on the specific needs of the business. Some may opt to use the off-the-shelf application as an 'engine' and wrap other components around it. This is the same approach taken by car manufacturers that use a common chassis to create a range of different models.

Other organisations may treat the off-the-shelf software as an almost completed car and simply add a new 'coat of paint' through minor tweaks. This might be, for example, in the form of a customised user interface. In more technical terms, a solution can be provided either as software-as-a-service that includes both the front-end and server components or as web services with a web API.

This approach enables an organisation to purchase a particular business process, such as a costing or scheduling engine, and then develop a unique user interface or integrate the engine with existing applications.

Approached with proper planning, a build-and-buy software strategy can be a powerful way for an organisation to retain and improve its place in the market. The software can support the organisation's unique competitive advantages, ensuring it can continue to improve its offerings and meet any changes that occur in the wider market.

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