

As seen on <http://it.toolbox.com/blogs/selecting-erp-systems/custom-versus-offtheshelf-software-22824> - This analysis applies to most types of software.

## Custom versus Off-the-Shelf Software

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When deciding on ERP software, you want the most reliable system that is suited to your needs.

A search may begin with existing, off-the-shelf systems. Having been developed with the experience of many companies before you, as well as the benefit of continual feedback, these systems are usually the easiest to implement. Where as custom written systems development ideas and feedback comes from only one source, you.

With custom system, your company's experience is the only source of development. All development costs will be incurred by you, (enhancements, upgrades, new documentation and debugging) rather than sharing the costs across a number of companies.

User Groups are quite common with off-the-shelf systems. Getting together with other companies to share ideas of how each uses the system can be quite useful.

When you hire a custom programmer, they write exactly what you ask for, to the best of their ability. They may not know your business or have the ability to anticipate any unforeseen requirements other than the specifications that have been provided to them. This places all the responsibility on you to ensure that what you have explained to the programmer, completely defines all your needs.

Sometimes custom software appears less expensive. After all, the programmer has provided a firm price and an impressive document describing the program to be written into your exact specifications. However, this quote and systems document is the programmer's interpretation of your explanation of your requirements. As you use the application and recognize there are other functions needed that had not occurred to you previously, further charges will be incurred. These continual enhancements can add up to be significant, un-anticipated costs. And besides, is your company in business to develop ERP software or in business to manufacture products?

Years of development and millions of dollars have been spent on developing off-the-shelf solutions. A custom system will not have the same capability without similar efforts. Then how can a custom system appear less expensive? Typical short cuts to save costs include, limited debugging, limited support documentation and lack of future support.

The newest programming tools always seem attractive (initially). These tools can be great for developing specific and unique point capabilities, but may not be robust enough to create an enterprise wide, fully integrated system. The initial price of these tools may appear attractive, but the real cost and effort will not be known for months and sometimes years.

Continually searching for the next, great technology wave. Programming centric employees can find these new tools attractive. However do not underestimate the effort to be the first to make these tools work in your environment? Again, undertaking your own system development places a great deal of responsibility to ensure you define and develop all your needs. If these new tools were truly the panacea, why are other companies not flocking to them?

One day these new tools may be the answer. But you may want to wait for other companies to be the guinea pig, instead of placing your company at risk.

If you are unable to locate a system off-the-shelf that addresses your unique requirements, a custom solution may be your only alternative. However if you choose this route, get as much technical expertise advise as you can, before purchasing the new development tool or contracting with the programmer.

Just remember the logic of volume manufacturing. Which is more expensive and labour intensive? Building a custom widget once or when mass-producing a unit a thousand times?

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