



Package and Bespoke Software Selection Process

Whitepaper

1. Why you should read this document

Whatever the size and maturity of your business, be it an SME or a department or unit within a much larger entity, this document will be of value to you. If you are either thinking about implementing a new information system or if you wish to understand more about the process of selecting either a packaged solution or a bespoke software development then read on.

In this paper we assess the current landscape of business application software and explain how we work with our clients to help them find the most appropriate software solution for their business.

1.1 Bespoke or Packaged Software?

Which is right for your organisation, packaged or bespoke software? It all depends on what business performance you require, the state of your current and planned business processes, and your organisation's desire to either implement a standard solution or to strive for the highest value possible.

In Symbiosys Business Solutions we recommend both packages and bespoke solutions to our clients. Our independence from any vendor and our experience means we are solely focused on helping you choose the solution that delivers the highest value to your business.

The rest of this document describes the factors which are important in deciding whether to use a packaged or bespoke solution in your business. This is followed by a brief overview of how Symbiosys Business Solutions are able to help and guide you through this process.

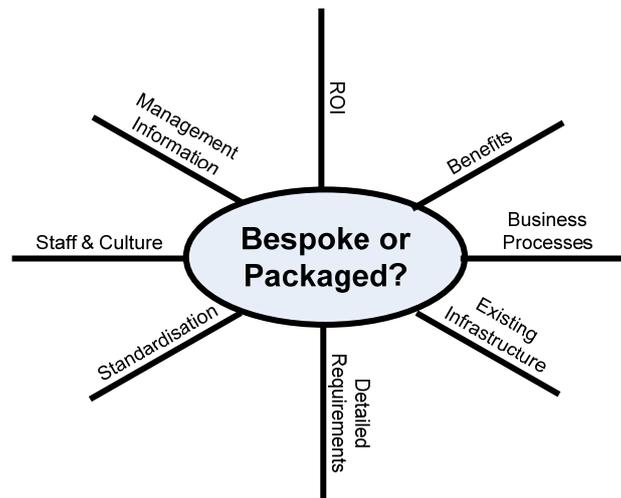


Figure 1 - Considerations for Deciding on Package or Bespoke Software

2. Balancing packaged and bespoke software

Today, more than ever, you'll be aware of the contradictory opinions proclaiming that either "bespoke is always best" or that "packages are the only viable solution". The reality is, of course, that almost every business from the smallest enterprise to the largest multi-national company uses packaged software. Very many of them also run some form of bespoke software, be that built in-house or by a third party. Clearly there are times and places in which a packaged solution is the best choice, and other times and places in which a bespoke solution will generate the highest return for your business.

Here we are solely concerned with business application software. We've taken this to mean software that supports your core business processes. This excludes elements such as office-type applications and all system software – the cost vs. benefit equation means it's almost universal to use packages in these areas (for example, Windows, Mac OSX, Linux, Microsoft Office, etc.). These "install and go" products transition into software where increasing amounts of customisation are possible, such as simple accounting and finance packages.

Because of this blurring of boundaries the terms 'package' and 'bespoke' are becoming increasingly less meaningful. Many 'packages' now include extensive customisation and configuration options – including the ability to write business-specific software within them – and many of them can no longer be used straight 'out of the box'. Conversely some 'bespoke' developments include extensive interactions with other products, third-party components and services. This may include accounting packages, web browsers & servers, application services and e-mail. Bespoke applications which depend on these services may no longer be usable on their own.

2.1 Start with the outcome you require

In the current climate for businesses in the UK the focus of many is on cost control and on deriving additional value from IT/IS. Reflecting this we have seen several large UK businesses whose current IS Strategy can be summarised as: "We'll re-use what we already have, if we can't re-use something we'll buy a package, and only if we can't find a package that works will we build or commission something bespoke". Whilst this "strategy" is easy to state it is much less easy to implement in practice because it focuses on one side of the story – the systems side – and ignores the critical area of business goals and performance. Whilst integration with your existing and planned IT/IS environment is important, it's far *more* important to focus on the things that will deliver the goals of your business strategy, and only *then* select the technology and solutions that can support you in achieving that goal.

At Symbiosys Business Solutions all our work with our clients starts with the question "What change in business performance do you require?" Only when that is clear can we help you to find the best IT/IS solutions, be they a bespoke development, a customisable system, a package implementation or any combination of these three.

Symbiosys Business Solutions do not have exclusive arrangements with any package suppliers or vendors. Because of this we are able to advise you candidly and objectively on the best course of action for you no matter what the technical solution may be.

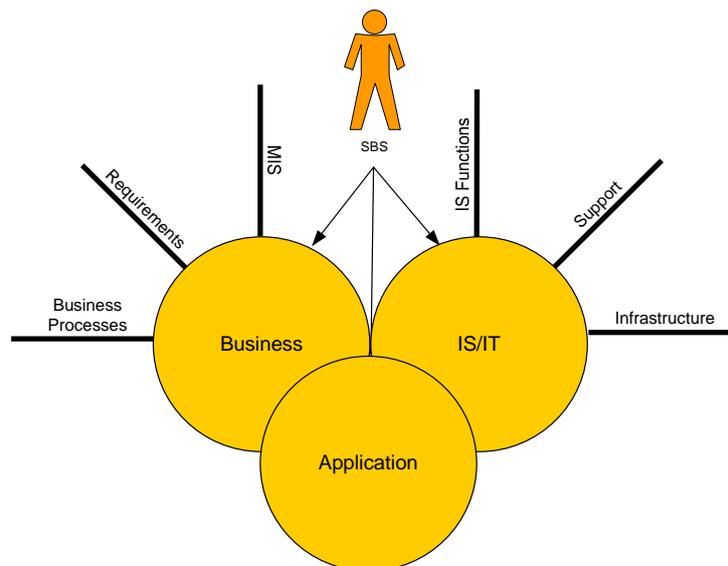


Figure 2 - Business v IS Objectives - SBS Approach

2.2 Change your business or change your software?

If you're thinking of using a package or a configurable solution, then one of the key questions you will have to answer is this: Do you change your business processes to suit the software or customise the software to suit what you do now?

This question has been especially relevant to those companies who have opted for an all-inclusive systems package which, at least in theory, is able to support all the key processes within a business from HR and Finance through Procurement to Manufacturing and Sales. These applications are known as Enterprise Resource Planning (ERP) solutions and they are produced by well-known companies such as SAP and Siebel. All the main ERP vendors are now producing simpler, cheaper and easier-to-configure version of their systems, which are increasingly of interest to the SME marketplace. Indeed much of the marketing drive on ERP vendors is now focused on mid-sized companies.

Many successful ERP implementations have started with the acceptance that if you buy an ERP vendor's software, you also buy into their philosophy and approach to business, including the adoption of their standard business processes. However this may be more difficult to implement than it sounds because achieving rapid and consistent change of business processes throughout an organisation is complex, and it requires very high standards of change management and people management expertise.

2.3 Package configuration or modification?

The seemingly-attractive alternative of keeping your existing processes and instead modifying the core software within an ERP system has generally proved to be a bad idea, being typically expensive, time-consuming and often resulting in poorly performing software. Configuration is fine, direct modification of core package software is usually not. Customisation costs may be considerable for an ERP-style solution, which is all the more reason to be very clear what your primary business objectives are and to ensure continuous focus upon them throughout the project. The rise of ERP solutions specifically tailored to certain industry sectors and markets has gone some way to addressing these needs by providing more pre-configured functionality which is suited to that industry. In the end the same limits apply; if you need specific rather than generic functionality you're going to have to customise, modify or otherwise add bespoke elements to your ERP system.

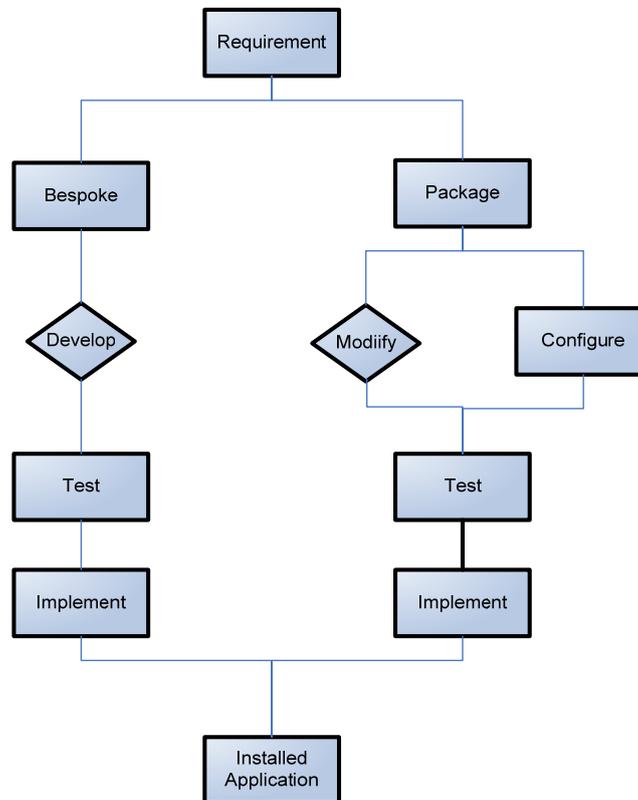


Figure 3 - The Bespoke or Package Route

Solutions such as Microsoft's Customer Relationship Management (CRM) take the ability to customise the product still further and offer greater flexibility. They are less like a traditional

package and more akin to a common framework within which applications may be developed based on a core of common functions. Because of this it's likely that additional third-party products may be 'plugged into' a business's CRM system to enhance its functionality. Microsoft CRM is not only customisable, but also actively encourages extensions and modifications. It even allows additions to the underlying database schema without requiring changes to application code. The trade-off is that it is unlikely that any business could use this class of product 'out of the box' without some degree of customisation. Larger or more extensive businesses will require significant modifications to be made to satisfy their needs.

Total Cost of Ownership is often quoted as a reason to opt for packaged solutions. In practice our experience suggests that for complex systems there is little to choose between customised packages and bespoke developments. For smaller standardised systems packages can indeed deliver cost savings. It really does depend on what you are trying to achieve.

Clearly most companies have successfully implemented packages of one form or another, from "install and go" solutions to full ERP, and many have obtained good business value from doing so. Where the needs and requirements are clearly understood, the supplier and product are carefully selected, and the project is well structured and controlled, then packages can deliver quick implementations and high returns.

2.4 Bespoke

In contrast using bespoke software puts your future firmly in your own hands with all the responsibilities that that entails. You obtain exactly the features you need without getting the ones that you don't and you can develop your system in any way that you choose. Whether you develop your own software or commission a third party to write it for you, it's critical that sound and proven design and build methodologies, combined with excellent project management and control, are used to ensure the delivery of 'defect free' software to your timescales, budgets and requirements.

Well designed bespoke developments can make extensive use of reusable component-based application elements. At Symbiosys Business Solutions this is how we have developed our bespoke code for many years, but now increasing numbers of third-party application development tools support this ability to hook into already written and well-proven modules. This can greatly improve the quality and speed of bespoke development and significantly reduce its costs.

Bespoke applications tend to have long life spans. Once written and implemented they typically have a long history of enhancements and changes before being replaced. The advantages are that these systems grow and evolve with the business and become tightly integrated with the way of working. The long life span also reduces the Total Cost of Ownership significantly. The downside is that they may become inflexible if the business processes change too much. Long life-span bespoke applications can also make a business very dependent on individuals with a high understanding of the system – both the technology and the support for core business processes.

2.5 Application Service Provision – yet another choice

Finally your business could choose to subscribe to an application service whereby you not only subscribe to a package, but purchase the whole fully-functional application service from a third party. Using these hosted applications can be highly advantageous for both start-up companies who wish to run standard business models, and for companies who have a strongly developed outsourcing model.

If your required business process model closely matches that of the offered service, then application service provision may also offer a quick means of getting new services, such as CRM, up and running in your business.

2.6 How to find the best route

Given that all these choices are, in the right places, clearly successful, how do you know which approach is the best for you? Once again by focusing back on the change in business performance which you wish to generate; by identifying the service which best fits your business model; and by understanding *thoroughly* the implications and total cost of ownership of each choice. Along with Package Selection support Symbiosys Business Solutions offer Benefits Management and other Business Consulting services that assist you through these processes.

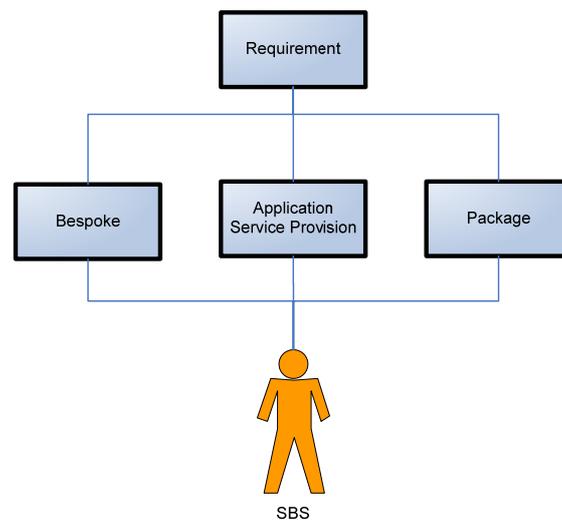


Figure 4 - The SBS Software Selection Consultancy Service

Our experiences of successful package and bespoke implementations suggests that, in general, businesses with unique and market-differentiating processes gain the highest value with bespoke applications, whilst those who run generic processes gain most from a package or customisable solution.

The logic behind this is clear: if you're unique then it's unlikely that a straightforward package vendor can fully support your needs. The trick lies in understanding which of your processes are indeed unique and which are common, and, more importantly, which ones actually generate real value for your business. Even those business running unique customer-facing processes will often have common and standard requirements for the back-end processes, such as finance. Hence they too may choose to deploy packages in these areas. Many of our clients use both packages and bespoke software and many of our new development projects are based on an integration of bespoke and packaged elements.

2.7 Conclusion

In a recent report on UK businesses' plans for new systems ("A Build Mentality Is Re-emerging in Business Applications", Gartner Inc., August 2003), Gartner make the comment that *"with many application areas (such as CRM) becoming ubiquitous, there is more need to find ways to create real differentiation"*. By commissioning your own software you can be sure that you have full control over your system and its ability to support your market-differentiating business processes. However *you* have to take responsibility for its development and implementation, either directly or via a third-party.

So does this signal the end of packages? No, it doesn't, just as the use of packages and customisable solutions does not herald the demise of the commissioning of bespoke software. Each has their place and each requires careful selection, design and implementation if it is generate real benefits for your company.

As in many things in business life it's a question of being clear what you wish to achieve, assessing your options wisely, and then implementing your decision consistently. There are many factors which influence the 'buy', 'build' or 'integrate' choice and every situation is different.

The next section demonstrates how Symbiosys Business Solutions is able to help you in this process.

3. The Symbiosys Business Solutions Approach

Whatever the size of your business and the scale of your project Symbiosys Business Solutions are able to guide you through the process of selecting and implementing the right solution for your business. Our 'SUMMIT' methodology (based on PRINCE2 and the Software Development Lifecycle Model) is designed to allow us to tackle IT/IS projects of all sizes in both a packaged or bespoke environment.

Good Business Change Management practices and sound Programme Management & Project Management techniques underpin all the following stages and tasks. Our first task is to define with you the appropriate Programme and Project Management framework which will be required. Only the largest of projects will use all of the following steps – our experience will guide to you the parts which are critical for your business and the change you are wishing to make.

We always start by clearly stating the business outcome you require. This is captured in the Project Brief, which defines the scope, the objectives and the deliverables. The Project Approach document defines how it will be delivered and then this is set down in the Project Plan to schedule all aspects of the project. Your requirements are thus clearly defined and Acceptance Criteria produced to demonstrate that the required change in business performance has been delivered. However the intermediary steps will depend on the decisions taken and choices made during the project. In addition the construction, configuration and implementation stage will vary widely for an "install and go" package, a fully bespoke development, or a highly-configurable solution. In the later case an iterative approach to detailed design and build may be taken.

Figure 5 presents the end-to end SUMMIT process that we use to control our projects. More detail of this can be found in our white paper on SBS SUMMIT - Our Project Management process available from our website – www.symbiosys-bs.co.uk.



Figure 5 - The SUMMIT Process

The staged process allows you to control the project, only sanctioning the next step when you are ready to proceed, ensuring your needs are being met.

3.1 What do you want to achieve?

Business Strategy, goals and objectives

Programme Management Definition

External factors assessment

Business Benefits Definition and Performance Goals Setting

Project timescales, budgets, structure

3.2 Where are you now?

Internal competency assessment

Current and planned IS Strategy and IT Infrastructure

Existing vendor and support relationships

Evaluation and mapping of your key business processes

3.3 What are the (realistic) options open to you?

Definition of the short-list options, including identification of potential software package vendors

Request for information from vendors

Vendor financial assessment

Definition of specimen transactions

Assessment of bespoke development options

Architecture assessment and analysis

Detailed Requirements Development

Compilation of the final business case

3.4 Detailed evaluation of the short-listed solutions

Gap and fit analysis of the package options, based on both functionality and benefits

Derivation of the true Total Cost of Ownership, including:

- Development costs

- Software costs

- Hardware costs

Customisation costs

Licensing (server & client), upgrade paths, imposed upgrades

Other one-off costs

Training and Education

Support – hardware, software and people

Enhancements and maintenance

Replacement Horizon of each option

Fit with existing and planned IS Strategy & IT Architecture

Organising vendor demonstrations and workshops

Service considerations: SLA, support etc.

Invitation to Tender

3.5 Selection of the most appropriate option

Choose best fit option

Report and present the preferred option

3.6 Construction, configuration and implementation

This stage is the most variable of all the stages as its contents depend greatly on the degree of build or customisation required in the chosen solution.

For packaged or bespoke solutions this stage will include some or all of the following:

Software procurement

Software development sourcing (on-shore, off-shore etc.)

Contract Control

Design and customisation iteration

Selection of the optimal design

Software configuration

Acceptance Testing

Definition and negotiation of support arrangements

Sign-off and cut-over

Our 'SUMMIT' methodology ensures that we are able to maintain effective and efficient control of multi-stage and multi-team software projects.

3.7 Transition to Support

Implementation of support arrangements

Defect logging and correction

Vendor management

3.8 Benefits Delivery

Whatever the nature of the target software, once it has been successfully delivered we work with our clients to demonstrate that the target benefits are actually being delivered. We also conduct benefits reviews, typically three, six and twelve months after final software delivery.

4. About Symbiosys Business Solutions

4.1 Symbiosys Business Solutions' Core Values and Beliefs

Commitment to Quality: Our commitment is to do the right things at the right time and to the highest possible standard. The quality of our solutions and work products differentiates us from our competitors. We also relentlessly pursue continuous improvement and excellence in everything we do.

Our People: We believe that we're only as good as our people so we make it a priority to employ only the very best talent and then work with them to make them even better.

Our Clients: Our continuous focus is to meet customer needs and to exceed their expectations. We earn our clients' trust by advising them wisely, candidly and with their best interests at heart. Moreover, we consistently deliver what we promise.

Passion: Passion is fundamental to all great achievements and forms the basis of everything we do. We are passionate about creativity and innovation, about delivering exceptional value to our customers and about the people with whom we work. Ultimately, we are passionate about the quality of our work and the processes we use.

4.2 What is it that we do better than our competitors?

Quite simply we are the best at delivering software projects because of our ability to:

- Do the correct work up-front
- Produce highly accurate estimates
- Deliver excellent project management
- Respond faster to changing requirements
- Give you control using many go/no go decision points
- Identify and help you deliver the target business benefits
- Above all, deliver feature-complete and defect-free software

We are so confident of our ability to deliver what we commit to, and that there will be no schedule or budget overruns, that we are more than happy to be bound by penalty clauses in the project's legal agreement. In fact, we even suggest such penalty clauses be included.

5. Contact us

Please contact us if you require more information: we're always keen to help you identify how you may obtain the highest value from all your software investments.

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