OFF-THE-SHELF OR CUSTOM:

CHOOSING THE RIGHT SOFTWARE SOLUTION FOR YOUR BUSINESS

BY BOGDAN RUS

CICADA TECHNOLOGIES

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INTRODUCTION
BOGDAN RUS

The modern business landscape is incredibly competitive, with companies constantly seeking new ways to gain an edge over their rivals. One of the most effective ways to do so is by leveraging technology to improve processes and increase efficiency.

Technology has the power to transform businesses, from streamlining operations to enhancing customer experiences. In today's digital age, it's essential for companies to embrace new technologies and stay up to date with the latest advancements. Those who fail to do so risk being left behind, unable to compete with more tech-savvy competitors.
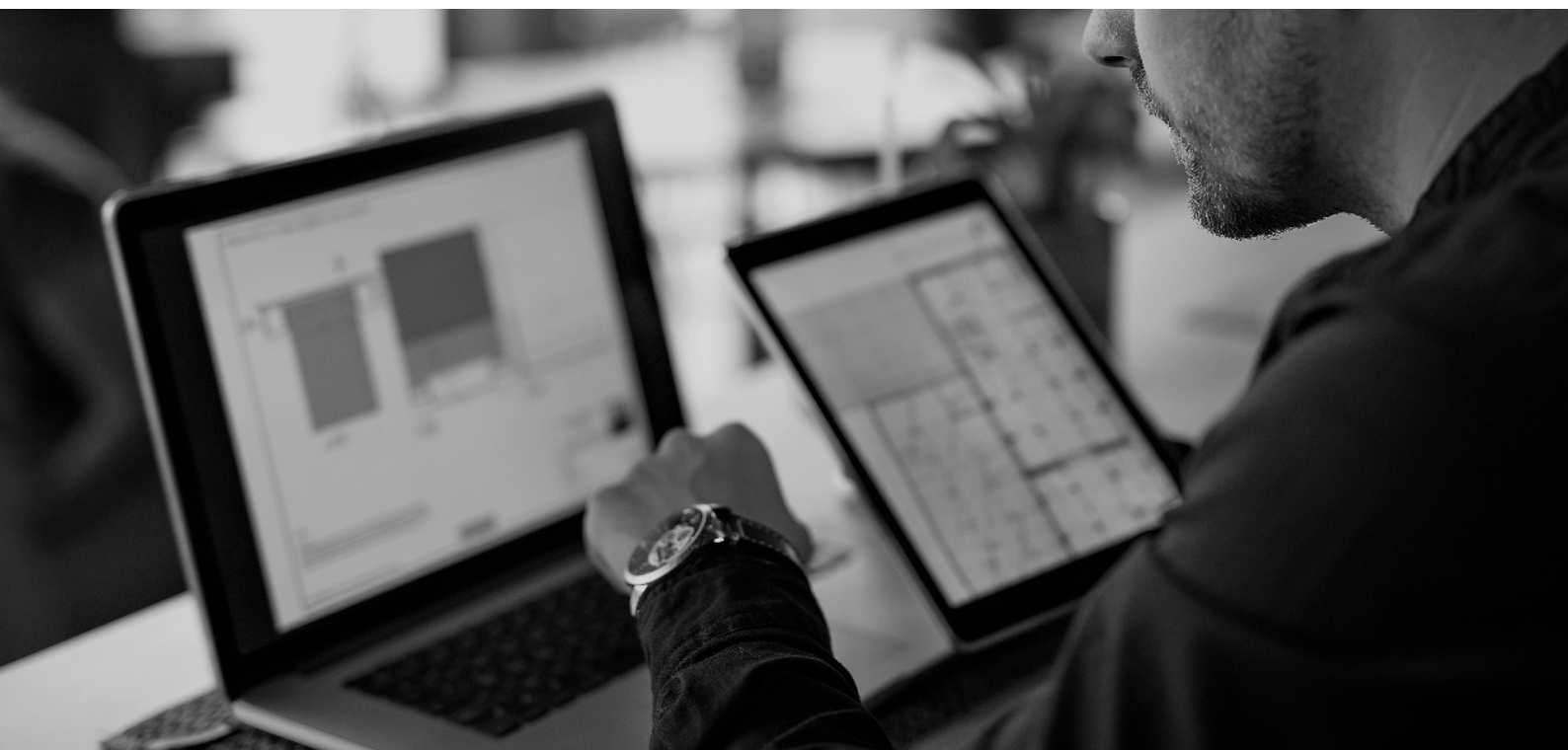
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When it comes to adopting new technologies, one of the key decisions that companies face is whether to choose off-the-shelf or custom software solutions. While off-the-shelf software can be a convenient and cost-effective option, it may not always meet the unique needs of a particular business.

Custom software, on the other hand, can be tailored to a company's specific requirements, providing a competitive advantage by optimizing operations and workflows. Understanding the unique needs of the business is crucial in determining whether to go for off-the-shelf or custom software solutions. By leveraging technology effectively, companies can gain a competitive edge and position themselves for success in today's fast-paced and constantly evolving business landscape.

Keep reading to learn more about the pros and cons of each option and how to choose the right solution for your business.

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OFF-THE-SHELF
Software Solutions

When we talk about off-the-shelf software solutions, we refer to pre-built software applications that address specific problems in one or multiple domains. These applications can range from non-customizable to customizable to some extent. Moreover, it helps a company align its ways of working with a general approach in the field.

One of the key advantages of off-the-shelf software applications is the shorter implementation time. This is because we are talking about existing software that is already implemented at the moment you sign the supplying contract. There might be some small development time needed if small customizations are required. The time to have everything up and running is considerably shorter than with a custom software development approach.

Additionally, the implementation costs are lower than those of custom software because the business model is designed to cover the implementation cost plus profit, from multiple licenses sold to clients.

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If you're looking for a cost-effective off-the-shelf software solution, consider choosing a Software as a Service (SaaS) approach. SaaS is a cloud-based model that allows users to access software applications over the internet, without the need to install and maintain the software on their own servers. This model is characterized by low licensing costs and no need for upfront investment in hardware or software infrastructure.

However, it's important to note that SaaS solutions may come with a low set of customization options with respect to adding new or adapted functionalities. Therefore, it's essential to evaluate your specific requirements before choosing a SaaS solution. According to a report by Statista, the global SaaS market size is projected to reach $195 billion in 2023, up from $120 billion in 2020.

ADVANTAGES

- Shorter implementation time
- Lower budget
- Using standardized procedures that are typically aligned with the industry standard

DISADVANTAGES

- Different ways of working than the company's current procedures
- Poor user experience in some cases
- Higher licensing costs for certain solutions
- Limited ability to incorporate requirements specific to the company's procedures

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In summary, off-the-shelf software applications are a viable choice for businesses seeking to align their practices with industry standards and those with adaptable internal procedures. This option is especially useful when a rapid implementation period is necessary. However, it is crucial to be mindful of the potential limitations, including adjustments to working methods and user interface concerns.

Moreover, some popular software solutions may have high licensing costs, and not all particular needs may be met. Note that a cost-effective flavor of pre-built software solution is the one that comes with a Software as a Service (SaaS) pricing model.

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CUSTOM
Software
Solutions

Custom software solutions are specially designed programs that are created to meet the unique requirements of a specific business. Unlike off-the-shelf ones, custom software is created from scratch, based on the specific needs of the organization. This means that the software can be tailored to fit your business processes and workflows, which will make your operations more efficient and effective.

One of the main characteristics of custom software is that it can be built to integrate with your existing systems and applications. This can help you eliminate the need for manual data entry and reduce the risk of errors. Additionally, custom software can be designed to provide real-time insights into your business performance, which can help you make informed decisions and stay ahead of the competition.

Another characteristic of custom software is that it can be easily scaled up or down as your business grows or changes. This means that you can add new features or functionality as needed, without having to worry about compatibility issues or other technical problems.

When working with a custom software development company, your team will be involved in the process of setting specifications and working methods. This ensures that the software will be easy for them to start working with it in their daily operations.

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ADVANTAGES

- Tailored to meet the specific needs of the business
- Can be designed to integrate with existing systems and applications
- Provides real-time insights into business performance
- Scalable and flexible, can be adjusted as the business grows and changes
- Increases efficiency and productivity
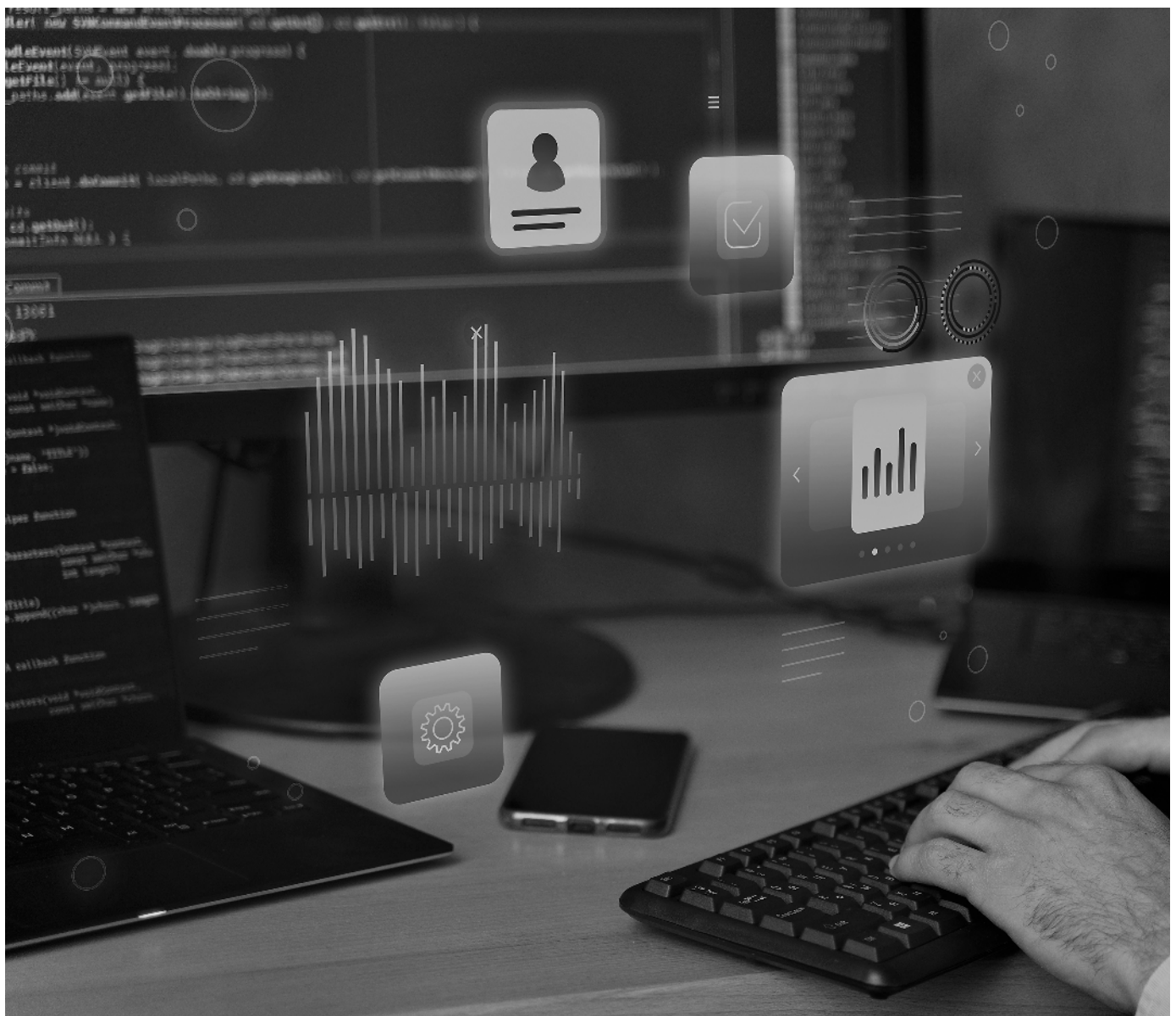- Provides a competitive edge in the market

DISADVANTAGES

- Higher upfront cost compared to off-the-shelf software
- Longer development time
- Your team needs to invest time to collaborate with the development company throughout the implementation period

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In summary, custom software solutions can provide significant advantages to businesses by delivering software that is tailored to their specific needs and can be scaled up or down as the business grows or changes. However, it's essential to consider such aspects as higher upfront costs and longer development times, before investing in custom software.

Ultimately, the decision should be based on the business's unique requirements, long-term goals, and how critical their operational specificities are to its success.

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HOW TO CHOOSE
the Right Solution for your Business?

As a manager, making the right decision for your organization when it comes to software solutions can be a daunting task. However, following these steps can simplify the process and help you choose the best option for your business needs.

01 First, identify the specific business requirements that the software needs to fulfil. This includes understanding the needs of different stakeholders, such as customers, employees, and suppliers, and how the software will impact their work.
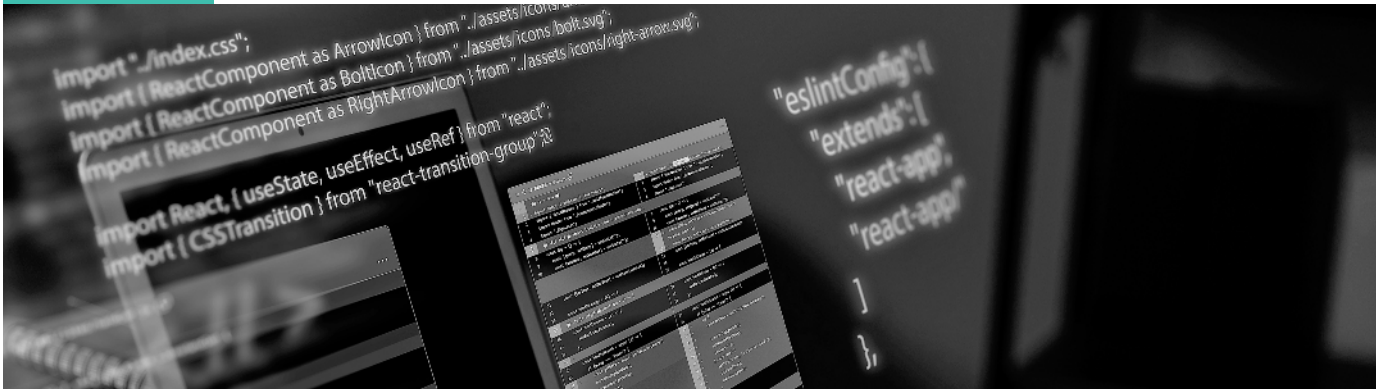
02 Next, evaluate the available off-the-shelf software solutions that meet these requirements. There are many options available in the market, and it's important to evaluate them thoroughly.

03 If you find that none of the existing off-the-shelf software solutions meets all your requirements, make a list of the additional features or functionalities that are missing.

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04 Determine the level of impact on company revenue or cost savings that can be achieved if the functionalities identified in step 3 are implemented.

05 Compare the value identified in step 4 with the cost difference between developing custom software and aquiring an off-the-shelf one. This will give you an idea of the ROI you can expect if choosing the custom software approach.

06 Determine the timeline for implementing the custom software solution. This timeline should be compared to the ramp-up time of any off-the-shelf tool considered as an alternative.

07 Weigh the costs and benefits of each option while considering the time that you can afford to wait, and decide which solution will provide the greatest return on investment.

It's important to involve both IT and business stakeholders in this decision-making process to ensure that all relevant factors are considered. By following these steps and involving key stakeholders, you can make a well-informed decision that will benefit your organization in the long run.