

# In-house Application vs. Packaged Product

## Advantages of Packaged Product:

- Complete product, developed after extensive research
- Implements industry best practices
- Cost effective

Are you also facing the big question of build versus buy? Let us go over this usual situation at one of the software development companies.

Instance:

The HR head of a software product development firm was in need of an LMS (Leave Management System) application. It was decided to engage a few developers from the organization itself to build the application. The LMS was developed successfully and was being used as well, but the HR team still faced problems.

- Although the application was well developed, its troubleshooting and upgradation were issues that were left unaddressed.
- There was no documentation in place that could provide an insight into the processes followed for the development of the application.
- New features required by the team could not be added to the software.

So the question is do you really need to re-invent the wheel?

Unless you follow really unique processes, do you really need to build a software from scratch? Today, vendors of packaged products build specialized solutions for each industry and domain. They know customer needs better and are competitive on price as well.

Yet in case you still want to go ahead and build an in-house application, weigh the following pros and cons:

### Development Time

Developing an in-house application will take no less than 6 months. By the time your application is ready, your users will require a few more "important" features, but that will again take some time. So building an in-house application is definitely a time consuming project. It is not a ready solution. However, if you can effectively choose a packaged product with careful evaluation, you hit the jackpot!

### Investment

Both in-house application and packaged product will require some amount of investment. While creating an in-house application would require you to invest considerably to tie down corporate resources on an on-going basis, picking a packaged product will be an investment for just once.



## White Paper

### Disadvantages of In-house Application:

- Often a crude tool
- Requires considerable investment of time and money
- Only serves current needs

### Total Cost of Ownership

When a vendor makes a packaged product, he spreads the cost of development between all the customers. However, when making an application oneself, one has to bear the entire expense. This itself makes in-house application development far more expensive.

So evaluate the total cost of ownership for each to know the best option for you.

### Maintenance and Support

Apart from the product development, you also need to set up a dedicated team for the support and maintenance of an in-house application. In case of a packaged product, maintenance and support is provided by the vendor itself.

### Product Enhancement

In case you have the bandwidth to invest time and resources in enhancing the application to suit your needs, developing an in-house application is your best bet! If not, you better go for a packaged product where the vendor constantly works on newer features and product enhancements.

### Industry Best Practices

Apart from product enhancements, if you require a complete product, you have to research extensively and incorporate the best practices followed in the industry. This is a usual exercise for the vendors where they also leverage their exposure to the HR processes of multiple companies to create best of the breed products.

### Organizational Competency

Lastly, if you are a software company, building your own application will only take some engineers on bench. However, if you are a manufacturing unit or an automobile company building an in-house application will require you to work beyond the core competency of your organization. Do you think it's worth it?

With so many vendors offering state-of-the-art, affordable packaged products; there is no point in spending time and resources on the development, implementation, support and maintenance of an in-house application. You just need to try a packaged product that serves your purpose right.

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