



Buy Vs. Build

Produced by:

clear
spider

Is Building Your Own Inventory Management System a Good Idea?

The issues that companies face when they decide to build a solution in house are numerous: Scarce development resources, project cost overruns, delivery delays, unexpected technical issues, long-term maintenance issues.

For these reasons, Inventory Solutions has built hosted, flexible, “out-of-the-box” vendor managed inventory (VMI) and web-based solutions that can be running in five days, all at a fixed monthly price – with no delays, low risk and a lower total cost of ownership.

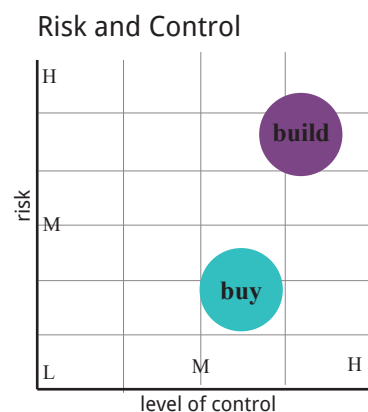
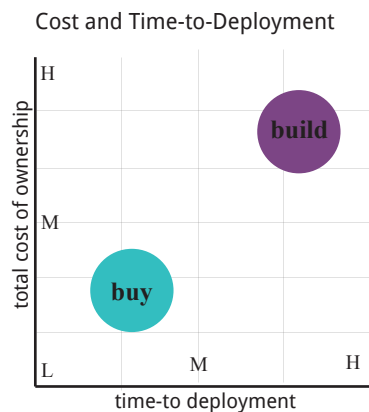
Q: When should my company consider building a solution over buying?

At Clear Spider we’ve often seen companies struggle with the decision to buy a technology or to build that solution in house. The decision criteria are typically:

- o Availability of qualified development resources
- o Long-term maintenance staffing
- o Implementation time and costs
- o Project risk
- o Process understanding
- o 3rd party objectivity

legend

L: Low
M: Medium
H: High



Availability of Qualified Development Resources

If you have available resources that are experienced in developing web-based, distributed solutions then you should consider building your own solution in house. In addition, your staff should ideally be knowledgeable about leveraging development standards such as J2EE or .NET. If not, you should source an off-the-shelf solution that can readily integrate with your existing applications.

Long Term Maintenance Staffing

Once you have a solution, how are you going to keep it current, from both a technology and from a process point-of-view? For example, in the last few years RFID, collaboration, wireless and countless other developments have forced companies to update their processes. With ever increasing innovations, you need to ensure that you are staffed to manage not only the system upgrades but any errors that you may discover. If you either don't have the staffing for this or don't want the headache, then you should consider a "bought and maintained" solution.

Implementation Time and Cost

How quickly do you need a solution? If you have ample time to scope your project, build a project plan, free-up resources, develop and test the application, then you should consider building the solution. Furthermore, do you have the budget to pull off an in-house project? What are the opportunity costs? What is your company's track record of getting IT projects completed on-time and on-budget?

Project Risk

One major reason that organizations build in-house is that they want to build expertise in an emerging technology. Does this meet your organization's business goals? What if you find that the learning curve is long and steeper than you anticipated? Are you willing to take that risk?

When you are scoping your project, have you considered all of the issues? Are you willing to stick to your original scope when your users demand new features (scope creep)?

If you cannot mitigate these issues, then you should strongly consider a fixed price, packaged solution.

Process Understanding

Collaborative inventory management processes are complex and varied as your trading partner needs. If you have many diverse trading partners (or may have in the future), building your own solution may not be a great idea (see "long term maintenance" above). Additionally, your trading partners may want to extend the use of the collaboration solution to their trading partners. Can they do this? Only if you are willing to get into the solution environment. This is especially important as your trading partners start to get more and more benefit from these solutions and may force you to switch to another solution.

3rd Party Objectivity

A critical concern for trading partners is that of data confidentiality and security. Most trading partners are leery of exchanging critical and confidential and feel more comfortable with a third party managing the data. Is this a critical issue for your organization?

Summary

In the nascent days of any technology, be it the car or software, many companies think that they can build the better mousetrap. However, as the technology evolves and becomes more complete, there are significant barriers to entry. As the collaborative inventory management field continues to evolve, there are enough reasons to give pause before deciding to build a solution in-house.

Clear Spider

Today, over 100,000 companies use Clear Spider on a daily basis.

Clear Spider is a web-based inventory management solution for companies to manage either their own inventory or the inventory of their customers and suppliers. There is no hardware or software installation, so deployment is quick.

Clear Spider is easy to learn, easy to use, and easy to maintain.

Visit Our Website: www.clearspider.com

Call us for a Quote: Toll-Free 1-855-90-CLEAR

