

Buy or build? How to choose the best technology for your organization

As your organization grows, you are challenged with finding smart ways to scale your operations without cutting into revenue. Most people realize very quickly that they need to ditch manual processes and integrate technology solutions to absorb the workload to maintain their standard of efficiency and customer service. That leaves you with two choices: Do you dedicate resources to designing, building and maintaining an in-house software system? Or do you partner with a third-party provider who offers a ready-made solution? Each option has its advantages and disadvantages and it's important to consider every angle since this is one of the most important, and revenue-impacting, decisions your business will ever make.

Challenges with Custom Integration Solutions

It's the natural inclination of every self-starter to want to solve growing technology issues with a home-grown solution. If you have been building your business from the ground up, then why can't you develop and maintain your own in-house system at a reasonable price?

Before you get out your hammer and nails, take a close look at how much each resource needed to build the system will cost you. The reality is that the true cost can be exorbitant.

A custom solution requires extensive development, which means you need to hire (or pull from other departments) programmers, web designers and possibly consultants. To build a comprehensive, flexible, easy-to-use system calls for detailed planning and development—if done right, it is guaranteed to be time-consuming with a lot of up-front cost.

Once your system is built, remember that any customer support, bug fixes, or new developments will need to be handled by your team. Not to mention in-house training and support documentation. All of these services need to be prompt and efficient to maintain a high standard to your customers. The only way to accomplish this is to keep full-time IT and development employees on staff. Is that something you can afford?

You'll also need to host your system on a dedicated server. Owning, operating and maintaining a dedicated server can be far more expensive than you might think. Not only is there an initial investment but the upkeep can be pricey.

Don't forget to factor in the actual cost of the software. You'll need to license software for your server's operating systems, plus purchase database software, which totals in the thousands of dollars. And that doesn't even include maintenance costs!

One final consideration is security compliance. PCI Level 1 Security Compliance is the highest level of data security available to businesses today and is absolutely crucial to keeping your data safe. Obtaining this level of compliance can cost hundreds of thousands of dollars, unless you choose to partner with a company that has already earned this important distinction.

An in-house system, while completely custom, can be a drain on your resources and your patience. There is another option available to you that offers similar customization, with less investment required.

Benefits of Buying a Third-Party Solution

By relying on a trusted third party to meet your technology needs, your time, cost and resource investment is significantly reduced. Online software technology has advanced to the point that you can have a comprehensive solution with all the standard functionality, while still being able to customize functions to suit your specific needs.

Here are some other things to keep in mind when considering the benefits of using a third-party solution:

When you use a veteran third party, they are responsible to **meet the deadlines** you set. As your provider, a third party will take that seriously. You'll increase your chances of having your system up and running sooner rather than later. You can work with your provider to develop best practices, training, support and more in a language everyone at your company can understand.

Systems built by outside companies tend to be **more flexible, more scalable and easier to use**. Why? Because you have a whole company dedicated to making changes and upgrades to the product to fit your needs as they evolve over the next month, six months or six years. An outside provider will have more resources to dedicate to research and development, ensuring that your product will continually advance to match changing market conditions. To build and maintain a system with a high level of functionality, adaptability and responsiveness requires a huge amount of support that usually cannot be matched by in-house systems. If you can match it in-house, the chances are it will cost significantly more than contracting with a third party.

Third parties usually offer a wide array of **automated processes** that can reduce your workload. From email confirmations to seamless integrations with existing, and future, databases, the options not only give you more control, but streamline processes from A to Z.

Outside providers typically have spent time and resources developing **built-in email tools**. Using a system with an integrated email tool allows you to send personalized, branded communications that can be tracked for success. These communications are crucial to establishing and improving relationships with clients.

The importance of online security can't be overstated. When you adopt a system from an experienced third party, you don't have to go about getting PCI Level 1 compliance yourself. That means every transaction, every credit card number and every piece of customer information is secure. Don't risk your reputation, go with the highest level of security possible.

Conclusion

If a ready-made software solution has everything you need, why reinvent the wheel? To grow your organization, you need to find the best technology at the best price, without draining your resources. While you may be able to build in-house technology yourself, closely consider the risk-reward equation and how your business may be impacted in the long term. Buying your technology solutions from a third party provider is generally the most affordable and efficient way to scale your business.