

Build vs. Buy

Lanshore LLC
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Many companies, mainly the ones with heavy packed IT departments, will chose the go the in house software route. Some view this approach as a way to lower the cost of ownership and avoid what could be a painful solution selection and implementation process.

This might be a successful model for several company software related needs, however, many in-house systems lack reporting power and their adjacent functionality is often limited. To note an example, territory and quota management alongside business metric planning are usually nonexistent or lacking.

Usually, in-house developed SPM applications are extensions or add-ons of existing systems like ERP, CRM and HR to name a few. Solutions vendors on the contrary regularly design an application from square one, with an integrated view of potential applications with a lookout for future needs.

In-House SPM solutions usually kickoff with the intention of fixing one problem, with a passive and incremental growth rate. In contrast, Prepackaged SPM applications are generally created by a team with across-the-board SPM experience, hence, overcoming one drawback correlated with home-built solutions; a lack of vision that gives the application a wider span of functionality and over all coherence.

Commercially available applications tie together hundreds of customer experiences addressing various types of users with a need to access the SPM: HR, executives, finance, marketing, sales managers and sales representatives.

Reasons to steer away from building your own Compensation System

Consistently driven by the idea that a build effort will be a less costly option, almost every client we have worked with has at some point entered into build versus buy analysis. It is our perspective that a build effort, regardless of how contained it is from a functional perspective, will always be costlier and less effective over the long-term, especially when looking at the overall breadth and depth of functionality of a SPM solution, in addition to the fact that it is delivered as a cloud based offering with 24x7 support services.

While it is true that our perspective is pro software vendor, we also believe that this point is well supported by the fact that our clients include some of the largest organizations in the world, and regardless of organizational size and technical expertise, they have elected to leverage a SPM solution.

Top 10 Reasons to steer away from building a SPM System

- Cost of ownership—SPM standard functionalities are vast. If you were to build your own solution, you would need to invest a substantial amount of your resources designing, building and testing your homegrown software.

- Risk— Clients use Commissions Solutions across the globe. It is proven that they will work on day one and will continue to work as you expand and expand your business. In essence, build efforts rely on new software which are commonly associated with risk. Risk is not only present when key development resources leave the organization which can potentially jeopardize the initial development effort, enhancements and ongoing support but also in the functional areas not working as intended.

- Maintenance costs —SPM is now often offered on-cloud software, eliminating the need for developing a or managing maintenance plans, acquiring and/hardware, installing operating system cover ups, installing software and running backups. You will also eliminate the costs associated with running your own data center and the allocation of your internal resources to data related tasks.

- Level of Support —Most organizations disregard to factor in costs of round-the-clock support in a build effort. (Lanshore) (SPM solutions) provides (24x7) support services to clients with round-the-clock coverage for any issues. Support services are also covered under a service level agreement that ensures timely response to all issues. You can also outsource your support to a third party that will take care of your needs, without you carrying all the internal cost.

- Upgrades, new releases and improvements. — With an In-house solution, expansions require development that can be costly and risky due to the potential for break/fix issues. SPM vendors provide annual releases as part of a base license fee including new features and expanded functionality.

- Going Live— Implementation of an SPM will be executed via configuration of existing features. A build effort will require a full development cycle before the implementation. More often than not, testing efforts around newly designed software may require additional time for debugging and are more expensive.

Lanshore LLC.

Lanshore is a US based company with Nearshore operations in San Jose, Costa Rica. Lanshore has been doing Nearshore configuration, development and sales center for over four years. We provide services in mobile application development, sales call center, energy trade and sales performance management. As a company we have serviced small business in consulting services engagements to multi-billion dollar organizations looking to install business-shaping solutions.

Contact us at:

info@lanshore.com

P 281.635.4677