

WHITE PAPER 2022

## Build Software Vs. Buy Software

*Everything to consider before you decide*



TABLE OF

# Content

Introduction .....	3
What Does It Mean to Build Software? .....	4
The Benefits of Building Software .....	5
What Does It Mean to Buy Software? .....	6
The Benefits of Buying Software .....	7
5 Key Aspect to Consider Before Making a Decision .....	8
Conclusions .....	11
About PractiTest .....	12

# Introduction

Not so long ago, many day-to-day activities such as depositing a check, buying groceries, or scheduling a doctor's appointment, required physical presence or human interaction via a phone call. And then came digital transformation.

Digital transformation is defined as: „The adoption of digital technology to transform services or businesses, through replacing non-digital or manual processes with digital processes or replacing older digital technology with newer digital technology”.

The global Covid pandemic has created a spike in digital transformation adoption across multiple industries, and now more than ever before, you can find software solutions as the answer for almost every need that enterprises have.

This increases the old-known dilemma for many companies whether to build software from scratch or buy a ready-to-use one from a vendor. There is no easy answer to this question as every decision the organization will take has its pros and cons and it mostly depends on the specific needs of each company. Both options could be a proper solution but there are some key aspects that will influence your decision one way or another.

In this article, we gathered all the important details, essential factors, pros and cons, and more helpful information in order to help you understand what needs to be considered before deciding between these two options.

LET'S START WITH SOME BASIC EXPLANATIONS:

## What Does It Mean to Build Software?

Building software means that a company is developing software that answers their needs from head to toe. The company should follow the entire Application Lifecycle Management (ALM) process, from the requirement specification stage to the maintenance stage after the release of the final software. Choosing this option includes allocating suitable resources for this kind of project like an expert workforce, stable funding, defining schedules, and so on. It is important to ensure that your company can afford to meet all the key aspects because developing software can be challenging and costly.

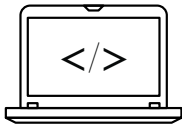
Every business is unique, and as such, no one knows your business needs better than you do. By building software internally, you can design and change the software at any time, in a way that fits best your organization's needs. In addition, developing your own software means that you are the exclusive owner of the product and the code, and have full control over its security, which can be critical in highly regulated industries. Furthermore, building software gives you the ability to integrate with other software the company is working on without depending on third parties to add it to existing software.

You can also consider extending your company's internal R&D resources by using an outsource company that can offer access to top web developers. This way, you can alleviate some of the challenges of developing software internally as you are not required to hire and train people specifically for a project that is not the core of the business.

# The Benefits of Building



**Designed to meet exactly the needs of the company**



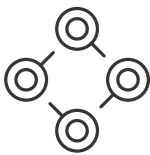
**The software can be modified dynamically while in motion**



**Full control of the software code and software security**



**There is a real-time answer for any issues within the company's employees**



**Can be integrated with any other software the company needs**

## What Does It Mean to Buy Software?

When an enterprise decides to buy software, they are paying a third-party company for the right to use their software. The vendor remains the owner of the software, and the enterprise is receiving a ready-to-use software solution that answers their immediate needs. The cost of the software is changing between the solutions on the market and based on different pricing models including one-time upfront payment, yearly contract, monthly subscription, etc.

Buying software will allow the company's employees to stay focused on the core of the business and continue to work on the most profitable projects. Moreover, it will also neutralize the dependency on professional employees due to the fact the vendor is maintaining the software regardless of the buying company's constraints. The vendors are experts that invest enormous amounts of time researching and understanding the difficulties organizations are facing, and have dedicated support departments with skilled pros offering guidance and assistance to customers.

Nowadays, Software as a Service (SaaS) platform is the go-to solution for enterprises looking for software answering a certain need. On SaaS platforms, you can work from any computer without installing the software since it only requires a stable internet connection. The company that provides the SaaS platforms manages and maintains everything on servers giving the buying organization peace of mind. Unlike building software, in this option, you get up and running very fast, sometimes even in minutes, and this could help the enterprise achieve a better Return On Investment (ROI).

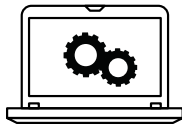
# The Benefits of Buying



**Ready-to-use software that can be worked on immediately**



**Allowing the buying company's employees to focus on the core of the business**



**The vendor is responsible for maintaining and updating the software**



**Many experts within the vendor can help and guide the company**



**Starting to Return on Investment right away**

## 5 Key Aspect to Consider Before Making a Decision

### 1 Purpose

The problem the software is intended to solve is one of the most important criteria before making this decision. If the company has a very particular need that is special only for them and the variety of the solutions off the shelf isn't answering this need, then they should develop their own software.

Vendors are specialists in their industry, and therefore are the preferred option of companies that the required solution is not the core of their business. Owing to the fact that the vendors are working with many organizations from a large range of industries, their experience could come in handy, for example, sharing the best practices.

One of the subjects that are at the top of the mind of every company is the financial aspect of every decision they make. On one hand, developing software is a complicated operation to execute and costs a substantial amount of money throughout the whole ALM process. Apart from the estimated expenses the company is expected to spend, sometimes there is a cost overrun caused by different factors like a deviation from the schedule or lack of communication between different departments.

On the other hand, buying software is a whole different matter. Of course, it will also reduce funds out of the company budget, but you'll pay for a finished product that has been tested, is properly working, and keeps maintaining it. You can choose the vendor offering the solution that fits you the most regarding the price, pricing model, and time

### 2 Expenses



boundary of the deal. On SaaS platforms, the subscription-based model is common and is generally a lower amount of money the company is paying monthly to the vendor for a predefined time frame. The low monthly fare and the bounded time frame commitment give the buying company more flexibility to switch between different software and different vendors.

### 3 Workforce

In order to start building software, companies have to make sure they have the right professionals to develop the best software that meets all their specific needs. In case there is a lack of specialists within the organization, they will have to start and recruit new employees that will fill the positions that are unfulfilled. Clearly, all of this will cost some more time and money.

Buying software does not require any special workforce as a consequence the enterprise is not developing software from A to Z. Organizations that will buy software will only need to train their employees to use the third-party software solution.

The period of time available to an enterprise for answering the need is a major factor to consider before deciding to build or buy. Obviously, building software is not a short-time project. It may take years to develop software that is fully functional and meets all the necessary requirements.

### 4 Time

On the contrary, buying software is a great option for companies that need an instant

solution for their organization. When buying software, the impact can be immediate and the company is starting to reap the benefits right away.

## 5 Maintenance

The final aspect to consider before deciding to build or buy is software maintenance. Developing your software means you carry yourself the responsibility for the software and it continues even after the software's final version launch. You will have to take care of the ongoing maintenance of the software, fix defects and bugs, update versions, and so forth.

Buying software is much more simple in this aspect as a result the vendor is the only responsible authority for the software. The buying company is only focusing on working on the software for their needs and in case they are facing a problem they easily report



## Conclusions

In a nutshell, building software vs buying software is a question that many enterprises are facing and the answer depends on several factors and changes between different companies. Every company has its own needs and problems and also its own constraints that affect the decision-making process of this dilemma. From one side, building software can be a challenging and long process that includes large expenses until the release of the final software. Once the organization finishes building the software, they enjoy a solution that fits their needs exactly as they wish.

On the other side, buying software is a fantastic way to receive an instant solution for a company's needs. The vendor is responsible for every aspect of the software and allows the enterprise to focus on the main core of the business. At present times, SaaS platforms are a top-notch solution for any need in organizations. The flexibility and convenience of SaaS enable companies to work from different computers using only an internet connection. The simplicity and the benefits of SaaS platforms are making buying software a more attractive option for most companies. For example, a company that runs many different types of tests and needs software to manage and track their testing processes could use [PractiTest's](#) test management platform to ensure a better QA process.

# About PractiTest

[PractiTest](#) is an end-to-end test management platform that covers your entire QA process of Requirements, Tests, Test-runs, and Issues, and allows users to create, run, and manage all their tests and QA efforts in one place. It gives you control of the entire testing process—from manual testing to automated testing and CI. Use PractiTest as your centralized hub for all quality assurance and testing information.

