DOES BESPOKE BEAT OFF-THE-SHELF?

The last IT article by Anglia Business Solutions featured IT as an investment. It included a comment from Price Waterhouse Cooper's Neil Westwood on the value placed on IT solutions, related to the due-diligence process involved in investment or acquisition situations. His statement that "an off the shelf package may be viewed more positively than a bespoke or highly customised system" prompted the question: how can the purchaser tell the difference?

THE REALITY is that there is a substantial difference between a packaged approach and what is called domain expertise, involving various customer deployments. With domain expertise, the supplier can demonstrate his understanding of the industry issues tackled by his technology using a client-developed solution as proof of concept. This is a perfectly valid approach that is widely used by the IT industry. However, with highly integrated applications, such as business management systems, there are issues that the prospective client needs to be aware of when considering this proposition.

To start with, no two businesses are exactly the same, even when operating with the same product lines provided to a similar customer base. As their people and cultures are different, their processes will also differ subtly from their competitors. Anglia can testify to the veracity of this in many supply chain scenarios. In all cases, the devil is in the detail and this is not immediately evident at the system assessment stage. Few people document their processes to such an exact degree that the supplier can highlight the gap between what they have developed for one customer and the needs of the new client.

With a fully integrated application, the problems arise when the differences are surfaced during the implementation stage. The reality is that when you change one part of the solution to meet the requirements of the new customer, it can have a serious knock on effect on other parts of the system. In extreme cases, it can mean almost starting from scratch and totally redeveloping the system for the new customer. Having committed to the technology at this stage, the management has little choice but to see it through and suffer the inevitable delays and additional costs incurred. This is a major cause of customer dissatisfaction in business management system deployments.

The packaged approach tackles the issue from a different perspective. Here the needs of the industry sector are researched, rather than the requirements of one or two customers. The subsequent system design is then crucial as it should provide the foundation on which a general purpose industry package is based. Microsoft's strategy is to encourage partners to focus on vertical markets as they have recognised the importance customers place on industry expertise.

In October 2005, Microsoft published a best practise guide aimed at those companies planning the design and development of vertical packaged applications. In this 57-page guide, Microsoft makes the following points:

- Building a vertical application is a change of approach from normal partner solution provision and requires much more discipline than customising client solutions
- Customer developments should not be incorporated into the package without being re-engineered to fit in to the core product
- Separate teams should be used to design and develop the application from the implementation teams
- The upgrade process should be considered as part of the application design
- Well-documented implementation procedures and built in help screens are a must. This is to aid the deployment and assist users in day-to-day operations.

The received wisdom in the IT industry is that a well-designed packaged approach has many customer advantages over domain expertise. The package incorporates best practice for the industry thus providing a good foundation for the project. It is quicker and less risky to deploy than a tailored solution. The cost of ownership is lower as new functionality is built to enhance the application. Upgrades are easier as the packaged product has to stay current to compete in its marketplace.

It is also more flexible when the business model changes as it has been designed for an industry rather than a customer. On the topic of flexibility, it is worth stating that all packaged solutions require a degree of tailoring to meet the specific business process requirements of the customer.

However, with the industry specific packaged approach, it is usually more a question of reconfiguration than heavy bespoking with the right
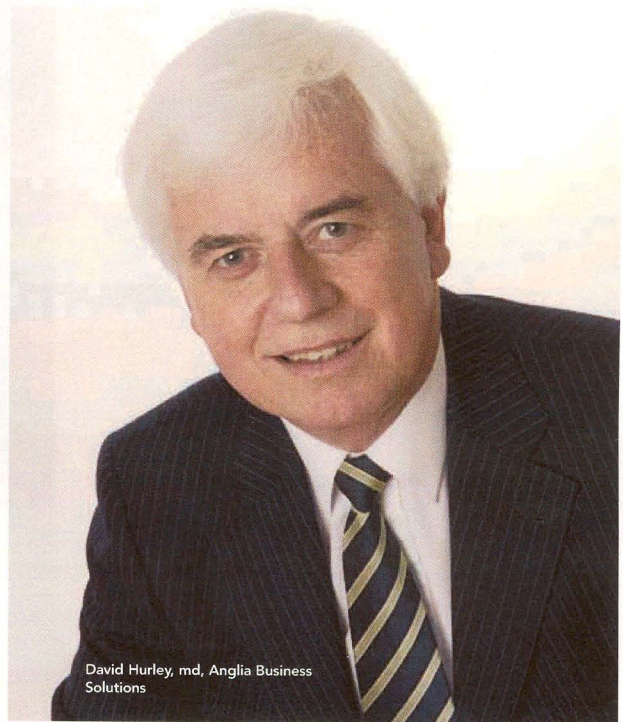
David Hurley, md, Anglia Business Solutions

technology platform.

Should further clarification on the differences between the domain and packaged approach be required, contact linkfresh@angliabs.com.

- Anglia would also like to express its thanks for all the kind messages received following last week's announcement of the death of our friend and colleague Bob Rose. O

MARKS SET ON RFID EXPANSION

MARKS & SPENCER is extending the use of its RFID technology to improve the accuracy of its supply chain.

As part of a trial with its suppliers already using an RFID system, suppliers can scan stock on dispatch, allowing them to be certain the order they have sent is accurate.

If a supplier can provide information on an RFID tag confirming it has dispatched the correct stock, instead of scanning a stack of pallets, the retailer can scan the whole tray once and fast-track delivery.

It is thought the system will increase efficiency at depots and will eliminate any under or over supply of stock.

According to computing.co.uk, M&S began tagging trays and pallets in 2002 and is working with BT and Intellident to develop trials. It uses rewriteable 13.56MHz tags and has tagged more than five million trays.

The retailer is also increasing its IT focus in other areas. It is re-developing its website after online sales rose by more than four times above its amount of shop sales. Online sales are up 44 per cent on last year, with 1.8 million people visiting the site in September 2006. The new site will be launched in spring. O