MANAGEMENT INFORMATION SYSTEMS

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For the development of a Customer Relationship Management system, developing the solution in-house has a few advantages since the manufacturer already has an in-house IT department, comprising 15 full time technical development and operations support staff. In-house development gives you the advantage of building a team that's aligned with your company's culture and vision. Successful companies are driven by a high-spirited team that embodies the company's core values. With in-house development, you have the opportunity to pick team members that align with the company's culture. When a team operates in synergy, you'll achieve better results, which is something that may be missed when the project is outsourced. Developing the Customer Relationship Management system with an in-house team offers Direct communication as the team is exclusively dedicated to the company, and often, the members are working within the same physical space. There are no needs for bouncing emails around to get the point across to the team and face-to-face access helps speed up discussions, particularly when you're finalizing the project's requirements which is a critical component of the development process. Immediate support is also another privilege that comes with in-house development.

A Customer Relationship Management system is usually a large system and when , deployed, some flaws inevitably come up. With an in-house team, investigations can be executed immediately, and the fixes applied without delay, unlike when engaging an outsourced team, the response may be delayed as the team could be having their hands full at the moment. Ease of Communication is another advantage that comes with making use of in-house software developers as they already work together every day and in this case use the same technology stack and having your developers under one roof makes it easier to oversee the quality of individual tasks and ensure coding standards are met. They understand the underlying principles of the project they are working on and have an invested interest in its success as employees of the company and the reasoning behind their processes. Internal teams will already be familiar with workflow processes and procedures for providing feedback. With in-house development, there typically aren't any language barriers to contend with.   In-house software can be developed to match the exact needs of the business, rather than having to customise existing software or services and the data can be kept within the organisation: the other approaches require someone else to have access to, and to police, sensitive corporate data (from the point of view of both corporate strategic intelligence and individual data privacy).

The use of the existing DBMS platform may serve to enable greater integration between existing systems, e.g., between the CRM system and other available MIS reporting functions. If we have slack human resources in the IT department with the requisite expertise, then these people can implement the CRM system without little additional cost outlay. Subsequent support and maintenance activities may be provided by those that were involved in the development of the CRM software, thereby enabling quality support by people who are very knowledgeable about the software. However, this may not be a viable option where the current IT staff are overloaded with other important work commitments and where they are inexperienced in this type of development. The costs of any additional staffing needs should be factored in, should this be necessary to ensure sufficient human resources for effective CRM development. It may take a long time to implement the system, because of other priority tasks, etc.

Outsourcing the project on the other hand offers the benefit of better control over cost, as you can engage an IT firm in countries where the salaries are considerably lower, with the same level of expertise in building CRM systems. It also gives you access to an immense global pool of talent, as you're no longer confined to a limited choice of candidates within your organization. Outsourcing frees you from technology constraints as developing a CRM might require diverse skill sets, and it can be difficult to find individuals who are a master of all trades in the organization. However, you can collaborate with a few IT firms proficient in different technologies needed to build the solution. One of the biggest benefits of outsourcing to software development companies is having a project

completed on time (Quick Turnaround Times). Experienced software teams will have workflows in place to ensure that project milestones are met. Working with an outsourcing partner can help mitigate the risks associated with the project, such as underestimating timescales and lack of scalability. A good software development service will take the time to study the project specification and identify any potential issues. By delivering a proof of concept, developing prototypes and carrying out regular testing, risks are kept to a minimum.

Using Software-as-a-Service (SaaS) CRM software that is made available by a cloud computing company entails low initial investment as SaaS CRM applications are subscription-based. You pay licenses based on the number of users or use of data. You don't have to invest in installing and training your IT staff. So the barrier to entry is low. You can subscribe and start using the SaaS CRM applications instantly. SaaS CRM software application is already available on the web. So you don't have to worry about creating portals or making interfaces to serve your employees. Your employees have 24/7 access to the application. They can even access the CRM Software-as-a-Service from across the world. If you are struggling with multiple ERP or contact management services, SaaS CRM can provide an elegant solution. Most SaaS CRM applications can easily integrate with popular business software. So you can bring the data from your various solutions into the SaaS CRM application and centralize your system. It cuts down on redundancies and improves the efficiency of your data access. SaaS offers improved collaboration and performance because all teams of your organization will have a centralized way to measure, track and improve the sales and marketing efforts.

The easier access to data opens up new channels of communication and collaboration which results in better performance. Your customers' information is your most valued possession. So you have to ensure backup and security of the data. It's expensive and time-consuming to build expertise in maintenance, backup, and security. CRM Software-as-a-Service providers are experts in these disciplines. So you can let the providers take care of those duties while you concentrate on your core business competencies. SaaS may be less costly upfront than the other options, particularly if an in-house IT department development would require the hiring of additional relevant staff and training before development, and if the cost of the outsourcing development contract is high. Also, there is no need for hardware beyond client workstations and network access, as all data is based on the server(s) of the cloud company. However, this needs to be weighed up against the facts that the total provision is dependent on the cloud company's ability to ensure sufficient system availability and reliability, and data confidentiality: for a CRM system that is critical to the organisation's marketing and sales, this may be a step "into the unknown" and/or too far at present. Other issues include the costs of annual service/license, the amount of customisation of the software to match the company's needs and who will do this, and also the nature of any on-going support (and associated costs). The company's credentials will also need to be evaluated.

Assumptions made

- The internal development team has some experience building CRM systems
- There exists some external company with the capability to produce the CRM