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**CUSTOM SOFTWARE VS.
OFF-THE-SHELF: A CASE STUDY**

Custom Software Vs. Off-The-Shelf: A Case Study

Written by Wes Trochilil

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I've written in the past about why associations should avoid creating their own customized association management software (you can read that [here](#) and [here](#)). But a recent experience with one of my clients has reinforced my opinion on this.

Background

The International Widget Association [the name is fictitious but all other information contained herein is real] has a small staff (just four employees) and has been using a custom built database for many years. Due to some significant functionality requirements that the current vendor could not address, the executive director (very wisely) decided to search for new AMS software.

The Process

IWA engaged me to help them with determining their data management needs, identify potential solutions, and assist with selecting a new data management system. During this process IWA received proposals from four vendors: three providing off-the-shelf products, and one from their incumbent vendor [whom will call IVendor] to build an association management system on top of open source software (essentially a custom build).

One of the four vendors was immediately eliminated because of price. IWA looked at demos from three of the vendors, including the custom solution from IVendor. After great consideration, IWA decided to proceed with the custom solution. The driving factor in the decision included the ability of the custom solution to directly address some key data management issues that the off-the-shelf systems could not.

IWA then engaged IVendor to perform a discovery review of IWA's needs. This review is a deep dive into IWA's data management needs, allowing IVendor to get a very detailed understanding of IWA's data and processes, in order to provide a very firm quote on costs. IWA paid approximately \$8,000 for this engagement.

Results

During the initial round of reviewing proposals, IVendor had submitted a bid with a price range between \$55,000 and \$100,000. After completing the initial discovery phase, IVendor's revised proposal had a price range of \$150,000 to \$196,000. (You can see where this is going) It didn't take long for IWA to decide that perhaps this path was not the best solution for IWA.

Next Steps

As a result of this process, IWA has decided to go back to its second choice, an off-the-shelf (OTS) Software-as-a-Service (SaaS) offering that will cost about \$10,000 per year (plus some additional upfront fees in the range of \$10,000-\$15,000).

Lessons Learned

It should be acknowledged that by choosing the OTS SaaS offering, IWA is not going to get everything they want.

The custom solution offered by IVendor would likely have provided some significant functionality that IWA will not get from the SaaS solution. However, that lack of functionality can be addressed through manual intervention, and the trade-off is tens of thousands of dollars and potentially months of development time.

Incidentally, the money IWA spent on discovery with IVendor was not wasted. This discovery process allowed IWA to learn more about what data it manages and how it manages it. This information will be useful to IWA regardless of which system they ultimately choose.

Conclusion

As I've written elsewhere, for the vast majority of associations, custom development of association management software does not make sense.

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There are several reasons for this:

- Developing software is too expensive. Research and development of the product is borne solely by one association as opposed to spreading those costs over many clients.
- Developing software is time-consuming. OTS software is typically available in months or weeks (even days with some SaaS models). Custom software will typically take months to develop.

Given the cost in time and money, custom software generally does not provide the return on investment to justify the investment. IWA's experience merely reinforces this fact.

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About the Author

For more than 20 years, Wes Trochlil has worked in and with dozens of associations and membership organizations providing a range of consulting services, from general consulting on data management issues to full-scale, association-wide selection and implementation of association management systems. Follow Wes on Twitter [@westrochlil](#). His website is www.effectivedatabase.com.

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