Buy versus Build

Issue: Many of TraxStar's potential customers are choosing between buying a commercial-off-the-shelf tried and tested solution or building a custom solution.

Managing test labs has become a critical part of being competitive in the various sectors of discrete manufacturing. Timeliness, efficiency and reliable information are all so critical that a single slip can cost millions of dollars in lost sales. More and more companies are searching for solutions to help them with this increasingly complex problem.

To get by, many companies cobble together existing tools such as spreadsheets, whiteboards, databases, generic project management and scheduling programs. Cobbling inevitably fails as the complexity of the problem increases**.** Labs often languish with these tools, awaiting the appearance of a single, simpler and more robust tool with the requisite aggregate functionality

Once cobbling fails, companies are left with two options:

1. Buy a commercial application
2. Build a custom application.

Buy Case

Complex issues in a global manufacturing environment such as lab management, accounting and customer relationship management, among others, are usually addressed by buying enterprise-class commercial-off-the-shelf software.

The number one reason for buying a commercial off the shelf tried and tested application is "**it works**". The solution can be put into place quickly and benefits accrue immediately resulting in a very attractive ROI.

- If it is important to fix the problem right the first time, then don't take on the development risk, **buy a proven solution**.
- If it is important to have a solution to your problem in the short-term, rather than waiting a year or two for development, then **buy a proven solution**. Over the year or two spent building a solution from the ground up, the commercial product will continue to grow, adding new functionality which, in turn, adds additional value.

A good off the shelf solution specifically targets the needs of discrete manufacturers, is built around industry standards, and is already tried and tested within major companies. Meeting these requirements virtually guarantees that best practices are followed, and greatly facilitates finding common ground within each lab's current practices. Further, cost is clearly an advantage when buying a proven solution as the software can be quickly implemented, thus reaping the benefits and savings now, instead of waiting 18 to 24 months.

QATrax is the only robust, cost-effective commercial test lab and resource management tool for discrete manufacturers that is built with industry standards, is tried and tested with customers like HP, Nokia and Motorola Automotive, and is clearly cost effective. An enterprise can immediately get a pilot up and running for as little as $50,000 including 24/7/365 support, and immediately reap the benefits and savings.

The tremendous advantage of QATrax is its built-in workflow. It provides a proven and ready road map for a process that works, and one that benefits all labs. Within this proven and structured workflow, QATrax still provides great latitude for configuring the workflow to each client's unique environment Compared with building a custom application, QATrax' built-in workflow saves months of internal wrangling to find common ground with each lab's time-honored, yet unique ways of doing things.

In general, there is a perception that commercial vendor support may not be there when needed. TraxStar Technologies is very customer focused and oriented and is responsive to customer requests. Ask our customers!

Build Case

The number one reason for building a custom application is that a commercial off the shelf application is not available. However, in doing so, the company assumes the development risk, mitigated by a semblance of control over the development process. The goal is a final product with just the functionality needed, whether unusual or not, and there is control over the integration path into existing software suites.

Be advised, the risk of failure is high. Forrester Research estimates a 66% project failure rate for all enterprise applications built in-house.

The ROI for complex applications built from the ground up is significantly impacted by the:

1. Failure to deliver required functionality
2. Passage of time before a truly functional version is delivered and implemented
3. Ongoing maintenance and upgrade costs for both developers and lab personnel.

Less often, companies build their own to "save" money. Off-shore development is often cited as an inexpensive way to develop custom software. However, studies show that while off-shore development can be effective for many generic tasks, it is less so where there is significant complexity.

The cost of building from the ground up can become prohibitive, running up to several millions of dollars and even more when the cost of a lifetime of support and training are included. Now, estimates never run this high initially, but scope creep as differing labs chime in and developers begin to really understand the dynamic, complex lab environment turn the initial estimate into expensive reality. The dawning awareness of the significant intricacies surrounding scheduling and resource availability across many facilities, with differing capabilities and in different time-zones, often results in high additional cost. These issues are often "discovered" mid-project, resulting in a product that lacks significant functionality or is greatly delayed.

In addition, time aggravates the cost pressures – developing in house can take as long as 18 to 24 months – time you may not have from a business perspective. Remember, rarely is any software product, as initially delivered, sufficient to the task at hand. Ask your IT experts regarding the advisability of using the 1.0 version of any software product.

Extensibility of an in-house application becomes more of a problem as time passes and familiarity with code and purposes fade. Lab resources must be diverted from core lab competencies and applied to continually educating software developer resources.

Additionally, internal IT departments have shifting priorities which often results in decreased support and responsiveness over time. Review their support history for other similar in-house applications as a comparison.

Summary

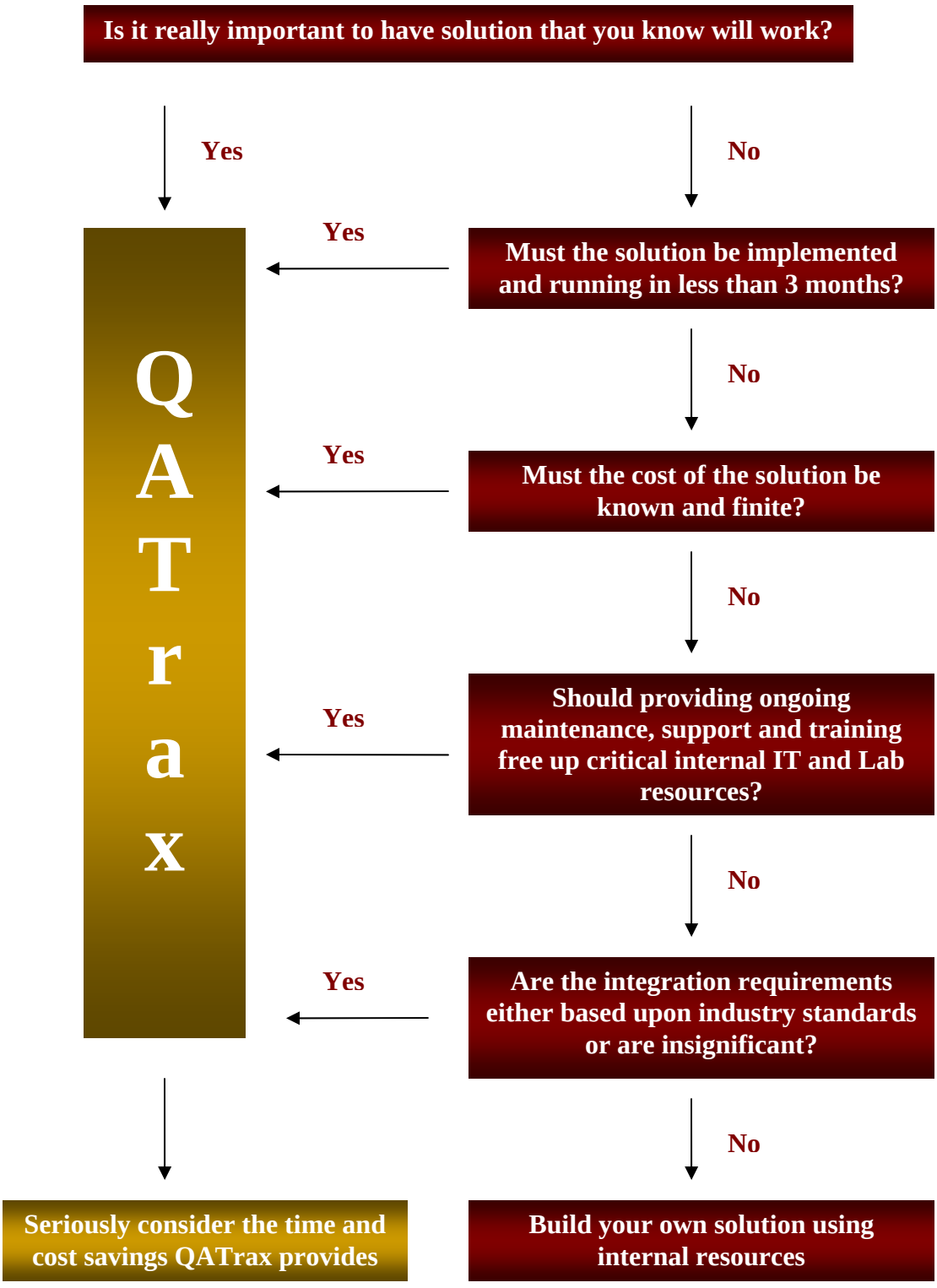
Buying TraxStar's QATrax is often the best solution to the buy versus build question principally due to the value that a commercial tried and tested solution delivers. QATrax targets the needs of discrete manufacturers, is tried and tested within major labs, and delivers immediate benefits and savings.

QATrax may not be implemented in exactly the fashion you would choose or may lack a feature or two, but that lack is more than offset by the risk of a failed development process (66% according to Forrester Research).

Building usually occurs when a commercial tried and tested solution does not exist. In a few cases, the necessity for unusual features or tight integration may have business benefits that outweigh the huge development costs.

Use the following decision tree to see if QATrax from TraxStar Technologies can provide an effective solution, then give us a call at 800-943-7759, email us at info@traxstar.com or visit our website, www.traxstar.com

Buy vs Build


Is it really important to have solution that you know will work?
Yes
No
Yes
Must the solution be implemented and running in less than 3 months?
No
Yes
Must the cost of the solution be known and finite?
No
Yes
Should providing ongoing maintenance, support and training free up critical internal IT and Lab resources?
No
Yes
Are the integration requirements either based upon industry standards or are insignificant?
No
QATrax
Seriously consider the time and cost savings QATrax provides
Build your own solution using internal resources