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Why Package Implementation Projects Take so Long

When a company needs an IT solution to solve a business problem, they have three main ways to fulfill it. The first choice is to reuse a similar solution that may already exist at the company. The second is to purchase a package from a third-party vendor that satisfies most or all of the business requirements. The third is to develop a solution from scratch. More and more companies are choosing to purchase package solutions to fulfill their business needs. There is a tendency on the part of some CIO's to think that implementing a package should be relatively easy. After all, the application has already been built, and presumably it has already been implemented in other companies. These executives find it amazing to see the cost of implementing packages. Sure, they understand the license cost associated with purchasing the package. But they don't understand why the internal implementation costs are so high. While it is true that packaged solutions almost always can be implemented faster and cheaper than if the solution were developed from scratch, this does not imply that it is easy and without risks. Let's take a look at why.

Let's Look Closer at What is Required

Consider the main phases in an application development project. Typically, these include planning, analysis, design, construction, testing, and implementation (followed by long-term support). Purchasing a package typically means there is much less design and construction work. Testing requires less time, although substantial amounts remain. However, you still need to do the planning and you still need to do the analysis. The need for analysis may be surprising. However, you still need to document your business requirements so that you can evaluate the available packages to see which comes closest to satisfying your needs. The requirements are mapped against the features of the available packages, and a business decision is made to purchase the package that makes the most sense from a requirements and cost perspective. There may be some customization required, although, in general, the less the core package is changed; the easier it will be to implement and maintain.

The design phase is minimized, as is the construction work. But you still need to test the package with your data to ensure that it behaves as you expect. This includes internal IT testing by the developers, as well as rigorous user acceptance testing. User training is still needed, as is an implementation phase. Because packages are built to meet the business requirements of many companies, they also must usually go through a configuration process to specifically support your business processes as closely as possible. Remember as well that many packages require that business processes be changed, so there must also be effort put into managing and facilitating organizational change from the business users. Lastly, there is a period of post-implementation support to ensure that the application is working successfully.

All of this work takes time and effort. The larger and more sophisticated the package, the longer and more costly the package implementation project will be.

Summary

- Third party packages are being utilized more and more to satisfy the needs of the business.
- Packages can usually be implemented faster and at less cost than having to develop a custom application from scratch. However, the total time and cost required for a package implementation project may still be substantial.
- The big savings of package implementation projects comes from not having to do full design and construction phases. However, they still require substantial work around planning, analysis, testing, and implementation.
- Making modifications to a third-party package may be essential, but the more changes made, the harder it will be to implement and support. Packages that require substantial modification may not be good fits for your business needs.