



Best of Breed vs. Fully Integrated Enterprise Solution

The best choice is what's best for your business

The most basic choice in selecting software for your business is not between one brand or another, but between types of software, either best of breed or fully integrated enterprise solutions.

A simple way to define best of breed, often called B.O.B., is that it's a leading product or software tool in a particular market segment. B.O.B. focuses on providing the best features and functions for one component in the value chain, whether accounting, work orders, sales center, construction management or property management.

An integrated enterprise solution is a comprehensive suite of software that links every component across an entire organization using one central data mart. Enterprise solutions focus on best practices and best processes and integrating every component in the value chain.

Each type of software has its strengths and weaknesses -- and passionate supporters.

- Proponents of enterprise-wide systems favor consistent business processes and screens with a central data mart that facilitate pro-active management of the entire organization.
- Proponents of best of breed favor evaluating and implementing applications independently so that you can get the best solution for each area of the company. Best of breed software is very effective if customers are using older legacy systems that have not adapted to current technologies.

Which type is the better choice depends on what's best for your organization. To help you determine which is better for your organization, we offer this list of the benefits and drawbacks for both types of software.

Best-of-Breed

Benefits:

- You choose the products with the most features and functions.
- You get to have the best possible type of product in each department.
- You have greater flexibility in terms of substitution of individual elements.
- You work with more specialized vendors.
- You can easily replace one software component in the system, which decreases risk.
- You can conduct maintenance on one module without affecting the other modules.
- You benefit from using the latest technology.
- You can improve process for an individual department.



Drawbacks:

- You deal with multiple systems, multiple databases and multiple vendors.
- Your end user training is more complex; a multi-vendor environment means multiple trainers to manage.
- You may have greater network complexity because of gateways and/or conversion boxes.
- You may have difficulty troubleshooting when problems arise due to "finger pointing" among vendors.
- You may have data integrity issues; interfaced software does not mean integrated data.
- You'll have duplicate data entry and redundant data storage.
- You'll have to pay for expensive data warehousing to access data.
- Your IT function must be able to support and maintain multiple systems and possibly platforms.
- Your best-of-breed software or product won't usually support a business process method; increased effectiveness in one department may not benefit the organization.
- You will have different user interfaces or presentation layers for every B.O.B. application.
- You will have to manage constantly changing applications, as well as their interfaces and data models.
- Your Total Cost of Ownership (TCO) may rise due to different vendor support costs.

Integrated Enterprise Solution

Benefits:

- You enjoy integrated and consistent processes throughout all modules in the value chain.
- You get a consistent data-model for the entire enterprise.
- You can estimate overall project cost more easily through primary relationship.
- You won't have to deal with multiple vendor finger pointing.
- You experience faster implementation, with lower implementation and training costs.
- You enjoy lower maintenance costs because of the common architecture.
- You have a single data entry point with all data available in one system.
- You can support a business process methodology.
- You only have to know one system or platform.
- You have one user interface or presentation layer for the entire enterprise.
- Your TCO is usually lower with improved business processes

Drawbacks:

- You may steer your organization into a technological dead end if the vendor is not using current technologies.
- Your databases or programs may be out-dated and ineffective.
- You may lack B.O.B. features / functionality in all modules.
- You are tied to one vendor.
- You may have less flexibility when adding feature / functions.



What Should Your Business Do?

You now have a clearer picture of the pros and cons of best of breed and enterprise solutions. What you really need to know is which will be the best for your business. For that, you have to look more closely at your business, according to Charles Riess, managing director, consulting and information solutions, with American Express Tax and Business Services Inc. in New York City.

"There is a difference between being efficient and being effective," says Riess. "Efficiency is doing things right, and effectiveness is doing the right things. For example, a tool in a machine shop may drill holes very, very efficiently. But if it's putting the holes in the wrong place, it's not being effective at all. If you just implement technology without taking a look at the business processes, you can simply make the wrong processes more efficient."

You also have to look at the Total Cost of Ownership (TCO). Generally, the purchase cost of tools is fairly low. The real expense comes with installing, deploying, maintaining, supporting and upgrading the tools – all items that dramatically affect the bottom line. Today, organizations of all sizes are facing increasing pressure to reduce their TCO.

Before you choose, you need to conduct an in-depth analysis of your business to determine which type of software best meets your needs and budget in the long term. Asking other companies in a different industry about their experience with either B.O.B. or integrated enterprise solutions can be very helpful. They aren't selling either type – and can speak with authority on how well the software contributes to the most important performance measure of all – the bottom line.