

Make or Buy — Tiny Case Study 7

Bill is an IT manager at a small transportation company. The software that does customer management (such as billing) runs on DOS, and is over 25 years old. At the time, it was custom built by an outside contractor, who has not been heard from in over a decade. Nobody knows where the source code is. But so far, it has been relatively reliable at the task and nobody gave it much thought.

Recently, the software has been giving Bill headaches. It is having issues coping with the increased volume of records, and upgrading it (and the hardware it is running on) is a challenge due to dependence on DOS. It would also be very good to have the software network-aware, so interface and data could be separated.

Bill saw some presentations on running DOS in a virtual environment, but is not sure whether that would solve other problems with the software.

There are several vendors that offer SaaS solutions that are similar, but not exactly what Bill's company needs.

There are several big vendors that sell a system that is 10x bigger than what Bill needs (Bill just needs to modernize or upgrade this 1 application, not the entire software stack).

There are several 1-person firms that claim to be able to decompile and update the original software—but the one-time-cost of that would be equivalent of five years of SaaS solution.

Bill is also considering hiring a few interns and have them build something over the summer.

Questions:

1. What should Bill do? Why?
2. What are the other alternatives?
3. What are the pros/cons of those choices?