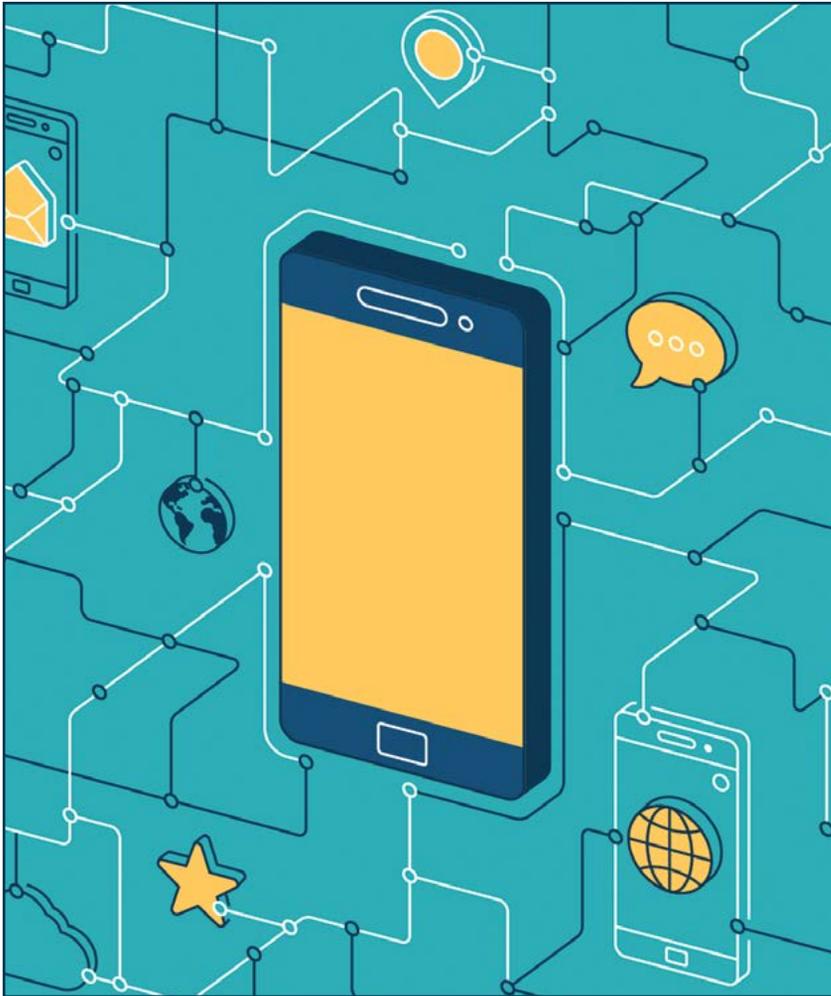


Custom Solutions Via IT Sourcing as a Service

By Andrew Sanders

An agile approach to building custom software, covering everything from discovery, design prototyping to architecture, strategy and execution.



Hotel operators and suppliers of tech solutions generally have rather limited options when it comes to budgeting and paying for new systems. With the complexities of vendor selection, appropriately specifying requirements and the multitude of technical risks at stake, how can you simplify your efforts, harness the optimal way to invest in product development for you and your business and leverage available cash?

While the issue of “whether to buy or build” (a software solution) is a hugely important topic for many organizations (and one too deep to appropriately explore here), an increasing number of hospitality players and solution providers are looking to match the strong trend towards agile development to commercial models that reflect an agile approach. Off-the-shelf software products may be licensed on a pay-as-you-go basis. Likewise, hardware may be leased for a known monthly cash spend. So why is it less usual for custom software development projects to have a similar flexibility?

Agile software development doesn’t stand still, and offers a rapid approach to launching product and keeping up-to-date as competition and the market demands. Gone are the days when it is acceptable to develop commercial business solutions in a vacuum for years.

Andrew Sanders (Andrew.Sanders@dataart.com) is head of the hospitality practice for DataArt, a global technology consultancy that designs and develops unique software solutions for unique business needs.

Custom software is appropriate for operators and vendors who have a unique business model and therefore unique needs. Additionally, it serves organizations that have a 'secret sauce' or some special characteristics that make it stand out as a differentiator in the market or could equally well apply to companies wishing to control their own destiny their way. Those companies wishing to, and capable of, developing software in an agile manner need not be restricted by a traditional variable fee-based approach.

Here may be an unpopular thought: it is just not realistic to know in advance how much time and cost a new product will take to get to market, since the business requirements, customer demands and competitive landscape are not entirely known at the outset. Therefore, the optimal development methodology for a new product launch is typically going to be agile, where development is broken down into manageable

chunks enabling a product to be launched quickly (albeit with minimum capabilities). In order to optimally plan for the commercial risk, it is important for hotel operators and technology vendors who choose to collaborate with an external partner for their development projects to find a supplier that understands the most appropriate technical AND commercial model for them.

This requires a certain maturity of your organization and alignment of technical, procurement and product teams. It demands aligned incentives to ensure that value is driven to product development. It requires consideration of potential tax implications based on ownership of intellectual property (IP), and it requires that the key principles of agility are institutionalized in your organization.

The benefits? IT Sourcing as a Service ("ITSaaS," if you will) offers organizations a level of predictability in the highly unpredictable world of software development by offer-

ing something akin to a subscription model for custom software development, covering everything from discovery, design prototyping to architecture, strategy and execution. The ITSaaS model can help by providing flexible subscription models that map to the evolution of a system's development.

ITSaaS has no direct correlation to cloud computing, but is the commercial model to smooth out what could be highly variable charges to a fixed monthly fee, and puts the onus of responsibility on the vendor to make sure the fluidity of the project team works for you. By way of example, there may be a greater need for business analysts and strategic design/architecture services at the outset of a project, then an increasing need for development and QA, while project management could be flat through the course of a project. ITSaaS enables you to be in the driving seat of the commercial issues while others have to worry about the technical execution. *

HITEC HOUSTON [Guest Bloggers]

Kara Heermans

Vice President,
Product Mgmt
and UEX
SONIFI Solutions



Jennifer Jones

President
J2 Hospitality
Solutions



James Lingle

President
James Lingle
Consulting, LLC



Look for their
HITEC insights at:

HITEC BYTES
Produced by HFTP  bytes.hitec.org