



## Different ways of buying software: off-the-shelf, bespoke development or customisation

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There are a number of different ways of buying software including “Off the shelf” software, bespoke solutions and customisation. “Off the shelf” software is a standard product with no changes to suit your business. While some bespoke solutions may be custom built from the ground up, most projects will involve customisation and/or configuration to an existing software package.

### What is bespoke software / customisation / configuration?

**Bespoke software** is an individually made piece of software. The term “bespoke” is however often used to describe customisation of existing products. You should confirm whether your solution is truly bespoke, and to what extent it incorporates existing programs and libraries which may be subject to different licensing requirements.

**Customisation** can vary hugely, from simply changing branding or appearance, to adding functionality or changing the underlying architecture of the program. The level of customisation will depend on the gap between your requirements and the capabilities of the “off the shelf” product. If you are procuring a customised piece of software, you will need to consider how to deal with both the underlying software, and any customisation or bespoke modules (including how these will be supported). In particular:

- Whether all of the elements will be purchased on a subscription basis, or a perpetual basis. For more information, see our note on [licence models](#).
- How the elements will be hosted. For more information, see our note on [software as a service \(SaaS\)](#).

**Configuration** is the process of ensuring that “off the shelf” software can operate with the systems, databases and environments you use. The level of configuration will vary depending on how integrated the software needs to be.

These phrases can often be used in the wrong context, or different descriptions may be used. It’s important to be clear with any supplier what type of work they are providing, and what rights you have to customise or configure software and what the consequences of this may be.

## Benefits and risks

**Bespoke software** should result in a tailor-made solution which fulfils all of your requirements and can provide a competitive advantage (as other businesses may not have access to it). However, it can also be:

- Expensive, lots of developer time is required, and any support will require personnel who are familiar with the system
- Time-consuming, “off the shelf” software is ready to go by contrast
- Less stable, you will be the first business to use it
- Difficult to maintain, depending on your ownership rights, and how it was developed, you may find it difficult to transition to a new supplier

**Customised software** should be quicker and cheaper to procure, and the underlying off the shelf software is likely to be tried and tested, however:

- Customisation may not achieve the functionality you require, so you will need to carefully scope and consider any work
- Obtaining any exclusivity or ownership rights will prove difficult, as even owning the customised work you have commissioned will be largely meaningless if you don't have continuing rights in the underlying software
- Maintenance and support may be more expensive, as the supplier's team will need to be familiar with the customisation
- You may be tied to a particular version of the underlying “off the shelf” software, as there may be compatibility issues between the customisation work and later releases

**Configuration** of “off the shelf” software should be the quickest and cheapest option, and is likely to be the most stable. You should also benefit from more updates and find it easier to transition to new versions of the software. However:

- Your functionality may be limited and you may have to change your working patterns to fit the software. Enhancements or additional features can be requested, but may be a long time coming, or subject to further licence fees
- You may end up paying for functionality you never use
- You may be required to continue paying for updates or maintenance, despite not requiring them

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