Quinyx

BUY OR BUILD

Workforce Management Software: Dream or Nightmare?

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1. Introduction

"<u>Mustn't be afraid</u> to dream a little bigger, darling."
When Eames said that to Arthur in the 2010 blockbuster movie Inception, Eames himself knew he could do the job better and pulled out the heavy stuff. The fact that you're reading this paper means that you're likely thinking the same. The difference is that the job is not taking out the bad guys, but building your own Workforce Management software. And your stuff isn't a gun, but time and budget.

You have big dreams: growing the business, expanding to other geographies or becoming the market leader. For most businesses, large and small, labor is often their #1 cost, but when optimized, it can also be their most valuable asset. So no wonder you might have asked yourself "what if we build our own WFM tool?" and "what if we could fully control the process of employee scheduling through our own platform?" It's hard to argue, but while it may look like a dream, building your own WFM tool could easily turn into a nightmare.

The size of a project like this is probably as big as your ambitions. While dreams are free, building a WFM tool from scratch requires huge time and monetary investments. Your new Workforce Management tool should have a robust foundation, be flexible and resistant to external factors - just like a house. Some people prefer to build a house, but most of us buy. In case you want to skip the house hunting and fold your sleeves to get started yourself, please allow us to explain why it may be worth buying a Workforce Management system.

2. Why build your own Workforce Management system?

Companies that consider building their own Workforce Management system mainly do so because they want to have full control over the product, speed of development and cost of implementation. If you build your own product, it will be highly customizable and meet every requirement you have defined yourself. You'll get to decide how it evolves over time, you won't have to compromise on the development pace of external parties and you'll be able to control the costs. You could essentially build the workforce management system of your dreams fitting your exact needs and requirements.

That sounds like a dream! Not always... Sometimes, buying rather than building could be more beneficial. Long term, it could save you time and money. Let us explain.

3. Building, not a one-time thing

Building your own tool is a long-term commitment. It requires you to invest resources upfront. Planning and brainstorming, establishing a development team, setting expectations and responsibilities, creating the platform, testing, integrations and roll-out are just some of the many steps you will need to take into account. Sometimes companies have their own dedicated team, other times external people are involved. A Workforce Management system is vital to business operations, and therefore needs constant work. You will need to be invested in software development for years to come and part of your company will become a software company with a Workforce Management system taking time away from your core business priorities.

Throwing money at the problem is not always a guarantee for success. Only 2,5% of all IT projects are completed, and that comes at a heavy cost. According to a PWC study, this type of failure alone has led to $50 to $150 billion USD loss in revenue and productivity in the US. Budget that could have been spent on improving and innovating your core services.

Malin Lindbom, Head of Product at Quinyx, recalls some of the conversations she had with prospects:

"We had companies knocking on our door after years of trying to build their own scheduling system. Some of them which hadn't launched yet. Building a Workforce Management system is a vast and long term project, one that is often underestimated. Do you really want to become a Workforce Management software company?"

But what exactly makes it a long term commitment? There's a reason why we have more than a hundred product-dedicated employees at Quinyx and that even after more than 15 years of existence. Building is only the tip of the iceberg, development and what lies beneath the surface will require more time and deep pockets.

4. Maintaining and innovating a workforce management system

In a perfect world, software would never break and would always be up to date, but the reality is... it doesn't. Hence why you will need a dedicated internal team focused on building, testing and launching it. Berend Berendsen, CTO at Quinyx explains:

"There's no company that stays scratch free. You will always experience imperfections and bugs. The time it takes to test, break and fix those issues is underestimated. The later a bug is found, the more expensive it becomes to fix it. A bug found during design is 4 times more expensive than its development, whereas a bug found during the production phase can be 100 times more expensive."

If you work with an external solution provider, those ongoing maintenance costs will be covered in the charge-per-user. When you build your own tool, it's your responsibility. Given that maintenance alone is 15-20% of the initial cost of such a project each year, that is a huge pill to swallow as an important, but 'side' project. And we haven't touched upon the most exciting part yet: innovation.

Companies that have built their own software will spend most of their time supporting it. This leaves little room for upgrades, big and small, which in turn also require new integrations. One of the advantages of working with a WFM software provider is that they have large teams dedicated to constant product improvements and that are focused on launching new functionalities. **"Another downside of building your own software is you only have internal knowledge to rely on. Customers share new ideas and insights with us to improve their experience, which other customers ultimately benefit from too. 'You don't know what you don't know', so the amount of innovation will be limited."** says Berendsen.

Now that we've passed the maintenance and innovation station, there's one last stop on the Buy or Build train journey: Scaling. If you even have the slightest hint to expand across borders, you are going to run into new requirements, local labor laws and union rules that can't be ignored. Let's explore.

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Berend Berendsen, Chief Technology Officer at Quinyx

5. Scaling a workforce management system

Local labor laws and regulations which your newly built system handles, might not cover the markets you are looking to expand to. And if anything, we know that failure to comply can lead to hefty fines, damaged reputations and increased labor costs. So, how do you stay on top of that? The trick is combining knowledge and experiences from different industries and companies. Self-built workforce management systems are likely to be subject to one-sided knowledge from within the company. This increases the risk of misinterpretation of local labor laws, which needs to be avoided.

Global Workforce Management solution providers have specialized teams with years of experience operating in different countries. So, let's introduce Stephan Hale, Product Manager at Quinyx on dealing with scalability and change:

"The world is changing constantly and new acceptance criteria pop up all the time. Companies often think: 'How hard can it be?' But do you want to open Pandora's box on items such as infrastructure, security, daylight savings, time zones and many more?" The advantage of using existing Workforce Management software is having access to a large experienced team and many customers that rely on the supplier to guarantee compliance.

As final remarks, Hale adds: **"Companies don't want this type of liability. Our job is to be on top of these requirements and to maintain a strong foundation that can easily handle change. This way, the risk of misinterpretation is minimized and we have more time to get into the details, which companies with their own tool would not have the time for. On top of that, it gets new customers up and running faster because the requirements to operate in a new country are likely to be in the product already."**

So, let's buy your dream Workforce Management software

Even though we did not paint the prettiest picture of building your own Workforce Management software, it's worth mentioning that it isn't just trouble and problems. Having a good system in place can be very rewarding, leading to real bottom-line impact, smoother processes and ultimately, happier and more productive employees.

We understand you want the Workforce Management system of your dreams. Fortunately, you can also buy what you dream of. If you want to have all your worries taken away, concentrate on your core business and enjoy the benefits of an experienced team, we're here. Don't hesitate to reach out or browse our full suite of solutions.

Learn more at quinyx.com

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