

Why more and more companies choose a mix of custom and standard software.

Including the pitfalls of legacy software and the benefits of up-to-date software.

A competitive market demands innovation capacity

The logistics sector is changing in all aspects. In addition, developments in (information) technology are getting faster every day. This challenges logistics service providers on two fronts: reducing costs and investing in a future-proof IT solution.

The latter is not necessarily the favorite subject of many logistics entrepreneurs. After all, the money with the wheels (driver) and the four walls (warehouse employees). At the same time, the market is changing and customers' demands are increasing. Real-time information, complex interfaces with different systems and the ability to trace the route that goods travel from start to finish.

"The logistics sector is faced with immense changes: digital transformation, newcomers to the market, increasing demands from customers and the introduction of new business models."

Source: PWC

You understand, making a decision does not come lightly. The entire business depends on the performance of the solution. With the tight margins, a bad buy is the last thing you need. This improves the importance of to make a choice that can support you effortlessly in the short and long term. But which solution fits best with your organization now and in the long term?

Selecting a new software solution naturally involves a number of important choices. Think about the functionalities that the software has to offer. But also the sustainability of the solution. After all, you do not want to have to invest in a new solution every three to five years. One of the considerations that you have to take with you is the type of software you want to implement: do you go for customization or do you choose a standard solution?

The question that often follows is: "Do we build a system that is fully aligned with our company-specific wishes, needs, requirements and expectations – a customized solution? Or do we opt for a solution in which branch specific functionalities are already available?"

A legitimate question, and both options have their pros and cons. But what is the difference between a customized and a standard solution?

Customization versus standard; what is the difference?

Customization and standard defined

- Customization: a software solution fully customized and programmed to meet a specific need.
- Standard: a ready-to-use software solution that supports all business and logistics processes with standard software

One size fits all?

In the definition above, standard software stands for a “ready-made” solution. But is it always about “one size fits all”? Perhaps in the past, but it is not necessarily the case. Because practice has shown that “one size fits all” quickly imposes a large number of restrictions on your organization. For example, it might be that the solution is too big for your company or that the solution limits you in your possibilities.

Its counterpart is Business Process Modeling System (BPMS). This system offers all freedom to build it according to your wishes. A dream for many companies. But in practice, the lack of restrictions and grip is one of the main obstacles to execution. In addition, the company-specific settings and interdependencies ensure that keeping the solution up-to-date is a complex operation for many organizations.

That is why the preference often goes to a combination of standard and customization. A standard software solution where the configuration gives you the freedom of customization. You can compare it with Lego and Playmobil.

Playmobil: standard software

A Playmobil house (standard software) is what it is; you cannot even add a floor to it. The translation to your company: if you opt for a



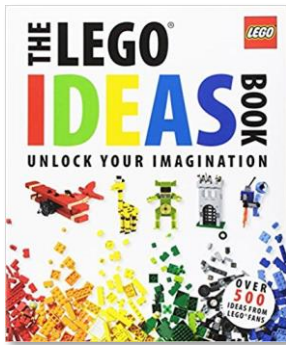
standard software solution, you must also adapt your business processes to the available options from the system.

A variation of Lego bricks: BPMS



If you receive a box filled with loose Lego bricks, you can make beautiful things with a good dose of creativity. But what often is missing, is a “manual” that helps you to create a beautiful sculpture in the shortest period of time possible.

Lego building set: branch standard



If you opt for a Lego building set, you will receive instructions on how to assemble the house. At the same time you keep the freedom to deviate from the instructions.

Compare this to a branch standard, in which sector specific functionalities are available. But thanks to configuration you can still add your own company-specific processes.

Keeping up without large investments

The advantage of standard software is that the supplier is responsible for the (further) development of the solution and also wants to take this responsibility. The supplier's interest is that the quality of the solution can be monitored and it can also ensure that the product is future-proof. This could include new wishes from the market that can be added to the solution, but also new technological possibilities that were not yet available when the software was implemented.

For customization, but also for BMPS solutions, it generally applies that the customer determines what the solution looks like and on which technology. However, the question is whether you want that as a customer? Or would you prefer to focus on the business you are good at?

The advantage of a well-maintained standard solution is that you as a customer are always included in the latest technology and stay ahead of the competition. In other words, an 'always up-to-date guarantee'. After all, it is an expensive joke to have to replace the system again after a few years.

Prevent yourself from having to invest every five years

If we look at the costs of both a standard and a tailor-made solution, we see that in general customization is much more expensive. Perhaps not so much in the beginning, but in the longer term when your company grows and/or your business processes change. At that moment, the system must change along. In order to ensure that a tailor-made solution is still in place, a lot still needs to be developed to accommodate the changes. That can quickly escalate into investing in a new software solution every five years. Just because the customized solution no longer meets the current requirements and wishes.

Always up-to-date: Cheaper than reimplementation

Without updates, software deviates further and further from the latest version. Eventually, that will lead to complete reimplementation, because the software is hopelessly out of date and no longer meets the changing requirements and wishes.

PL Solutions' customers do not suffer from this; upgrades are covered by the maintenance contract, which means that even after implementation they will still use the latest software. In this way, our customers save the costs for a reimplementation or re-purchase of the software and all risks associated with these type of projects.

What is the importance of up-to-date software?

In order to not get too techy, let's take the example of buying and maintaining a truck. Of course, cars and software is never a one-on-one comparison, but it paints a clearer picture.

The comparison with the purchase of your fleet

Suppose you bought a truck a few years ago. The latest model with the latest technology on board and equipped with the latest Euro 5 engine. With the purchase you have immediately signed a maintenance contract, so you are assured of a maintenance every x miles or, for example, once a year. Although you keep the maintenance checks neat and do not do weird things, after a year you will be confronted with the fact that the car no longer suffices. You cannot enter the city anymore, because you do not have an Euro 6 engine. The car starts to consume more oil and the first defects start to show up. You have to consider purchasing a new truck that is completely up-to-date again with corresponding investments. This example illustrates how traditional software suppliers sell and maintain their software. You pay an annual amount or a monthly amount, but this is not enough.

How does this apply to software?

If we compare this with a software package that is always updated by the supplier and is provided with the latest possibilities, the story will look completely different. You bought the same new truck with the same Euro 5 engine, etcetera. The only difference is that the

maintenance contract is provided with the 'always up-to-date guarantee'. This means

that you have to go to the garage once a quarter for a minor maintenance. During this visit not only the oil gets refreshed, but they also carry out small modifications. Usually invisible under the bonnet, but still prepare your truck in small steps for larger developments in the future. At the annual major maintenance, for example, the engine is immediately replaced with an Euro 6 version. The result: years after purchase, you are still driving around with the latest specifications and you can simply enter the city center. Without any heavy investment.



The risk of legacy software

The previous chapter offered more insight into the importance of up-to-date software. Nevertheless, it appears that a large number of companies – regardless the size - still often support their business-critical processes with an outdated software package. But what is the risk of outdated, or legacy software?

At the end of June 2017, Maersk (and the entire world) was startled by a large-scale cyber-attack. All computer systems were shut down, for weeks no work could be done and two terminals were closed in the port of Rotterdam. It eventually cost the Danish shipping company hundreds of millions. To be more specific: 170 to 255 million euros of damage. And Maersk was not the only victim, TNT Express' systems were also attacked. The most important advice that security companies give: install the available software updates, especially for frequently used software.

many entrepreneurs thought they are resistant to cyber-attacks with their current software.

Misconception number one, you will receive this one for free. Generally, hackers focus on outdated software by working back from the update batch.

But what are the five biggest misconceptions about updating your outdated software?

1. “Why change something that works well?”

The classic fallacy: never change a winning team. This thought lived in the Dutch football team for years, but that belief resulted in not participating in 2018's World Cup. What does this tell us? Just like international football, business is subject to change. If you stick to what is working now, you are not prepared for change. And those who cannot adapt, can no longer participate at the highest level.

“Maersk says cyberattack will cost IT up to \$300 Million”

Source: CNBC

But updating a software system is not something that everyone is enthusiastic about. But a “Maersk scenario” even less. Yet,

2. “We’d have to change our entire work processes.”

Your system is virtually connected to every process. Therefore, it seems that everything is depending on it. Somewhat logical. Because if your system is down, this will cause panic in your operation. Do not forget that your software solution supports your processes. Not the other way around. Especially with a standard module, everything can be configured based on your processes. This does not change after an update. Moreover, this gives you access to all new functionalities.



3. “If I want to adjust something, the support desk will fix it.”

Unfortunately. In every technological sector, there comes a time where support is no longer provided. Your iPhone 5 receives no iOS updates anymore. The latest game is no longer available for your child’s outdated PlayStation 3. And last year, for example, Microsoft’s support for Windows Vista has been canceled. The same applies to your software package. At some point, support will stop and you want to be ahead of the moment that bugs cannot be resolved.

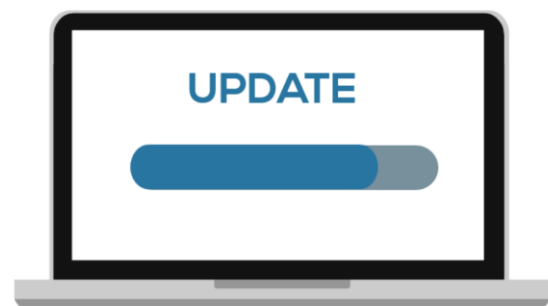
4. “We want to keep our service standards high for our customers and suppliers.”

This is related to the first misconception. What your customers are asking for today, is a thing in the past by tomorrow. As a (logistics) service provider you are there to help your customers. That is your right to exist as an organization. But your customers move on as well and they expect you to move along. Consider FrieslandCampina’s data highway,

for example. You will have to use the latest EDI technology if you want to be able to meet to such demands. In addition, an update does not replace existing functions: it expands them and adds extra possibilities. This allows you to continue supporting all your current customers. Also, potential customers who are ahead of their competition will come to you.

5. “Running updates is expensive.”

Try to turn it around. Not running updates means reimplementation in the long run, when the system really cannot keep up anymore. Then, the entire process will start over again. Including the costs. At PL Solutions, updates are part of the maintenance contract and all our customers are always up to date. If you mean by “expensive” that an update costs a lot of time (=money), then you do not have to worry either. We run updates whenever you want, even in the night. This way, updates never have to have any impact on your processes.



PL Solutions’ promise: always up to date.

This promise is not there for ourselves: it is there for you. Your customers and suppliers are using new, specific technologies. They expect you to be able to deal with them. When you postpone updates, you cannot meet your customers’ demands any longer and you are not future proof. Besides, you will risks on cyber-attacks and support cancelling.

The advantages of standard software summed up:

1. **Good for your wallet:** Standard software is cheaper than custom work. For example, development costs are brought to a minimum. In addition, you spend far less on the maintenance of your software and you do not have to invest again every few years.
2. **No worries about outdated software:** For a software supplier it is much easier to provide standard software with the latest features. That way you are guaranteed of new updates and releases.
3. **Quality and support:** Out-of-the-box software has already proven its added value and is used by a large group of customers. You choose a mature product that is tailored to your industry needs with the supplier's quality guarantee. If you unexpectedly run into something during usage, the support team is ready for your question. They know the solution from inside and out, and therefore can help you on your way again.
4. **Quick to use:** A standard solution is ready to use without much fuss. All you need to do is tune the right configuration to ensure that the solution meets your specific needs. As a result, the implementation time can be kept as short as possible.
5. **Getting started with the input from your peers:** Your organization is obviously like no other organization. But in terms of software requirements your needs often correspond with those of your colleagues in the industry. With a standard solution, the supplier has brought these wishes together in one solution.

The luxury of customization

At PL Solutions we offer standard software for the logistics sector. But that does not make it inflexible. Because we work with the latest Microsoft technology and offer a unique solution in which every process can be configured flexibly, we can make optimum use of the possibilities that Microsoft Dynamics offers. We define, for example, workflows individually for each company, as well as additional fields and reports. So a bit of customization. Became curious? [Read more about our promises here >>](#)

Your partner for success

PL Solutions is an expert in logistics with a proven track record. We help large and small logistics service providers to transform their processes with the right technological tools. We specialize in 3PL and cold storage logistics and are ready to help you take the next step towards success. We thereby eliminate the hassle around the implementation, upgrades, and maintenance of your solution. So that you can concentrate on what is most important to your company.

Start today

- Learn more about the business solutions for logistics service providers at <https://www.solutionspl.ca/>
- Discover the options for your business and request a demo.

PL Solutions

Office-less company with presence in :

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Our partner and Software Developers : Boltrics

Knowing that logistics service providers independently try to reinvent the wheel, inspired Boltrics to develop a branch standard. One solution that the entire branch puts its weight behind. A proven standard, always state-of-the-art solution – thanks to the development power of Microsoft Dynamics 365 Business Central. Fast, lean and always up to date, without time-consuming customization.

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