

IS 628: Computer-based Information Systems
Reading Preparation Assignment
Chapter 10
Methodologies for Purchased Software Packages

Read Chapter 10 of the text, pp. 390 — 408.

Be prepared for class discussion based on the following questions:

1. What are the major trade-offs in a make-or-buy decision?
2. Critique the following statements: It would cost us \$800,000 to build this system, but we can purchase an equivalent package for \$125,000. Therefore, we can save \$675,000 by purchasing the software package.
3. You run a small business. You have no IS specialists on your staff and plan to purchase all of your software. What might be your three most important concerns?
4. You are a manager in a company that has a lot of in-house IS expertise. What might be your key decision rules for when to purchase a system versus when to develop it in-house?
5. Many midsized firms are investing in ERP system packages, such as SAP and PeopleSoft. Comment on what you think might be particularly important parts of the decision-making process when the purchasing organization has only a small IS department.
6. What is an ASP and why is this an attractive purchasing alternative?
7. What are the relative advantages and disadvantages of open source software versus proprietary application software?