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Companies Are Selecting Software for Integration

IT customers have changed the criteria to selecting their software vendors, concentrating more on vertical expertise.

by [Colin Beasty](#)

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Companies are no longer selecting CRM software based on product simplicity and innovation, but on integrated solutions that operate well within their vertical focus, according to new research from IDC. The study, "How Do Customers Choose Software Companies," found that organizations increasingly perceive themselves as in the driver's seat as they create new selection criteria for the software industry. "There was relatively little enthusiasm for items such as simplicity and innovation," says Tony Picardi, senior vice president of Global Software at IDC and author of the report. "Instead, customers are telling us that they want software vendors to go the extra mile and produce real solutions that integrate and interoperate in their particular business."

IDC found that companies are using three key criteria when selecting a vendor. First, the vendor must have a firm understanding of the customer's business and provide solutions that integrate and interoperate in their business environment. In addition, customers are looking for best-of-breed functionality with superior quality over suite solutions in conjunction with price and value advantages.

This switch in priorities is a result of vendors doing a better job of tailoring their offerings to specific verticals and providing customers with out-of-the-box integration and functionality, according to Picardi. This change is eliminating the need for customers to have to do the integration work themselves.

"Customers expect help in dealing with the complexity crisis from their software vendors. We found that specific business solutions that are preintegrated and interoperable are preferred to general-purpose software the users must assemble," Picardi says. "Today, customers perceive themselves to be in the driver's seat. The movement to obtain complete solutions from vendors, as opposed to heaps of unidentified piece parts, is gaining momentum."

The switch in selection criteria ultimately will yield advantages for the vendors, according to Picardi. Conversely, it also will create a disadvantage for those vendors that continue to approach the market as pure-play providers. "The software vendor needs to become the supplier of business-savvy solutions that cut through the complexity of multiple integrations."

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