



A Software Mistake -- The Selection Process

By Laura Dallas Burford, President

There was dead silence around the boardroom table as the organization's CFO and key financial staff analyzed the quarterly financial reports. Finally someone asked – "Why are there so many discrepancies?"

The company had not had clean financial reports since the migration to a new integrated back office accounting system started six months earlier. Management was determined to find out what had gone wrong and take corrective action.

The selection of software is not an easy task. It is crucial to be aware of the potential pitfalls that can occur, particularly in the below areas:

- Requirements Gathering Process
- Supportability and Maintenance
- Implementation Effort
- Cost

Many organizations purchase software without looking at the big picture and analyzing the situation. By establishing general requirements as well as evaluating the current technology, the company had avoided some pitfalls but in the process had adopted several false assumptions.

Management chartered a committee composed of key business and technology people with determining if the organization really needed to upgrade and change the applications system. After analyzing the situation, the committee decided that a new integrated application system was necessary and created a team to perform the software selection.

Requirements Gathering Process

Current and Future Requirements. To determine if a package meets current and future needs, you need to know exactly what the package needs to do and to be able to articulate those needs. Knowing what you can not live without can be key when deciding which package is the best solution for the business.

Knowing that a package will meet future

requirements can be impossible. What you can do is determine what the organization's requirements are concerning maintenance and ease of package modification so that changing needs can be met effectively and efficiently from a process point of view.

Focus and Breadth of Requirements.

Many organizations tend to focus on application or functionality requirements and overlook requirements such as Technology Fit, Vendor Stability, Cost, Cultural Fit, Flexibility, and Ease of Use. Successful software selection decisions are often based on how the application or vendor meets requirements other than functionality.

There are only a few key requirements or criteria that are used to make the selection decision. These are the requirements that are unique to the business and determine why one software is better for your company than another.

Business Processes. Remember that software is a tool and not a panacea. Organizations perform many business processes – all of which must work together to build success. Don't assume the business process will be more efficient after the technology is implemented.

If there is no compelling or strategic reason to redesign a process, don't. Let the package drive the process design by following the software's best practices and using a vanilla implementation.

In the case study, the team assumed the new system would streamline current processes. They were more than a little surprised when they found that some key processes took longer with the new system.

Because the committee identified general functional requirements, the team never took the time to clearly define all necessary requirements. It was their goal to move quickly – getting a new application system in place. Little thought was given to the other elements of requirement gathering.

Supportability and Maintenance

Vendor. Some organizations buy software from a vendor because the vendor has the most customers in a particular industry. However, that vendor may not provide the best solution for your organization. Each organization's strategic requirements are different because each company has a unique approach to their business.

Software Lifecycle. When evaluating software it is important to know if the software is at the beginning or end of its product life. You need to know what the vendor's strategy is for the product – what version of the product are you purchasing, when will the next release be, is there enough support for bug fixes, ex cetera. You want to be able not only to implement the software successfully, but also have vendor support going forward.

The team purchased a first release of software from a vendor who had a large market share in the teams industry. They were the first non-beta client and the number of fixes necessary was quite high. Although the vendor was very supportive and even provided full-time support personnel free, the additional time and frustration impacted the overall timeline.

Implementation Effort

The Implementation Partner. As just as much care needs to go into whom you select to assist with the implementation as went into the selection process. Organizations can spend months matching requirements, and then select the first implementation partner that comes along. An implementation partner needs to be able to assist you -- supporting all necessary tasks needed to get an application system up and running. Just installing the software does not do the trick.

Our team selected an implementation partner who knew a prior version of the software, but did not have a solid project management methodology/approach and did not understand the business. Consequentially, major changes were being made to the software, when the changes were not necessary. What needed to occur was to implement the package in a vanilla mode, and change how the business processes were being performed.

Cost

Cost. Package cost is rarely the largest part of the total project cost. Upfront costs that should be considered include costs such as the package software, additional hardware or upgrades, implementation costs, conversion, and training and but ongoing costs such as the annual maintenance fees, modifications, and upgrades cannot be ignored.

Since the team had not clearly outlined the requirements, they missed some key upgrades that were necessary for the hardware.

Epilog

This case was a real situation. By establishing general requirements and evaluating the current technology initially, the company had done quite a bit right. But, like many companies, they had adopted several, false assumptions and attempted to move too quickly. This cost them both time and money.

Over the next six months, the mistakes the company made during the selection process were rectified, and the integrated accounting system was successfully implemented. By paying attention to the key areas of software selection during the selection process, all companies can minimize or eliminate software implementation difficulties.

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Published in the November 2002
Smart Business Now magazine