Enterprise Software Selection

Presented by:
Jim Carpp, Principal
Agenda

Goals for this Evening:

- Discuss the importance of software selection
- Provide an overview of the methodology
The Perfect Storm

Convergence of forces:

- Software stream - Low volume
- Implementation stream - Implementers hitting the beach
- Maintenance stream – Life blood revenue stream
The Perfect Storm

Recent results:
- Software List – 40%
- Maintenance – 50%
- Implementation – 35%

Negotiation starts before the first contact with the vendor
Why is Selection Important?

Selecting software can:

- Be a large investment
- Improve or decrease your performance

50% of implementations never meet their objectives
Factors Impacting Implementations

- Requirements are not understood
- Functionality does not match requirements
- Change management is ignored
- Not invented here syndrome
- Cutting corners on training and implementation
When Software Selection is Relevant

When an organization:

- Is facing challenges with an existing enterprise software application.
- Requires a new or replacement enterprise software application.
- Will be making a significant capital investment in an enterprise software application.
- Wants to ensure the best possible review and selection process is conducted.
Objective of Software Selection

- Define the organizations business processes and requirements.
- Identify a short-list of vendors with possible solutions.
- Define the requirements for a new solution.
- Conduct vendor demonstrations based on script to allow for valid comparison.
- Identify the best possible solution to meet the organizations needs.
Benefits of leveraging a Methodology

- Maximizes time and effort when selecting an enterprise software application.
- Helps ensure that key business process requirements are addressed and considered in the selection process.
- Provides a structured approach.
- Ensures input from all stakeholders.
- Identifies gaps between business requirements and the software applications to eliminate surprises during implementation.
Software Selection Methodology

- Comprised of six (6) key phases:
  - Project Startup (Kick-Off)
  - Defining Requirements/Business Processes
  - Identifying a short-list of the best possible solutions
  - Vendor demonstrations
  - Selection summary to identify the best solution
  - Selection support to assist with project implementation

- Each phase has multiple detailed processes to ensure adequate information is obtained
- Phases can be tailored to meet needs and requirements
Change Management starts with:

- Steering Committee
- Project Champion
- Project team Leaders
- Team Members
**Phase 1 – Project Startup (Kick-Off)**

**OBJECTIVE:** To ensure that all participants have a clear vision of the project objective, understand the project scope, and gain consensus on deliverables and timeline.

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Deliverables</th>
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<tbody>
<tr>
<td>• Hold project “kickoff” and planning sessions to cover final scope/deliverables/timeline/roles and responsibilities/logistics/project management methodology, assumptions, etc.</td>
<td>• A project charter identifying:</td>
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<tr>
<td>• Begin to establish management and operational interview schedule.</td>
<td>• project objectives</td>
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<td>• assumptions and constraints</td>
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<tr>
<td></td>
<td>• deliverables</td>
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<td></td>
<td>• roles and responsibilities</td>
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<td>• A high level project work plan identifying the tasks, schedules, milestones and key deliverables.</td>
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</table>

**Benefits**

- Clear understanding of project objectives, and team-member roles and responsibilities.
- Visible commitment from clients senior management and Rehmann Consulting increases motivation and commitment to the project timeline.
## Phase 2 – Define Requirement/Business Processes

**OBJECTIVE:** Document the business requirements, for key departmental areas, that are required of a new system to achieve your business objectives.

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<tbody>
<tr>
<td>• Review existing documentation.</td>
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<tr>
<td>• Identify “areas-of-opportunity” for improvement/cost reduction at a high level.</td>
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<td>• Conduct requirements definition meetings with cross-functional participants, project team and committee members and prioritize key system requirements for key departmental areas.</td>
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<tr>
<td>• Document functional, budgetary and IT requirements, as well as any operational needs.</td>
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<td>• Establish core selection criteria.</td>
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<tr>
<td>• A document outlining functional requirements as well as “areas-of-opportunity” to improve/reduce costs, identify unique system challenges, budget constraints, technology preferences, etc.</td>
<td></td>
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<tr>
<td>• Business/operational/IT selection criteria document.</td>
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**Benefits**

• Accelerated, yet comprehensive, requirements definition process.
• Meeting format helps build user commitment and fosters cross-functional communication.
**Step 3 – Develop Vendor Short-List**

**OBJECTIVE:** To develop a short-list of the vendor software packages that best match high-level business requirements and key issues as identified in Step 2.

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<tr>
<td>• Match the “core” requirements to the vendor software packages or utilize a “functional checklist” to identify the best possible solutions.</td>
<td>• Vendor software matrix.</td>
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<tr>
<td>• Additional screening &amp; validation is performed by the project team, as needed.</td>
<td>• Short-list of vendors with possible solutions.</td>
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<tr>
<td>• The project team produces a summary of the degree of functional fit of the identified packages and list of possible gaps.</td>
<td>• Summary of vendor responses and evaluation documentation</td>
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</tbody>
</table>

**Benefits**

• Accelerated identification of best possible software packages.
• Unbiased vendor research conducted by the project team
**Phase 4 – Vendor Demonstrations**

**OBJECTIVE:** Conduct vendor demonstrations to evaluate software packages and perform necessary vendor follow-up for up to three vendor demonstrations.

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<tr>
<td>• For each software package the selection team will:</td>
<td>• Software demonstration scripts.</td>
</tr>
<tr>
<td>• Conduct the walk-through (demo) of each package.</td>
<td>• A demonstration of vendor software, based on key requirements that will</td>
</tr>
<tr>
<td>• Selection team documents the results,</td>
<td>permit a side by side comparison of the top solutions.</td>
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<tr>
<td>• Selection team contacts vendor references.</td>
<td>• Vendor evaluation forms to help guide the evaluations.</td>
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<tr>
<td>• Follow-up questions, as needed.</td>
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**Benefits**

• Provides an “apples-to-apples” comparison of alternative software packages.
• Demonstrations focused on critical functionality, rather than each vendor’s self-proclaimed “hot features”.
• Potential for a single “leading solution” will typically emerge.
**Phase 5 – Selection Summary**

**OBJECTIVE:** To bring the project to closure by documenting final software solution and present recommendation to senior management.

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<tr>
<td>• Summarize estimated costs/benefits of the possible software solutions.</td>
<td>• Final report for software package recommended by selection committee containing:</td>
</tr>
<tr>
<td>• Selection committee identifies the best software solution to meet business requirements.</td>
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<tr>
<td>• Develop final report and facilitate discussion.</td>
<td>• Strategic business objectives and key issues</td>
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<tr>
<td>• Present findings to senior management.</td>
<td>• Vendor evaluations</td>
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<td></td>
<td>• Overview of software solution</td>
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<td>• Implementation plan</td>
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**Benefits**

- Facilitates a decision based on thorough understanding of functionality and key issues.
- Understanding of costs and high level benefits.
- When personnel are involved in the selection process they are motivated to implement the solution.
## Phase 6 – Selection Support

**OBJECTIVE:** To assist your organization in the acquisition and implementation planning of the final software solution

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<td>• Support your staff and its legal counsel to structure a software and implementation services agreement that reduces the risks and is favorable to your organization.</td>
<td>• As needed by management and legal counsel</td>
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<td></td>
<td>• Implementation planning and management (optional and as-needed)</td>
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</table>

**Benefits**

• Provides high-level support to structure favorable agreement.
• Transitions project from the selection team to your implementation team.
**Software Considerations**

- Stick to the popular packages with a strong base
- The devil is in the details - know your business requirements before you talk to vendors
- Have a script for the demo – this way you can make comparisons
- Use off-line customizations to accomplish complex computations
Software Considerations

- Avoid source code changes
- Avoid over buying
- Do not confuse what you want with what you need
- Consider all costs associated
For more information please contact:

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James.carpp@rehmann.com
Cost Considerations

Cost associate with ERP implementations:

- Hardware
- Training
- Integration and testing
- Customization
- Data conversion
- Data analysis
- Consultants