

# *Enterprise Software Selection*

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*Presented by:  
Jim Carpp, Principal*

# *Agenda*

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## 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?*

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Selecting software can:

- Be a large investment
- Improve or decrease your performance

**50% of implementations never meet their objectives**

## *Factors Impacting Implementations*

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- 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*

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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*

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- 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*

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- 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*

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- 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

# *Project Management*

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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.

### Tasks

- Hold project “kickoff” and planning sessions to cover final scope/deliverables/timeline/roles and responsibilities/logistics/project management methodology, assumptions, etc.
- Begin to establish management and operational interview schedule.

### Deliverables

- A project charter identifying:
  - project objectives
  - assumptions and constraints
  - deliverables
  - roles and responsibilities
- A high level project work plan identifying the tasks, schedules, milestones and key deliverables.

### 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.

### Tasks

- Review existing documentation.
- Identify “areas-of-opportunity” for improvement/cost reduction at a high level.
- Conduct requirements definition meetings with cross-functional participants, project team and committee members and prioritize key system requirements for key departmental areas.
- Document functional, budgetary and IT requirements, as well as any operational needs.
- Establish core selection criteria.

### Deliverables

- A document outlining functional requirements as well as “areas-of-opportunity” to improve/reduce costs, identify unique system challenges, budget constraints, technology preferences, etc.
- Business/operational/IT selection criteria document.

### 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.

### Tasks

- Match the “core” requirements to the vendor software packages or utilize a “functional checklist” to identify the best possible solutions.
- Additional screening & validation is performed by the project team, as needed.
- The project team produces a summary of the degree of functional fit of the identified packages and list of possible gaps.

### Deliverables

- Vendor software matrix.
- Short-list of vendors with possible solutions.
- Summary of vendor responses and evaluation documentation

### 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.

### Tasks

- For each software package the selection team will:
  - Conduct the walk-through (demo) of each package.
  - Selection team documents the results, identifying any gaps in each package.
  - Selection team contacts vendor references.
  - Follow-up questions, as needed.

### Deliverables

- Software demonstration scripts.
- A demonstration of vendor software, based on key requirements that will permit a side by side comparison of the top solutions.
- Vendor evaluation forms to help guide the evaluations.

### 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.

### Tasks

- Summarize estimated costs/benefits of the possible software solutions.
- Selection committee identifies the best software solution to meet business requirements.
- Develop final report and facilitate discussion.
- Present findings to senior management.

### Deliverables

- Final report for software package recommended by selection committee containing:
  - Project objectives
  - Strategic business objectives and key issues
  - Vendor evaluations
  - Overview of software solution
  - Implementation plan

### 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

### Tasks

- 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.

### Deliverables

- As needed by management and legal counsel
- Implementation planning and management (optional and as-needed)

### Benefits

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

## *Software Considerations*

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- 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*

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- Avoid source code changes
- Avoid over buying
- Do not confuse what you want with what you need
- Consider all costs associated

## *Contact Information*

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For more information please contact:

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## *Cost Considerations*

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Cost associate with ERP implementations:

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