

Five Tips to a More Successful Software Selection

Introduction

- As the economy eventually turns around and begins to make its way out of the recession, many companies will be looking to replace their business software.
- These new systems will enable companies to grow and improve their business processes, but with so many choices to consider, finding the right software is a big challenge.
- As software selection projects are inevitable, here are five tips to make your selection process more effective.

#1 - Create a Long List

- If a software package is not on your Long List, it will never be selected. Include as many viable software products as possible at the beginning of the process.
- Many organizations fall into the trap of just looking at a few of the name brand vendors without considering others that are not as well known but have great products for the right situation. This can result in the selection of a less functional system that must be customized, or they end up spending more money than was necessary. A large mistake many companies make is they spend too much money for software and implementation.
- General internet searches are a good place to start your list, but you may wish to enhance it by checking product information in other locations.

#2 - Focus Requirements on the Differentiating Criteria

- Organizations actually make software decisions based on a few key criteria. Although they may have hundreds or even thousands of functional requirements, the criteria that make the difference between elimination and selection of a software vendor can usually be listed on two to three pages. We call these key requirements “Differentiating Criteria.” Examples of Differentiating Criteria might include:
 - Budget for the new system
 - Unique functionality (i.e. Multi-Currency, Multi-Company, Budgeting, Workflow)
 - Technology preferences (i.e. Database, Hardware platform)
 - Reporting
 - Scalability
 - Vendor stability (i.e. Years in business, Install base, Vision)
- Use these few high level criteria to eliminate inappropriate software products from your Long List quickly and objectively. This will save you a tremendous amount of time and you will know why each vendor is on or off the list.

#3 - Select the Implementation Partner

- Many of the major software vendors sell their software with limited implementation support. There are generally third parties that will assist in implementing the software product. Because they are independent of the software vendor, there may be many such third-parties in your geographic area that support the same product. They each have strengths and weaknesses and it is very important to the success of your implementation to find a third-party that has a strong history

#4 - Hold Scripted Demos

- Get to a short list of about 3 software vendors
- Investigate them through a scripted software demonstration process.
 - Forces the software vendor to modify their product demo to show how they will solve your specific business needs. Otherwise, the vendor will show you a standard presentation that highlights their strengths and hides the weaknesses making it very difficult to compare the products.
- The demo script should be long enough to get to some of the details, but not so long as to make it impossible to complete the demo in a reasonable time.
- Include a Business Case Scenario of a critical business process for your company. This scenario should include entering sample company data into the system.
- Make sure to leave time for the vendor to show some of the bells and whistles that may be of interest to you.

#5 - Negotiate the Contract

- Negotiate business issues (i.e. Warranty, Payment Terms, Milestone Delivery, Issue Raising, etc) and pricing.
- You will sign three contracts with the vendor:
 - Software License Cost
 - Implementation Services Cost
 - Maintenance Cost
- The key to negotiation is to come to an agreement that both sides feel comfortable with.