



Agiloft **WHITE PAPER**

Selecting Enterprise Software



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Introduction

The path to selecting enterprise software is riddled with potential pitfalls and the decision can make or break project success, so it's worth the time and effort to get it right.

Most solution providers will assure you that their product can be customized to do whatever you need. But how can you be completely sure that the product you select can really meet your particular business needs *and* stay within budget?

Choose poorly, and you could end up with a project that does not fully meet requirements, runs over budget, or fails entirely. Choose wisely, and you can not only satisfy business objectives, on time and on budget, but also provide an infrastructure that you can leverage at little cost for the next project.

By following the thorough selection process, you can be confident in choosing the right software solution for your company, for the right price.

Defining Business Objectives

Implementing the system is a significant undertaking, so it's important to start by defining the business objectives and processes you want to improve and, ideally, establishing an ROI projection.

Write up the objectives and discuss them with senior stake-holders, including VPs and even the CEO where possible. For example, if the VP of Sales says that halving the turn-around time for contract approvals will reduce sales costs by five percent, you can include that metric in your ROI analysis.

The key is to base your ROI calculations on the estimates of senior executives or hard numbers, rather than your own beliefs. For example, the system may help to:

- Integrate business processes spanning multiple departments into a single workflow
- Ensure that processes are completed on time and that nothing drops through the cracks
- Reduce the costs and time required to execute a process by automating follow-up emails and processes
- Eliminate data duplication and find information faster.
- Keep users up to date with automated notifications of changes and reports
- Ensure regulatory or internal compliance with a full audit trail
- Gain insight into staff productivity and eliminate bottlenecks

Once you have defined your most critical processes, how they should work, and the value that will be derived from automation, you are ready to put together your ROI projection and RFP.

The goal is to find a solution that can fully map your business processes, while staying within your budget. Many vendors claim their solution can meet any set of needs, but by analyzing your business processes in depth, you can rapidly find their limitations. The key is to provide detailed, *quantitative* requirements.

For example, if you specify that "*the system must assign tasks automatically*", nearly every vendor will check the box. But compare that with the following:

When a particular action is required it must be auto-assigned to the individuals in the team responsible for that type of task on a round-robin basis. The assignee must receive an email notification which includes a link to view /edit the task. This email and link must work on any Android, iPhone, or Windows phone or tablet. If the assignee does not update the record within 12 working hours, the system must automatically re-assign the task to their manager and send an email notification to the original assignee and manager. Please specify whether the system can meet this requirement and the estimated cost of implementing it.

The responses to this requirement will be much more useful towards your goal of finding a vendor who can map your exact processes at a reasonable cost.

RFPs: The Devil is in the Details

There is one problem with producing a long and detailed RFP: Successful, busy vendors will simply decline to respond unless they know they have a good chance of winning the business.

Start by narrowing down the field of potential vendors with a short, but specific, preliminary RFP. Your preliminary RFP should only take about 20 minutes to complete. The exact questions will depend on your requirements, but might include:

- A list of a few processes in the level of detail described above, with the simple question: Can the system automate these processes?
- Approximately how much will the solution cost, including any implementation services, training, and consulting fees, over the next five years?
- How long will it take to fully implement the system?
- Can we try out the system before purchasing?
- What kind of IT expertise is necessary to maintain or change the system?

Using the responses from this preliminary RFP, narrow your potential vendor list down to three. Tell the remaining vendors that they have made the short list and send them your follow-up RFP.

Like the preliminary RFP, the questions in your follow-up RFP should be quantitative and as detailed as possible. For example, instead of asking, "*Does the system allow the creation of custom tables?*", ask:

- *What technical expertise and training is required to create a custom table containing the following columns (aka fields) and how long does it take?*

One system might allow an admin to create a fully functional custom table in less than an hour; another might require months of effort and rack up hundreds of thousands of dollars in vendor consulting fees. You won't know unless you ask the right questions and validate some of the answers during the demo.

- *Do custom tables behave exactly like out-of-the-box tables? For example, can we create links between native and custom tables? Can we apply business rules and run reports in custom tables?*

Getting exact answers to these questions gives you a more reliable picture of the actual implementation time and overall cost, and will instill confidence that the vendor you ultimately select will be able to meet your needs.

Demand a Custom Demo – Within Reason

Standard demos are just not that useful. Vendors highlight the parts of their system that work best and hide their weaknesses by simply omitting them from the demo.

In a perfect world, you'd see a demo of the complete system, customized to your exact processes. Unfortunately, it's not realistic to ask vendors to invest the weeks or months it could take to customize the system when they're not sure they'll even get the deal.

Even if a solution can implement your full set of requirements, maintaining and adapting it to meet inevitable process changes may well exceed the initial cost of the system. So it's critical to find out how easily the system can be configured and how much assistance the vendor can provide with process and automation design. How do you learn these things in a demo?

The solution is in two parts:

Step One: Select a business process that is either mission-critical or unique to your organization and give the vendor a limited amount of time to prepare a demo that illustrates it. If they can map your most complex process, they will surely be able to manage the more standard ones. By restricting the time provided to prepare the demo, you can see how quickly the system can be customized to your needs.

If the vendor fails to demonstrate the requested process in Step One, you can save everyone's time by skipping Step Two. Do not accept excuses—you're banking *your* reputation on choosing the right solution.

Step Two: During the demo, ask the vendor to modify the system in a specific way. Warn the vendor in advance that you want them to configure the system in real time so they have the necessary technical resources available, but do not tell them the exact configuration change or they might just set it up in advance. The idea here is to observe how difficult and time-consuming it is to configure the system, so you'll know whether or not your staff can handle future modifications in-house, or whether you will have to rely upon the vendor to make changes.

Another benefit of this tactic is that you will get a feel for working with the vendor from the questions they ask about your process requirements and how quickly they grasp what you wish to accomplish. Does the vendor ask the right questions that help clarify your process and make it more efficient? In other words, does the vendor truly understand your process and requirements? Or are they just looking to make a quick sale and let you figure it out on your own?

If you have to rely on the vendor to update your configuration to reflect changing business needs, user feedback, and upper management initiatives, then budget for it. Over the course of a decade, such system maintenance and extension costs can exceed the initial implementation costs by a factor of two or more.

Reviews, References, and Case Studies

A good place to start your due diligence is with business review sites such as Capterra, Trust Radius or G2 Crowd. Like Yelp for enterprise software, they provide an unfiltered forum for customers to comment on their actual experiences. Use them to research possible vendors, and contribute back to the community by submitting a review when your project is finished.

Check out references from the vendor's current customers. The calls should be private and confidential, if the vendor insists on joining the call, consider this a red flag.

Review case studies at the vendor's website, with a skeptical eye. The claims made in case studies are only as trustworthy as the amount of direct quantitative data they contain. "The system went live in three months" is a quantifiable assertion; "the implementation was fast" is much less valuable since some companies regard nine months as fast, while others regard nine weeks as slow.

Consider the Long Term TCO

By now you've checked out the review sites, examined the responses to your RFP, observed a handful of demos, and chatted with vendor references. At this point it's probably clear which vendor has the right solution for you. But before you sign on the dotted line, you need to make sure the price is within your budget—not just for the first year, but over the life of the system.

Vendors may appear to offer a bargain, until you realize post-sale that you'll be paying a huge premium for ongoing consulting, support, or upgrade costs in the coming years. You can avoid such surprises by ensuring that the system can be configured by your own staff, and asking vendors to provide a quote for all possible extras—such as any additional modules—in writing.

Provide the vendor with a specification of your required system with as much detail as possible, and ask for a written price range on implementation costs. Alternately, work with the vendor on a time and materials basis to develop such a specification before making the much larger commitment for the full implementation and software purchase.

With specific and detailed requirements, the vendor should be able to provide a narrow price range for the implementation, optimally down to a fixed-price bid. You may not get such a quote, but it can make for an enlightening conversation if a vendor verbally assures you that it will cost under \$30,000 when trying to make the sale, but refuses to provide a fixed quote for less than \$100,000.

You want the vendor to share any risk that their software will fail to meet your requirements, so the quote should clearly define your options if the project runs into trouble or goes over budget. If the vendor is confident of project success, they should be willing to take on some part of the risk.

Summary

The benefits of a successful implementation range are reducing costs and human error to improving efficiency and customer satisfaction, while the results of a failure can be catastrophic. So it is worth taking the time to find the right solution for your organization.

By starting with a clear analysis of your business objectives and requirements and taking a tough, disciplined approach to vendor selection, you can confidently choose a solution that will meet your business needs and stay within your budget.

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Colin Earl has over twenty five years of experience in the software industry. He worked at General Electric, IBM and three start-ups, starting as a developer and progressing to product manager and CIO before founding Agiloft in 1991.

Over 2.5 million users at companies ranging from small enterprises to U.S. government agencies and Fortune 100 companies depend on Agiloft software to automate processes such as Custom BPM Workflows, Service Desk and Contract Management.

Agiloft specializes in automating processes that are too complex for competing vendors. Our best practice templates and agile technology ensure rapid deployment and a fully extensible system. For more information, visit www.agiloft.com.