
FEATURE ARTICLE

For More Information Contact:

Mindy Lally
314.983.1288 or 314.983.1200
mlally@bswllc.com

Danielle Oser
314.983.1266 or 314.983.1200
doser@bswllc.com

For Progressive Distributor

Distributors, Don't Be Disheartened By Software Selection

By Steve Epner

For many businesses the “pull a rabbit out of a hat” method for evaluating software seems easy. Doing it right – the first time – is not difficult, but will take time and effort.

One of the most important things that we suggest in a selection study, it is that you quickly reduce the number of solutions being considered to three or four. Most companies do not have the time or resources to evaluate more. It is difficult enough with three solutions to remember which has what features.

By using the online guide at www.software4distributors.com, it is possible to compare more than 45 of the most popular systems. The same features can be used to review software systems that are not in the guide. Participation on the part of software companies is voluntary and not all firms agree to be part of the guide.

Use the initial review to reduce the size of the field. While price should not be used as a differentiator, be reasonable. If your budget is \$150,000, there is not much sense in spending too much time with million dollar solutions. Also, try to stay away from hardware specific solutions unless there is an overriding requirement. Remember, it is more important to find the functionality that you need to operate your business instead of the lowest price or a specific hardware platform.

It is usually worthwhile to include your current vendor in the process. Sometimes, the functionality that seems to be missing is really there. It is just that no one ever learned how to use it. Since there is no such thing as an easy conversion, being able to continue to use a system you know is always easier. Learning how to use additional functionality may provide the greatest value with a minimum of pain.

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Once you limit the field, use the online guide to learn more about the packages you have selected. Visit each vendor's information page and link to their Web sites. In addition, you can request information on multiple products from one easy-to-use form. Our goal is to simplify the selection process for you.

The Software Selection Process

The Paper Chase

Before you even start the selection, trace every piece of paper, form or report that flows through your operation. Paper tells us what was or is important. We may not use all of the information on the paper, but everything we use is written down somewhere.

Make a list of the procedures that are necessary to do each person's job. This will be the start of a "requirements" document that will be used to compare different application programs.

Do not just document the paper flow, but look at it carefully. Review every step, ask: "how does this add value to my customer?" In many cases, organizations can eliminate steps and improve their workflow even before a new or upgraded technology solution is installed.

Brainstorming Your Wish List

Next, it is time for a "Blue Sky" meeting. These can be great fun. Pull the team together and have an off-site meeting where you can dream about the future. For a short period, leave behind real world concerns of cost, time, technology and personnel; do not let anything stop the creative juices.

Work as a team to develop innovative approaches that can improve your business. Some ideas may be available for little or no incremental cost. However, if no one suggests them, they may be accidentally eliminated from future use.

Take all of the required existing procedures and new ideas and prioritize these into three groups:

- Absolute - if they are not in the solution, the solution will not work.
- Wanted.
- Wish List.

These become your "system requirements." This "shopping list" can be given to the various vendors. They can then propose ways to get you from where you are to where you

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want to be.

Without a detailed list, the salespeople will show you only what they do best. Each will have the perfect solution for your needs without having to ask what they are. Have each vendor respond to your list of requirements. In this way, you can learn about each system and can compare them to each other.

Do Your Homework

This is the perfect time to consult the Distribution Software Guide. It is crucial to remember every software solution can be successful in the appropriate environment. It is also true that every software solution can fail if used for the wrong purpose, if the staff wants it to fail; or, if the system's personality does not match that of the organization it is to serve.

Utilize the online resources at www.software4distributors.com and remember, it is difficult to differentiate between more than four packages at the same time. Given "close fits," commit your time and resources to evaluate the nuances that will allow one of them to serve you better than the others.

Time To See The Software In Action

Every vendor will want to show you a "demo." Be careful. Demonstrations are carefully constructed to WOW you. They use limited amounts of perfect data. The sales speech covers any delays and makes the data entry seem effortless. You need to see how the system works. You should prepare a list of features you want to see using your data if possible. Before meeting with any vendor know:

- Your key areas of concern.
- Your mission critical processes that must be demonstrated.
- The volume of transactions to be handled.

When visiting or calling a reference, be prepared. Do not just ask: "do you like the system?" or "does the system work?" Understand that the vendor is not stupid; they will not send you to a bad reference.

Get the real scoop by asking: "If you had it to do over, what would you do differently?" "Did the system implementation happen on time and within budget?" "Were there any surprises during the start up?" These will allow the businesses you talk with to be a great reference and still provide valuable input to the decision making process.

Making The Decision

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The decision making process is the key. If a small group – such as the information system department, or just the president - chooses the system and it fails, it is their fault. If a team of people is involved, it becomes a group decision and the group owns it. They will work hard to prove they were right.

Finally, top management must support and make a commitment to the change or the system will fail. Make sure the owners and/or directors are in favor of the project and understand the challenges it will cause. Keep them up to date on the process and solicit their input.

If the owners are concerned about the cost, help them recognize that software is not just a depreciating asset. They cannot compare the cost of software to things they understand better, like delivery trucks and inventory. Consider software as an operating expense. \$100,000 will cost about \$2,000 per month on a 60-month lease. In most parts of the country, this is less than the fully loaded cost of a good clerical person. Therefore, if a system will eliminate the need to hire one new clerk, \$100,000 can be justified. Treat the system as a payroll cost and most executives will understand.

Negotiation

The last step in selection is negotiation. Some people look forward to doing battle with the vendor. Keep in mind; the people you are negotiating with (against) are the very people who will be responsible for your success. This must be a win/win situation.

If you get the lowest possible price, good business sense says it has to come from somewhere. If training and support have been shortchanged - a common place to cut costs - then you may never get the system operational. If you caught the vendor at a vulnerable time, when a better contract comes along, guess who will get the attention.

There are discounts available for most systems. A good vendor will wait until there is a deal before giving the last dollar. We often tell the selected vendor that the contract is theirs to lose. Then work with them as a partner to put together a deal that serves the best interests of both parties.

Ongoing Evaluation

Even if you are not interested in changing systems, the process described can help your organization. Perhaps you will discover options you may not be using. Annually create a list of the features and functions you need to operate the business. Talk to your vendor to see if

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they are available. Work with the vendor to see if they can be added. Remember there is no such thing as an easy conversion.

Still Overwhelmed?

The Brown Smith Wallace Consulting Group Has Developed ***The Software Selection Handbook*** for organizations that need a little guidance in moving through and completing the software selection process. Companies have used the Handbook to:

- Compare your current system against solutions on the market today.
- Validate a process you have already begun or recently completed.
- Insure that critical steps in the evaluation process are completed.
- Allow management to insure that a proven process is being followed.
- Document the evaluation process.
- Analyze the vendor responses in an accurate and objective manner.
- Provide the Project Team an "Action Plan" to move through the process.

Good luck with your software selection. Of course, if you have any questions, please give us a call at 314.983.1200 or e-mail us at info@bswllc.com.

One last comment, the world of computers and the world of business are in a constant state of flux. If you undertake a selection project, make your decision within six months of starting. Any longer and the answer may change. Systems are normally enhanced every year. Hardware changes every six months. Business requirements can change monthly. The answer is a moving target. To hit it, you have to fire before it is out of range.

Steve Epner has been directing traffic on the information super highway since 1966. A highly regarded industry expert, Epner is widely published and has provided comment for national business publications including the *Wall Street Journal*. His experience in business, technology and strategic planning makes him a nationally renowned technical speaker. Epner can be reached at sepner@bswllc.com.

St. Louis based Brown Smith Wallace Consulting Group, founded in 1976, is a leader in the strategic use of technology to create competitive advantage. While other firms may bring answers based on their experience, we use our experience to help our clients find the unique answers to their unique situations.

Brown Smith Wallace, which has revenue of \$13 million, is the second largest locally owned independent full-service CPA and business consulting firm in Missouri. Brown Smith Wallace, with offices in St. Louis, St. Charles and Chicago, makes a measurable difference in

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clients' lives by making sure clients get more than just a good return on their investment, finding hidden value, looking where others forget, bridging gaps to form long lasting relationships, being accessible and by putting a guarantee in writing. For more information visit www.bswllc.com or call 314.983.1200.

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SIDEBAR:

More than 40 distribution centric associations endorse this guide as a membership benefit and a powerful reference for computer system selection. 2004 Distribution Software Guide endorsing associations include:

- American Machine Tool Distributors Association
- American Supply Association
- Association For High Technology Distribution
- Aviation Distributors And Manufacturers Association
- Bearing Specialists Association
- Canadian Institute Of Plumbing And Heating
- Cleaning Equipment Trade Association
- Electrical-Electronics Materials Distributors Association
- Fluid Power Distributors Association
- Heating, Air Conditioning And Refrigeration Distributors International
- Independent Sealing Distributors
- Industrial Distribution Association
- International Association Of Plastics Distributors
- International Sanitary Supply Association
- International Truck Parts Association
- Lawn And Garden Marketing And Distribution Association
- North American Graphic Arts Supply Association
- National Association Of Hose And Accessories Distributors
- National Association Of Independent Lighting Distributors
- National Association Of Sign Supply Distributors
- National Electronic Distributors Association
- National Fastener Distributors Association
- National Independent Bank Equipment And Systems Association
- National Paper Trade Association
- North American Horticultural Supply Association
- Office Products Wholesales Association
- Outdoor Power Equipment And Engine Service Association
- Pet Industry Distributors Association
- Power Transmission Distributors Association
- Safety Equipment Distributors Association
- Security Hardware Distributors Association
- Specialty Tools And Fastener Distributors Association
- Waste Equipment Technology Association
- Water And Sewer Distributors Of America

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- Western Association Of Fastener Distributors
- Wholesale Florist And Florist Supplier Association
- Woodworking Machinery industry Association

SIDEBAR: About The 2004 Distribution Software Guide

The Distribution Software Guide, now in its 14th edition, has helped countless overwhelmed business people make the right technology decisions. The Guide, presented in two formats – both a quick reference hardcopy print edition and the online Web site – is an invaluable resource whether you are conducting a distribution software selection project or if outside support is needed. The most recent Guide includes:

- Side-By-Side feature reviews of the leading Enterprise Software Solutions, Business-To-Business Software Solutions and Warehouse Management Software Solutions.
- Vendor and product profiles for leading Enterprise Software Solutions, Business-To-Business Software Solutions, Warehouse Management Software Solutions, Manufacturing Software Solutions and Complementary Products and Services.
- Free Consultation Opportunity.

Featured software companies and packages include:

Enterprise Software Solutions

- **Activant** Activant Eagle™ For Distribution
- **ADP Wholesale Distribution Services** Distribution 2000
- **Amplexus® Corporation** Amplexus Advantage
- **Aperum** Facts
- **Aperum** TakeStock
- **BMA** BMA Distribution Software
- **Computer Insights Inc** The Business Edge™
- **dalycommerce** Application Plus / Commerce@Work
- **Epicor Software Corporation** Epicor For Distribution
- **Gillani** iDistribute -- Distribution Management System
- **Integrated Systems Technology Inc** NewVision
- **Intuit® Eclipse™** Intuit Eclipse Distribution Management Solutions
- **Microsoft Business Solutions** Microsoft Business Solutions Axapta
- **Microsoft Business Solutions** Microsoft Business Solutions Great Plains
- **Microsoft Business Solutions** Microsoft Business Solutions Navision
- **Microsoft Business Solutions** Microsoft Business Solutions Solomon
- **Mincron Software Systems** Mincron's Solutions Suite
- **NxTrend Technology Inc®** NxTrend Fulfill™
- **Prelude Systems Inc™** Advanced Distribution System®
- **Prelude Systems Inc™** Consortia™ And The Supply House
- **Professional Data Systems** ProTrac® Business System

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- **Prophet 21** CommerceCenter
- **Sentai Software** TRAX Distribution
- **Technology Group International** Enterprise 21 ERP Suite
- **TradePower** TradeSource
- **Universal Accounting Software** Universal Accounting Software
- **Vormittag Associates Inc** System 2000

Business-To-Business Software Solutions

- **Computer Insights Inc** The Business Edge™ Net Intelligence Module
- **Intuit® Eclipse™** B2B Commerce
- **Mincron Software Systems** Web Commerce
- **NxTrend Technology Inc™** NxTrend Fulfill ECommerce™
- **Prelude Systems Inc™** Virtual Information Access®
- **Prophet 21** Trading Partner Connect
- **Sentai Software** Compass

Warehouse Management Software Solutions

- **Epicor Software Corporation** Epicor For Distribution
- **Intuit® Eclipse™** RF Warehouse Management And Logistics
- **Mincron Software Systems** Warehouse Manager
- **NxTrend Technology Inc®** NxTrend Fulfill WMS™
- **Prelude Systems Inc™** Advanced Warehouse Management System
- **Radio Beacon** Radio Beacon WMS™
- **Sentai Software** Warehouse Trac
- **TradePower** TradeSource

Manufacturing Software Solutions

- **MAPICS ERP For net and SQL** Syteline Extended ERP
- **Technolgy Group International** Enterprise 21 ERP Suite
- **Vormittag Associates Inc** System 2000

Complementary Products and Services

- **ESC, LTD and ICS Advantage, LLC** Software and Consulting Services
- **Inmediate Inc®** Business Intelligence Solutions
- **Lowery Systems Inc** Equipment Rental System
- **NxTrend Technology Inc®** NxTrend Fulfill CRM™
- **PARIS Technologies International®** PowerOLAP®

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Brown Smith Wallace, Mindy Lally, 1050 N. Lindbergh Blvd., St. Louis, MO 63132