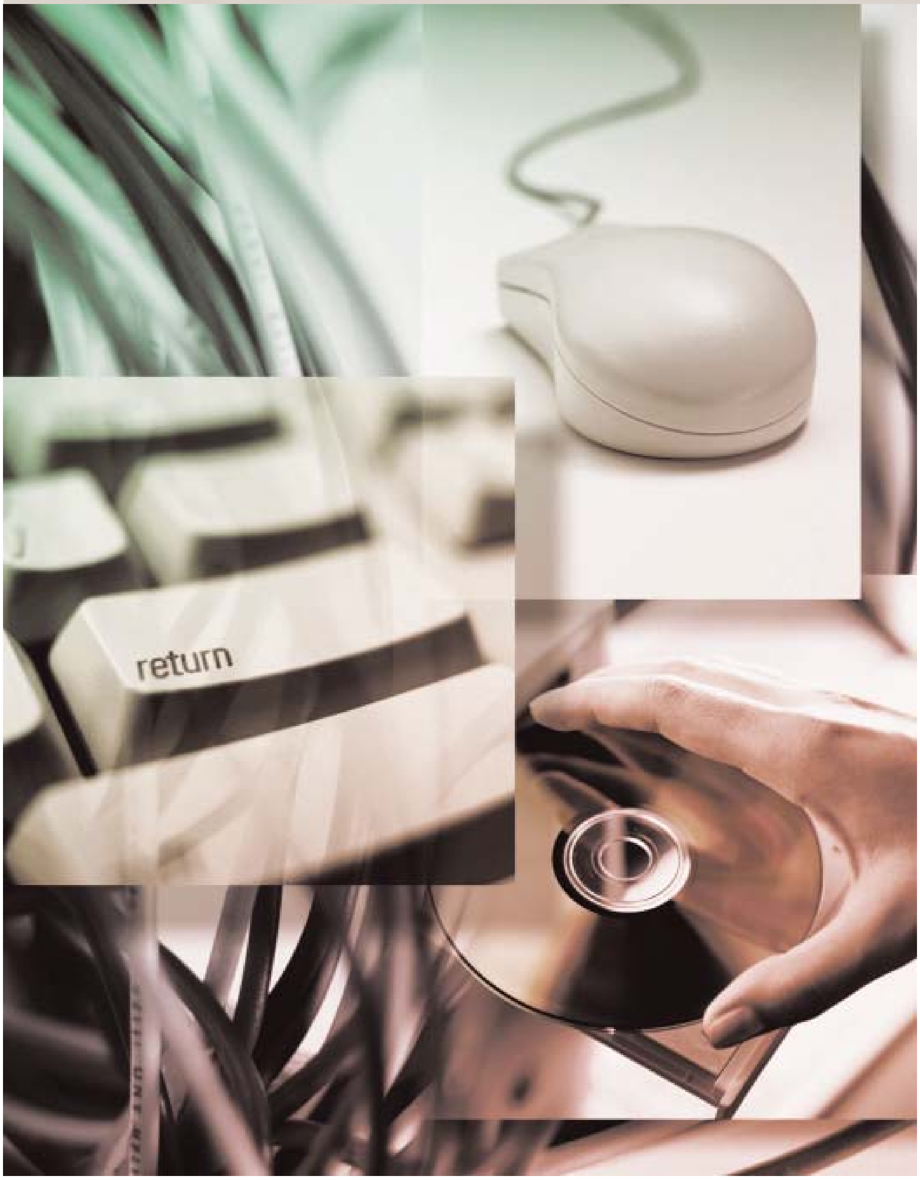
Software Selection Whitepapers

Vendor Selection

Demonstration Planning



BROWN SMITH WALLACE LLC
CONSULTING GROUP

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Executive Overview

The Successful Software Selection white paper series offers project teams the opportunity to garner consultant quality insight in manageable portions. Based on *The Software Selection Handbook*, the white paper series pares down selection project elements into subsets based on areas of interest. The series is ideal for committees just getting started on their selection project or teams well on their way to finding a new solution provider.

Vendor Selection: Demonstration Planning reviews planning for your demonstration, the demonstration, selection conferences and site visits.

Demonstration Planning

Software package demonstrations are critical to the selection process. This is the best time to verify that all mission critical functions are available and they work in a way that will satisfy the requirements of the business. It gives everyone on the project team a chance to answer any open questions, to test all assumptions and to resolve any negative issues that may have been raised by competitors or people with hidden agendas.

There is only one way to realize all of the value possible. That is to have a good plan. Begin by structuring a document (the demo script) that will make sure the vendor presents your processing procedures – in the order you are used to doing them. A good demo script will help the vendors, and your staff, by taking them through typical processes within the software. A sample demo script is included which you can modify as needed for your demonstrations. Try to make sure your staff will see the new applications in the context of how they work. Then the demo script becomes the basis for the evaluation form described in the next task.

Every feature or function that was defined as an "absolute requirement" must be included in the demonstration. Then add the highest ranked WANTS as your next key area. However, you must be selective. You do not want the demo to last a week, but you do want to see everything that is at the top of your priority list.

The vendors will attempt to take control of the presentation and show you their software as they feel it is best presented. This is not a time to fight for control. As long as you see your key features, you can be flexible. But you do need to impress upon them that they don't stand a chance of earning your business if they don't demonstrate all of the "absolute requirements" and the "WANTS" from the top of that list. This will get their attention and insure that you see what you need to in order to make a fair evaluation.

Where possible, provide the software company with basic data from your current software. In some cases, the vendor will add some of your customers and products to the demonstration. Again, the goal is to make it easier for your people to relate to what they are seeing. Vendors build bicycles or windows or other generic items in their generic demonstration databases. The presentations need to make sense to those viewing the software for the first time if they are to be able to render an informed decision as to how it would meet the requirements for their area of responsibility.

Each demonstration will last from one (simpler system and few users) to three (complex systems with many users) days each. This is why it is so important to reduce the number of vendors to no more than three. Any more and the cost begins to exceed the value. In addition, it becomes confusing and it will become almost impossible to differentiate between the various presentations.

Always provide one and preferably two days between demonstrations. Otherwise, your people will never catch up with their daily work. In planning the actual date, work with the vendor to get approximate timing for each section. In this way, you can schedule your own teams to watch only those parts of the demo that they are best at evaluating. Normally, the project leader is the only person to sit through all parts of all of the demos.

A fairly new concept in many demonstrations today involves what is termed "role-based processes". This refers to software companies that have defined certain roles, for example, accounts payable, receivables, credit checks, sales order processing; and have pre-defined activities that these individuals perform. These activities can be modified to some degree, but they present them as a sequence of events.

Another approach is the "day in the life" approach. This takes a series of events, such as a sales order, and follows all the activities that may be attached to it during the day. This includes following inventory, creating purchase orders, handling back-orders, doing assemblies or kitting, having an outside process activity, dealing with WIP (Work in Process), shipping the items, creating a receivable, handling payables and finally posting the general ledger.

Whatever demonstration approach a software vendor uses, your job is to make certain that you see what you need in order to validate that their software meets your requirements. Then compare each package against the others being considered to determine who meets your needs best.

Demonstrations

The Project Team will schedule the demonstrations. All members of the team will be assigned specific areas to watch and evaluate. Where possible, other members of the staff should be invited to watch the demonstration. It will allow them to feel a part of the effort and to buy in to the final decision.

Additional eyes in the demonstration will catch issues that might otherwise be missed. The line people in any operation know best what has to be done and where any roadblocks may be. If the scripts are well defined, the time away from work can be minimized while the focused time on the critical details can be maximized.

In preparation for the demonstration, an evaluation form should be created. A sample may be found on the following pages. The first page is general information and reactions. It is very important that these be captured in "real time" as two days later (even two hours later) the impressions will begin to blur. Every attendee needs to fill out the evaluation while they are watching their part of the application. Then it must be turned in before they are allowed to leave the room. It will provide the best and most complete reviews.

During the day, the Project Leader should review comments from the various observers. Raise any specific issues that need to be reviewed or questions that need to be answered before moving forward. While the vendor is on site, it is easier for them to ask additional questions and get the answers necessary to gain a better explanation of the potential problem. Then they will be able to provide answers or at least have sufficient information to research the answers following their return to their office.

The demonstration is not the place to treat the vendor as an adversary. Just because their software does a particular process or activity that is different from the way your current software performs, it does not make it wrong. Questions should be professional and address specific issues related to the way you conduct your business. Those in attendance should understand this and act in a professional manner. Referring to other demonstrations is often in poor taste. However, referring to how you do it today may provide the vendor a clue to show a feature of their software that they may have overlooked. A good rule of thumb: if it relates to a critical requirement of your business or the list of high value "WANTS", it is probably a good question.

Tell those in attendance that they should use their evaluation forms to make comments about what they saw or questions for you about areas that they didn't fully understand. Part of the Project Leader's responsibility is to review these with the vendor, allowing them the opportunity to correct an error or address issues as they arise. You should also make certain that you inform the individual who brought this to your attention of the resolution.

The Project Manager is responsible for keeping the demonstration on track. Most vendors will supply you with an agenda that is scheduled pretty tight. While they welcome questions that are on point, the Project Leader may need to cut-off discussions if they start to wander. Don't put the vendor in the position of not answering questions that are not "on point" for the demonstration. Vendors will not want to upset your personnel by not answering "foolish" questions. The Project Manager must keep things balanced and keep the staff on track.

Ideally, lunch should be brought in for the group. This is an excellent time for the Project Team to ask questions and get clarification on key points from the morning presentation. Use this time to discuss items such as maintenance, support, user groups, upgrades and implementation issues. It will help you understand more about their organization and it will save time.

Approaches many software companies are using today are remote or web-based demonstrations. Often, the sales rep will be present while the technical or pre-sales person may be at another location. .

The sales rep and his pre-sales person will have reviewed your requirements prior to the meeting. They frequently will arrange a conference call with the project team to clarify any issues. These individuals generally know their software very well and are very experienced in giving demonstrations. Frequently, they were customers who used the software with their former employers.

Remember, this is the software that you will be relying on to run your business. The partnership you will be entering with the software vendor is fairly important and should be treated as such by both parties. Be sure that your staff devotes the necessary amount of time to participate in the demonstration process and you are comfortable that the vendor has done the same.

Selection Conference

The preceding steps have created a foundation for making a decision. Now it is time to pull all of the information together in a concise and complete form. It is important to make it easy for top management and others who have not been involved to understand the work that has been done, the things we have learned and the questions to answer before taking the next step.

The goal is to pick a "prime suspect" or "finalist" or whatever you want to call it. At the end of this meeting, a single vendor needs to be selected. If a decision cannot be made, establish a plan to gather whatever additional information is necessary or answer any open questions so that it is possible to pick one vendor. Essentially, it becomes their contract to win or lose.

We recommend that you not tell the other vendors who is your selection. Each will want to find out how they are doing. Your job is to keep as many viable prospects in the process until a decision is made. It is important to have a second and possibly a third choice waiting in the wings, which is why you want to move your internal process along as quickly as possible.

During the final negotiation and planning process, it may become evident, even with all of the research you have done, that the initial selection was not the optimal choice for you. In that case, you want to have an alternative to work with as you move to the contract phase.

In general, the outline below has proven to be very effective for organizing the material. Your knowledge of your own executive team will determine the level and type of detail that must be delivered. Keep everything to the point and the meeting should not take more than 90 minutes. Just remember the "KISS" principle, Keep It Short and Simple.

If more time is needed, do not shortchange the process. This is a decision that will affect the future of the organization. Everyone must feel it is the best decision that can be made. There must be "buy in" at the top and recognition that the owners / top managers are behind the final choice

I. The purpose of the meeting: (To make a decision)
II. The process we followed: (Overview of the steps completed to this point)
III. Evaluation of the viable alternatives
    1. Functionality
    2. Vendor assessment
    3. Technology assessment
    4. Reference reports
    5. Demonstration results
    6. Approximate cost
    7. Miscellaneous project team comments
IV. Open discussion
V. Steering committee recommendation
VI. Request a decision or support of the Steering committee recommendation
VII. Present the plan to complete the process and begin implementation

Some executive groups prefer to have a Management Summary following section I or II. It can be a very short (1 to 3 pages) presentation of the recommendation with references to the supporting data. Where possible, the executive team should receive the report in advance of the meeting.

If there are unanswered questions or if none of the solutions seem to fit (though this would be highly unlikely at this juncture), then the project will require additional work. There may be unanswered question that can be resolved with a phone call to the vendors. Enhanced research, reference checking, or other activity may be needed. When the committee is ready to try again, a second meeting should be called. Do not repeat all of the prior information, only the new data. Move quickly to the decision point.

Site Visit

Visiting a working reference site is an optional activity. It is often used to assure the executive group that their decision is correct. However, there is a danger that an executive who was not involved in the research might try to use this opportunity as a "discovery process." Make sure all persons participating in the site visit understand that the purpose is only to verify and or validate that the selected system is capable of operating as advertised.

A site visit can also be used if a final decision cannot be made. Then a visit to an actual user can be used to break a tie. Site visits are not a necessity in all situations and frequently are skipped as being more costly than the value gained from the visit.

If you do go on a visit, it should be well structured. Depending on which executives are attending, meetings should be set up with their counterparts in the reference company. Just like with reference checks, it is important to get a feel for how well the solution will fit at "our" company. Prepare the executives to stay away from specific operating details. We do not want to embarrass our hosts by showing how little they may know. Instead, the questions should be around perceptions of how the new system has improved operations, profits, or their specific jobs.

Questions related to specific functions or features should be prepared in advance of the visit so that the vendor and host company can arrange to demonstrate how it works or is used. Do not surprise the host with last minute requests. Be considerate and do not ask for unreasonable access to information that would be considered confidential.

In most cases a representative of the software vendor will want to accompany you on the visit so factor that into your plans. They will help you make contact with the key individuals you want to interview during your visit and are there to insure that everything will go as smoothly as possible. Keep in mind that any selected reference site will be satisfied with their existing software, so don't be surprised at their generally favorable responses.

At the conclusion of the visit, the executive team should make any notes that will assist in final negotiations. Any questions that arose which need answering should be given to the project team to resolve. If an additional management meeting is required, it should be scheduled as quickly as possible.

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About *The Software Selection Handbook*

Developed at the request of our clients who recognize the methodology we have developed over the past 20 years as the best in the business, *the Software Selection Handbook* details the same process employed by our consultants for client engagements to help you tackle the difficult task of finding the right software for your business. Multiple copy discounts are available.

The Software Selection Handbook includes an electronic version of every form on CD and provided in electronic format at no additional charge. The forms, supported on any Windows PC platform, are available as Microsoft Word, Microsoft Excel and Adobe Acrobat (PDF) format files.

The Software Selection Handbook was created as a guide for organizations interested in reviewing and selecting new software and technology through the use of a well-structured process. The authors, publishers and distributors do not make any representation or warranty as to the suitability of the following information for a specific business or business purpose. It is up to each organization to assess their situation and take the appropriate action.

To order visit:
http://www.software4distributors.com/resource/software_selection_handbook.aspx
or contact Cory Metz at 314.983.1216 or via email cmetz@bswllc.com

About Brown Smith Wallace Consulting Group

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. For more information visit www.software4distributors.com.

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 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.

Additional Resources:

- Distribution Software Guide
  http://www.software4distributors.com/resource/distribution_software_guide.aspx
- Successful Software Selection -- Getting Started: Project Management (White Paper)
- Successful Software Selection -- Getting Started: Project Teams (White Paper)
- Successful Software Selection -- Getting Started: Documenting Where We Are
- Successful Software Selection -- Vendor Selection: RFPs and Reference Checks (White Paper)
- Successful Software Selection -- Vendor Selection: Contract Negotiations (White Paper)