



Welcome...

...to our second issue of *TSI Info Source* this year. We recently came across a software advertisement that read, "Here's something your sales force might want to do with its software.....Sales". That ad fits perfectly with many of our experiences helping organizations "choose and use" software as it is so easy to lose sight of what software is truly intended to enable – a specific, measurable improvement in bottom line results. Nothing short of that is acceptable, everything other than that is a compromise, and arguably a waste of money.

In this issue we delve into techniques and issues related to performing an effective software evaluation. This issue of *TSI Info Source* includes:

- **White Paper: Software Evaluation, Selection and Contract Negotiation** - importance and techniques to a successful software vendor evaluation
- **Save the Date** – TSI's next training workshop is May 12 - ***Integrating Strategy, Process Innovation and Business Intelligence in your organization*** – see page 5 for more details.

We hope that this information is of value to you and others in your organization. Further, we hope that you would consider TSI for any of your 2003 projects. We can make a significant difference on your project and would like to be a resource to you. There is a good chance that we have done a project similar to the one you are embarking upon – please call 312-492-6400 x202 to talk about your specific needs and how we might help you.

Any feedback for us? Please send us an e-mail at tsiinfosource@transforming.com.

- The Editors

White Paper: Software Evaluation, Selection and Contract Negotiation

- Authored By Len Green (lgreen@transforming.com)

An Ounce of Precise Selection is Worth a Pound of Implementation - *Why Selection Is the First BEST Step (And Most Overlooked) To Achieve A Successful Software Implementation*

This white paper addresses the critical issues within the selection phase and why it so important to making the implementation a success

...See *Software Evaluation* page 2



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When embarking on a major software evaluation, selection and implementation project, a typical situation may look like this (assuming you are a mid-sized or large organization):

- Will spend between \$250,000 to several million dollars on software licenses, maintenance, implementation and consulting fees, depending on the number of users and modules purchased
- Have but a few people in your organization who have participated in a software evaluation/selection and it has been a least several years ago
- Have NO one on staff who is an expert on the leading software packages that may be a good fit
- Can not dedicate a team full time project team this effort based on current workload and staffing levels

- ▶ What is the ONE technique every evaluation should include during vendor prescreening to save literally dozens of hours later in the project?
- ▶ What requirements do most evaluations neglect and what problems can this cause?
- ▶ What is the best way to structure objective and time efficient vendor demonstration sessions?
- ▶ How can you negotiate a fair, yet cost effective contract and still remain on great terms with your vendor?
- ▶ Why should you never use certain consulting firms to assist with a software evaluation?
- ▶ What risk exists to look only at the “top tier” vendors?

Contact TSI for these answers and others.

- There is a notion that one can simply go to a website, input some desired requirements and get valid short list of vendors that meets one’s needs
- The evaluation and selection process gets little attention from management. There is a propensity to just pick one package and move on.

So what? Given these factors, attempting to select the right (best-fit) package that meets the needs of both management and business users is extremely difficult, if not impossible.

Most articles about the pitfalls of implementation projects highlight the mistakes made DURING implementation. Examples include poor project management, scope creep, uncommitted users or lack of an executive sponsor. All of these are valid, but often we forget that before started the implementation, somehow we had to choose a package and sign a contract.

How can anyone expect strong project management, scope control, user buy-in and executive sponsorship to magically change the functionality of the package to fit your company?

Keep in mind the following:

- ▶ Accurately defining your “future” requirements requires someone who has lived best practices. It is very difficult, if not impossible to do this with internal staff alone. Further, pulling

resources away from the day-to-day activities often results in this effort taking longer and being less accurate.

- ▶ Most of the websites that allow the input of requirements to receive a short list of vendors are funded by those vendors (or at least they pay a subscription to it); that is not to say it is completely invalid – although it is somewhat biased.
- ▶ Many consulting firms have a financial relationship with software vendors. Even more consulting firms have a “bench” of consulting resources who know how to configure one or several ERP systems. Since these firms can only be truly objective within the scope of these vendors, one should avoid using them for the software evaluation phase.



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When a company decides to launch a new product or build a factory, typically a cross functional team will:

- Build a business case (why do we need to do it)
- Define key requirements (what do we need)
- Determine scope (what will be done)
- Develop a plan (how will the work be done, by whom and when)
- Evaluate the investment (what it will cost and what ROI/value is expected).

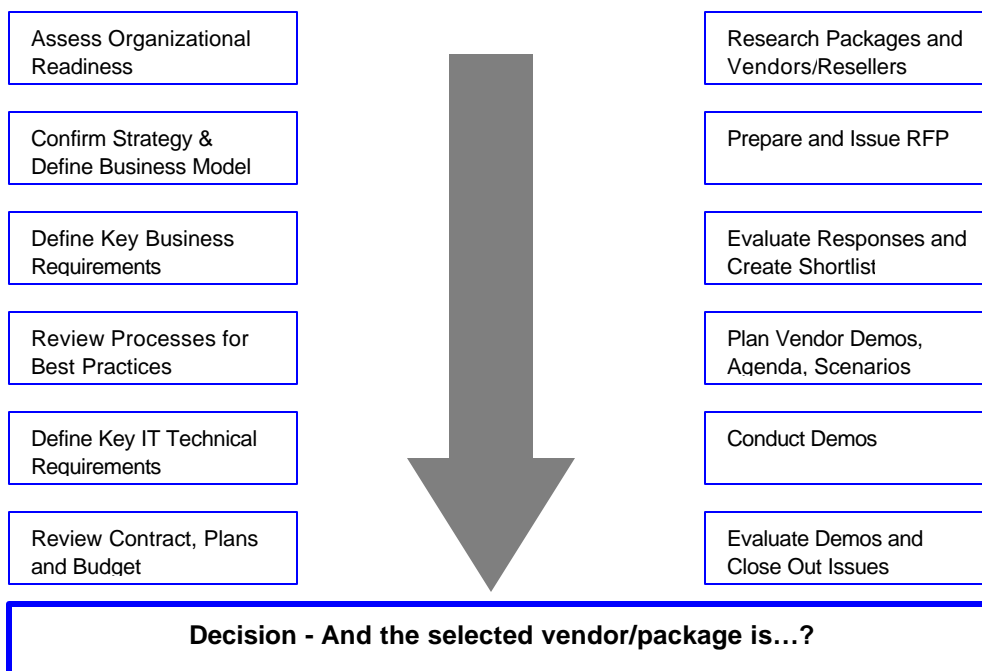
Only then will you get approval to go ahead. Why? You have gone through a process of identifying key components of the initiative, and more importantly, you will have determined what risks exist and how to mitigate them. Why not follow the same approach when it comes to software implementation? Clearly **one of the largest risks to a successful implementation is that of a poor evaluation and selection phase?**

TSI's Approach

TSI helps companies succeed in software implementation projects by guiding them to determine answers to the following types of questions:

- What do you want to achieve as a result of implementing new software?
- What is your business model, how does it align with your corporate strategy and as a result, what are your key business requirements?
- What should your processes be using the package capabilities as an enabler?

TSI's components of the selection phase are presented below:





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TSI's Value

TSI reviews dozens of software applications annually while helping numerous clients make the best software decision for their organization. As a result, our consultants have numerous cycles of experience in requirements definition, vendor evaluation and software selection projects. Our exposure to and experience with different packages, vendors, resellers, clients and industries enables us to add value in numerous ways. Since **TSI does not resell or implement software**, we can **objectively help you evaluate each package** on its merits relative to your needs. Ranging from leading an evaluation and selection project to just providing a helping hand along the way, TSI helps our clients make the best software decision so they are well positioned to achieve a positive ROI and satisfy its stakeholders.

TSI also assists our clients review the terms and conditions of the software vendor and reseller's contract. TSI helps to ensure that the contract is not only financially prudent, but also addresses many of the scenarios that are often overlooked.

The Bottom Line:

As in all projects, correctly performing up front planning will yield a sizable return downstream. In software selection, the better the project team defines the requirements and the more vendor/software expertise is contained on the project, the greater the chances you will select package that best fits your requirements. That benefit will cascade through to require fewer software modifications so you ultimately reduce your cost of owning and maintaining the software. **You will minimize risk by approaching the selection phase with an efficient, structured approach using experienced advisors.**



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TSI Training - *Integrating Strategy, Process Innovation and Business Intelligence in your organization*

3-day training course - May 12-16th at Roosevelt University's Schaumburg Campus

Interested? – please call 312-492-6400, extension 202 or e-mail marketing@transforming.com

TSI can also customize a course specifically for your organization. Please give us a call @ 312-492-6400, extension 202.

You will learn how to:

- Build and manage an innovation pipeline
- Design a strategic plan around core competencies and processes rather than markets and industries; Capitalize on trends and discontinuities
- Create catalytic mechanisms to reinforce the strategic plan; Avoid pitfalls- why strategic plans don't get executed
- Make strategy everyone's job
- Use the latest and most practical approaches to dramatically improve your processes.
- Define and analyze processes to identify and eliminate activities that do not add value.
- Engage a cross functional team and implement sustainable process changes.
- Collaborate and negotiate with internal and external people and organizations to identify the "what's in it for me?" to make change happen.
- Quantify the benefits of process changes and create compelling "win-win" scenarios management can't resist.
- Define process metrics to measure the performance of the process while creating alignment across departments and business units.
- Identify what new technologies exist in areas such as BPM (Business Process Management); see a demonstration from a leading vendor.
- Design processes where none exist today.
- Follow and adapt a proven approach to garner support within your organization and make improvements within 30 days.
- Understand the critical elements to achieve business intelligence and how to apply these concepts to your organization (without having to invest in expensive technologies).

Cost: \$975 per person; discounts apply for multiple attendees from the same company.



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HOT LINKS (or, more places we like to surf)

- **TSI Newsletter Archives** – <http://www.transforming.com/archives.html> - check this page out for copies of past articles and other information.
- **Ninth House** – <http://www.ninthhouse.com> - In the last 5 years, Ninth House has partnered with leadership and change management experts such as Ken Blanchard, Tom Peters, Peter Senge, and Bridges to incorporate their expertise into a state-of-the-art, multimedia elearning network. Ninth House also provides behavior change measurement services, web portal and LMS integration services, and instructor-led training modules that complement its online programs.
- **Quick MBA** - <http://www.quickmba.com/> - need access to industry standard definitions of buzz words and other terms/concepts? Here is a site that might provide some answers.

About TSI

TSI - Transforming Solutions Inc. - www.transforming.com helps organizations dramatically improve their organization by collaboratively and cost-effectively analyzing and improving how people, processes and technology are used within the organization.

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