

## Selecting a Software Support Partner

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### Executive Summary:

Every organization, at times, requires outside assistance in solving their business problems. Today's competitive environment demands each organization focus on the value proposition of the entity to its customers. Other ancillary tasks necessary to run the business are often handled more effectively through relationships with outside experts.

The pillars of a successful organization's infrastructure are its people, its systems and its procedures. Systems used within an organization allow the effective flow of information and transactions both inside and external to the organization. It is critical the organization selects systems which are flexible and allow its employees to follow appropriate procedures in the most efficient means possible to complete their tasks.

Knowing the importance of systems to your organization's success highlights the critical nature of finding the right organization to provide the necessary expertise. Matching your needs with the capabilities of the consulting organization is the first step. Appropriate investigation into the following issues should assist in the decision making process:

1. Expertise with the products used by the organization
2. Expertise with organizations in the same industry
3. Level of business knowledge available for creating the most effective use of the systems
4. Importance of the customer experience to the service provider
5. Culture match between the service provider and the client organization
6. Quality of resources in the form of alliances with other service providers which can strengthen the client organization
7. What are the reputation, stability and internal resources of the service provider
8. The total cost of garnering assistance in light of the value provided

By researching these general issues and other more detailed issues in the article, the organization should find the best match in a relationship for gaining expertise from an external consulting firm.

## **I. The need for assistance**

In the mid 90's most companies were implementing their first windows based accounting system. For many this was an upgrade from a DOS system while others were implementing their first computerized system. Today, systems are much more sophisticated as they have continually improved with additional features and functions. In addition, systems are now being developed with more industry specific options built in. Today's systems are more than just back office systems.

Whether your system is a "generalist" type system, or specifically built for a targeted industry, it is much more sophisticated in its options. The generalist system is built to fill the needs of as many organizations as possible. Each feature added to the system is meant to fill a specific need for a broad spectrum of business types. As these features are added over the years, the system becomes more complex. Finding the right combination of features is crucial for the system to track the processes of your business effectively.

Systems which are targeted for a specific industry have many options as well. Often, these options are many layers deep. They are meant to cover as many of the details of a transaction as possible so multiple systems are not necessary. For instance, a job cost module will generally track costs based on rudimentary time and materials transactions. For many businesses this is sufficient. For a manufacturing job shop, however, more detailed information is necessary to track costs of every job. In order to obtain meaningful information, time may be tracked for each phase of the job at each machine utilized including machine hours, man hours, material costs and scrap costs all quantified. Additionally, equipment maintenance schedules and material requirements planning are necessary as is detailed quoting and inventory control. Again, the number of options within this type of system can be overwhelming.

A first time user will find it very difficult, without many hours of trial and error, to find the best combination of options for their business. The alternative is to hire an experienced implementer who understands the intricacies of the system. However, as an implementation generally happens once every seven to ten years, the job of system implementer does not warrant a full-time position. An outside consulting firm can assist with the implementation on a temporary basis and is only paid for the time necessary to complete the implementation.

However, assistance may be necessary even beyond the timeframe of the implementation. Employees originally trained on the system leave the company or are promoted to other positions. Replacements will require training. New products lines or even new divisions within a business may require different processes and methods for tracking the required transactions within the system. Assistance in these scenarios point to the fact hiring an outside firm will become an ongoing relationship. A business partnership, if you will.

Regardless of the size of the implementation, the costs are usually significant to the organization. When the life of the relationship is considered, the total costs could double or even more depending on the life of the system. Considering the size of such an investment, proper due diligence is wise.

## **II. Due diligence**

Industry averages point to a life cycle of seven to ten years for an Enterprise Resource Planning system (ERP). Beyond this time frame, changes in the organization or changes in technology usually require the purchase of a more effective system to track the organizations processes. If a business relationship with a software consulting team is to last this long, the fit with your organization's expectations needs to be investigated. Finding a new consulting firm even after two or three years can be costly and disruptive to your organization. There are two questions which need to be answered in such a search.

The first question which needs to be answered is "Can the organization fulfill my needs?" and the second is "What is the organization's reputation?"

### **A. Can the organization fulfill my needs?**

In order to answer this first question, you must first know what your needs are. What are your expectations from the relationship? Before you can hire the best firm for you, you must know what you require of the firm. You must create a picture of what you believe the successful relationship will look like and communicate this as you conduct your search. Just as every supervisor has different requirements of their employees, every organization will have different requirements when working with outside consultants. These requirements must be communicated with the candidate firms so proper expectations are set and the selected firm can strive to meet your needs.

Generally, your organization will have the same needs as many other organizations. Consider Appendix A which is a check list of suggested questions to answer regarding each firm you research. You should tailor the checklist to fit your needs. Specific questions may be unimportant to you and you may want to add others. You should also determine your priorities and weighting for the various questions. Many of the questions will be objective, while others are more subjective and will require notes for later consideration. Unfortunately, simply counting the number of yes answers probably will not provide the best answer for you. However, asking the questions and exploring the answers with the candidates will provide you with a much stronger feeling for the capabilities and fit of the candidate with your organization.

### **B. What is the organization's reputation?**

Although this may seem like a simplistic question, many facets are involved in the answer. For the organization to have a strong reputation, it has a history of performance, has fulfilled the needs of other companies, maintains specific capabilities, and provides value beyond the cost incurred. The ingredients of a strong reputation provides assurance your organization should receive the appropriate assistance for a successful implementation and ongoing systems support as well.

Learning about a company's reputation is an investigative process. Although the consulting firm may be able to provide written testimonials and reference lists, personally derived confirmation is best. Written testimonials can explain business solutions which are solved and do confirm satisfied customers. Reference lists are also evidence of satisfied customers. However, these lists are always populated with the most positive customers. It is to your benefit to make inquiries of your peers within the industry. Find acquaintances which have experience with the



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organization. For fairness, talk with a number of companies. Discovering one failed implementation does not provide enough evidence to walk away from a relationship as it takes commitment from both organizations to be successful. If the organization is a reseller, ask the publisher for their recommendation and for the names of other customers within your area and industry.

In addition to external feedback, interview the firms you are potentially hiring and create a profile. What is the makeup of their staff? What industry or technology certifications have been earned? What is the staff's longevity and how many projects have they completed successfully? What other consulting firms do they work with that may strengthen the assistance your organization will receive? Each of these questions will help you assess the capabilities of the firm. From this knowledge you should be able to determine the probability of a successful relationship.

### **III. Conclusion:**

Utilizing outside consultants can help you get the most out of very complex ERP systems. A plan should be developed to assure you find the right consulting firm. The first step is to document your needs and your expectations for the business partnership. During the search you should ascertain whether the consulting firm can indeed fulfill your detailed requirements. Just as important, you need to discover the firm's reputation within the industry or community in which they operate. Based on the research, you should find a firm which will work with you and provide the expertise you require to allow your systems to function in the most effective manner possible.



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**Company Name:**

**Person Interviewed:**

**Title:**

**Expertise in the product:**

1. How long has your company worked with the product?
2. How many implementations have been completed successfully?
3. What are your capabilities in customizing the system?
4. We have specific requirements in (state need), how have you handled this in the past with the product?
5. What limits do you see in the system which would make you suggest we consider a new product?
6. Describe a failed implementation and why you believe it failed.
7. What product and technology certifications does your staff maintain?

**Experience in the industry:**

1. What certifications or experience does your staff hold in my industry?
2. What experience does your staff have in successfully implementing this product in other companies in my industry?
3. How do you maintain your skills and stay current with best practices?
4. In what industry specific associations does your staff participate?

**Business knowledge:**

1. What practical business experience does your staff have?
2. How does your staff go about problem solving when the system is not a 100% fit for my business?
3. Provide examples of making the system work for the business rather than making the business work for the tool.
4. How do you ascertain the value of a project to my organization prior to suggesting a course of action?
5. In what professional organizations does your staff participate?



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## **Aspects of customer service:**

1. Do you have documented procedures for project management?
2. What is your system for tracking open support calls?
3. Is your sales process a reflection of your organizations consulting process?
4. Do you perform a Return on Investment (ROI) analysis prior to initiating a project?
5. Do you search for multiple options to solve a problem and present these with pros and cons?
6. If you resell systems, describe your relationship with the software publisher, are you an effective advocate when I have a problem with the system?

## **Organization Match:**

1. What efforts do you go through to assure I have the best customer experience?
2. What are your targets for response time for support calls?
3. What delivery methods do you have for support calls and implementation assistance?
4. How do you assure the value received from projects exceed the costs?
5. What is your level of urgency when a project meets time constraints?
6. Describe the culture of your organization with respect to customer satisfaction?