

Selecting a Business Management System

by Craig L. Press

Selecting an integrated business management system is one of the most important decisions a company makes. The choice will influence almost every person in your organization and every aspect of it, including sales, estimating, order entry, customer service, production, purchasing, shipping, and accounting.

The wrong choice can cost a substantial amount of money wasted on software, hardware, training expenses, lost production, and wages. On the other hand, the right choice can help you turn estimates around faster, enhance customer service, maximize productivity, improve on-time deliveries, reduce costs, and reap many other rewards.

This article describes a simple, structured approach for helping your organization define its requirements, evaluate the systems, and then select the best one for the business. The selection process itself can be more valuable than the final solution!

Commitment

Before even beginning the selection process, company management and staff must be willing to commit time and effort to the project. In our business there never seems to be a “good” time, but not rushing your selection process will save time and money in the long run.

The Selection Team

Next, you want to assemble a system selection team. A selection team usually consists of personnel chosen from each area that will be affected by the new system, such as sales, estimating, customer service, production, purchasing, shipping, and accounting.

Getting your people involved in the decision process will add to the success of the project by producing employee “buy-in.” The team members have a voice in the process and a stake in the decision. It also improves everyone’s understanding, focus, and cooperation.

The selection process can be more valuable than the solution.

The Shopping List

What do you need the business management system to do? Before shopping for a system, put together a shopping list. Have each selection team member develop a list of system requirements for their area based on your business procedures, the pros and cons of your existing system, and where you want to be in the future. Have the team members use a ranked scale to prioritize each requirement by importance; for example, 3 for high-priority “must have” requirements, 2 for average priority needs, and 1 for low priority items.

A typical business management system can contain hundreds of features and functions, many of which may not be essential to your needs. By using your requirements as a benchmark, the selection team can

focus on a proposed system’s ability to address each requirement.

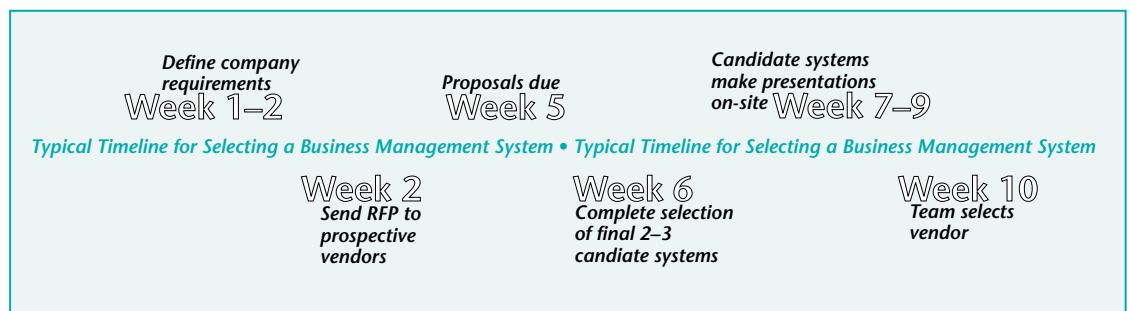
Going Shopping

Now that you have defined and prioritized your requirements, you are ready to go shopping. You can find directories of business management systems in industry trade magazines, buyers guides, and other publications. Some of these directories list as many as 100 systems.

Attempting to review the countless systems can take months and cost thousands of dollars. You can quickly narrow down the list by using your “high priority” requirements. Briefly assess the systems by reviewing sales literature, attending a major trade show, or visiting vendor web sites to narrow the field to a manageable short list of 5 to 10 systems. Hiring a consultant familiar with business management systems can greatly reduce your decision timeline, costs, and risks.

The Request for Proposal

Creating a “request for proposal” (RFP) to send to vendors will quickly identify the vendors that can best meet your needs. Conversely, an RFP also gives vendors an understanding of your needs, enabling them to tailor their correspondence and demonstrations to your requirements. You and the vendors can immediately determine if there is a fit before wasting everyone’s time.



The RFP should provide information about your company, your requirements (*without* priority ratings), and sample job scenarios. It should request information about the vendor's company, support staff and hours of availability, product information, and pricing. Ask the vendors for references, and make sure you get names of companies similar to yours. Request the vendors to identify their ability to meet each of your requirements using a scoring system such as the one listed here:

- 3** – Outstanding implementation of requirement
- 2** – Average implementation of requirement
- 1** – Poor or incomplete implementation of requirement
- 0** – Feature not available
- C** – Function available through custom modifications

Proposals and Finalists

Have each member of your selection team carefully review the proposals. Gauge each system's ability to meet your needs by comparing the vendor's scores to your requirements, first focusing on your high-priority items and then the average and low-priority items. Have each team member single out their first, second, and third choices based on the requirements for their areas. Together the team then selects two to three finalists to provide on-site demonstrations.

Demonstrations

Each system demonstration can take between six and eight hours and illustrate hundreds of functions and features. As you wade through software demonstrations, the many features and flashy displays can run together in your mind. By managing the demonstrations, you will be able to accurately measure each system's capabilities.

It is best to schedule vendor demonstrations on consecutive days to get a good side-by-side comparison of systems. The information you included in the RFP will help vendors set up their systems to emulate your

System Selection Considerations

Hardware

- * Room for growth
- * Current technology?
- * Life cycle of equipment

Software Design

- * Flexibility
- * Interfaces and integration
- * Modular code design
- * Graphic user interface

System Functionality

- * Functional fit
- * User friendliness
- * Look and feel
- * Learning curve for novice users
- * Help and documentation

Ease of Use Features

- * Function keys or mouse access to procedures
- * Intuitive prompts and keystrokes
- * Context-sensitive online help
- * Searching capabilities
- * Drill down to detail information

Investment Costs

- * Hardware
- * Software
- * Support and maintenance
- * Internal personnel time and costs
- * Cost of lost production during implementation

Vendor Stability

- * Financial soundness
- * Product and industry commitment
- * Breadth and location of facilities
- * Size and location of organization

Vendor Support

- * Technical and user training
- * Telephone and onsite support
- * Installation assistance
- * System enhancement support
- * System maintenance and upgrades
- * Size and location of support staff

company. Ask the vendors to demonstrate how your job scenarios flow through their systems. During the demonstrations, use the scoring system you used to score the RFPs to rate each vendor's ability to meet each of your requirements.

Your Final Selection

Using the RFP scoring method, the selection team members can uniformly compare how well each system meets their area requirements and make the final selection.

Implementation

Developing a realistic implementation plan using a phase approach is the best tactic for implementing a new business management system. Skimping on training is one of the biggest mistakes a company can make when installing a system. A well-trained staff will allow you to fully utilize the system's features and maximize your investment. Because a system provides many tools to help your organization become more efficient and cost effective, it is also important to realign your

business procedures to make the most of the new system's capabilities.

Conclusion

Success in selecting and implementing a business management system depends on the commitment of the entire organization. Taking the time and effort to carefully define your requirements, evaluate the systems, and develop a realistic implementation plan will guarantee the success of your chosen system.

The next article in this series will focus on how to implement a business management system and get the most out of your investment. ■

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