

Nine Common
Mistakes

Companies Make
When Choosing Software



Integrating new enterprise software into a company's existing infrastructure first needs an accurate definition of real business needs and methodology to ensure the project's success. One thing we know for certain - preparing for new implementation should be done carefully and wisely, but more often than not, it's not always the case.

The IT professional can be called on at any time to implement new systems, often on short notice and from multiple employees. The sales manager could ask for a new CRM system that tracks customer behaviour, the COO could demand software to comply with a new government regulation, or the CFO might ask for a simpler pay system.

Scenarios like these are all too familiar and they're the perfect catalyst for a company to invest in new software. That said, it could be a new module for an existing system or an entirely new enterprise resource planning (ERP) platform. And here's where the going gets tough.

But the tough DO get going.

After a lengthy discussion and some trepidation, we pooled our years of experience to assemble some of the most common mistakes organisations make when choosing software – and here they are:

1

THE NEW PROGRAM DOESN'T SUPPORT BUSINESS OBJECTIVES

Often companies find they install a new system which suits a particular process, but doesn't provide the necessary information or applications for achieving the company's business objectives. To combat this, businesses must include all relevant professional staff when defining business processes: from information systems, financial, operations, payroll, and sales managers to the CEO who can provide a broad outlook. During the planning stage, it pays to learn what companies similar to yours are doing.

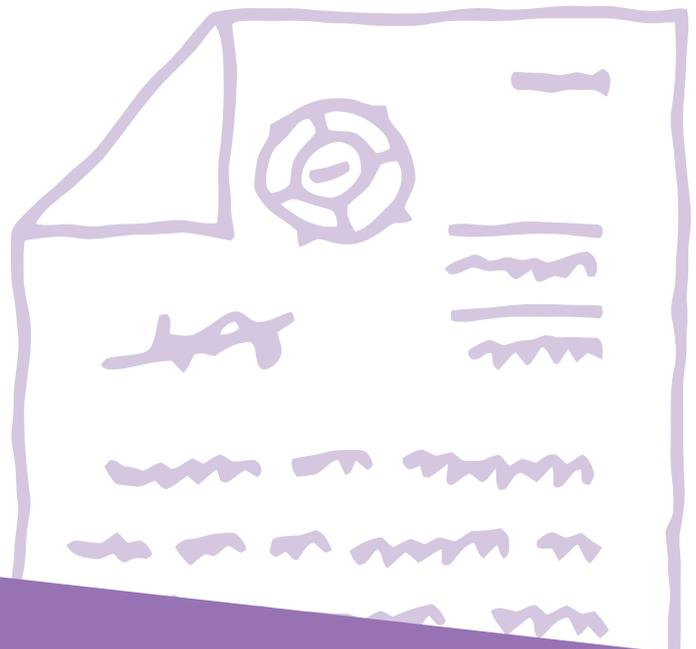


2

CHOOSING A WELL-KNOWN SOFTWARE BRAND THAT MIGHT NOT FIT THE NEEDS OF YOUR COMPANY JUST "TO BE ON THE SAFE SIDE"

There are a number of problems which can arise simply by automatically preferring a brand name over checking the details of the offering. It can lead to failed implementation and lack of functionality. It's vital to perform an in-depth examination of the program in advance; consult and learn from other companies' experiences.

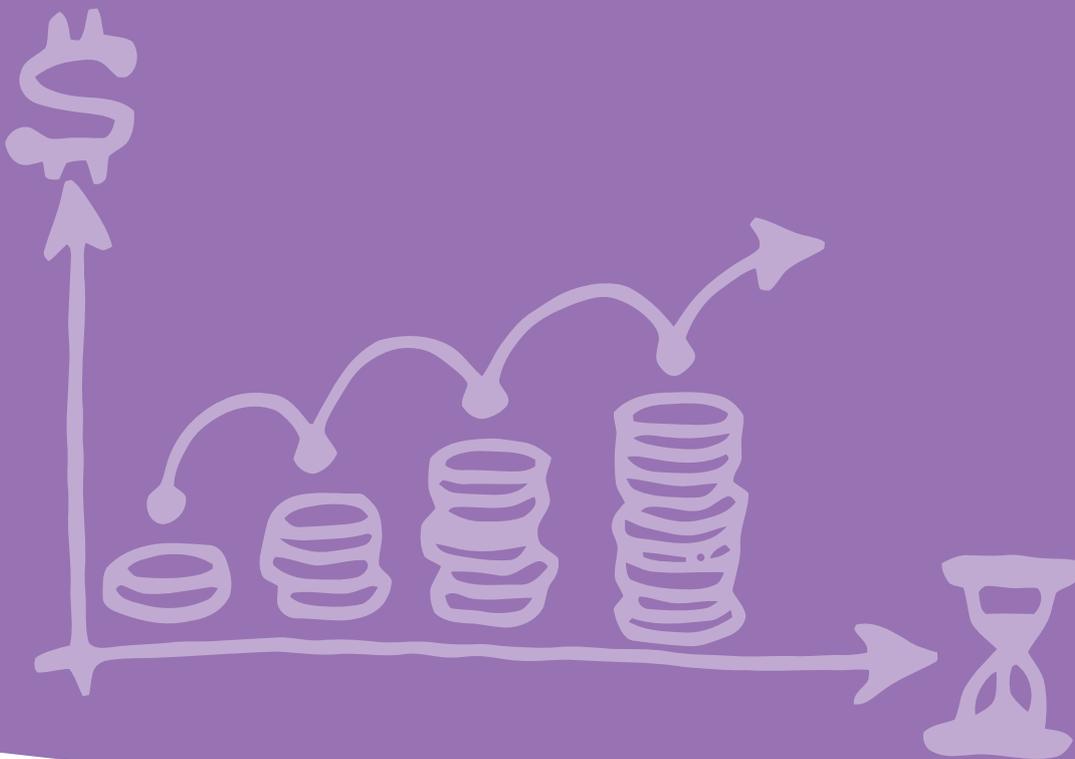
It's also important to examine cost-benefit aspects and the overall cost of the project (Total Cost of Ownership/TCO), including implementation, licenses and internal maintenance.



3

FAILING, AT THE START OF THE PROJECT, TO SET BUDGET LIMITATIONS REFLECTING THE ORGANIZATION'S NEEDS

Budget deviation and the creation of a bottomless pit can ultimately put project completion at risk. Therefore, it's important to include all costs in a budgetary framework during the project planning stage. Make sure the estimated budget is based on the company's REAL business requirements.



4

SOFTWARE IS PURCHASED WITHOUT CONSIDERING LONG-TERM NEEDS, SUCH AS NEW DIGITAL SALES CHANNELS OR GROWTH IN THE NUMBER OF EMPLOYEES

Without looking at long-term needs, the business could soon outgrow the software solution. As a result, businesses can be hindered by their own success. This is because IT systems have difficulty performing even simple business operations and ultimately, this will increase the anticipated financial cost.

To avoid this eventuality, it's important to take into account both long and short-term considerations when drafting the purchase plan, including options for purchasing in stages or rental of software. Make sure that the finalized deal includes all the necessary components.

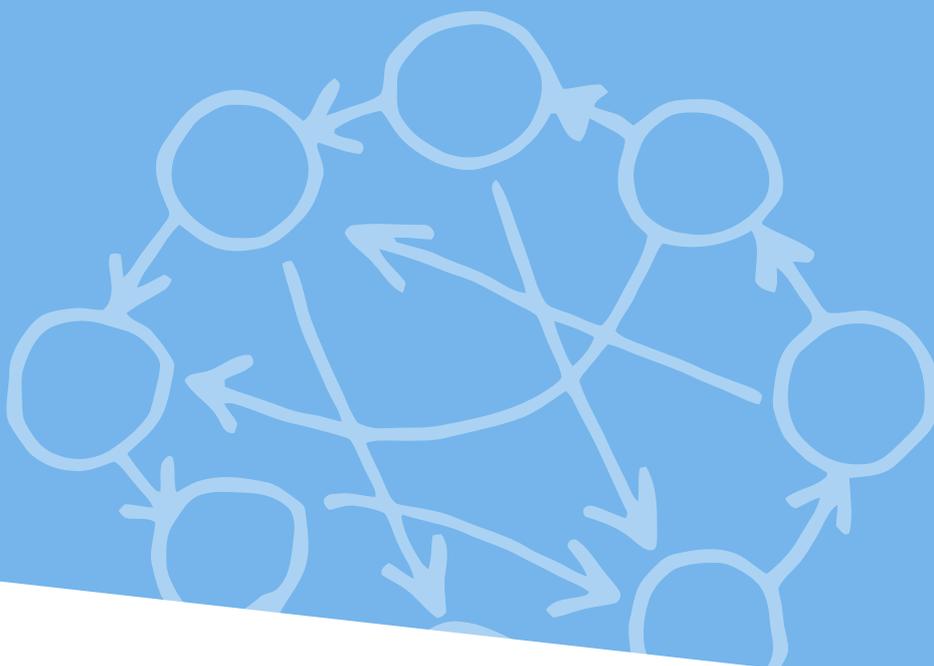


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PURCHASING SOFTWARE THAT DOESN'T COMMUNICATE WITH OTHER PROGRAMS USED IN THE ORGANIZATION

Beware of patchwork systems! They can be problematic because they don't communicate and they can cause problems in transferring data and files. This results in information loss and difficulties using analytical tools and generating reports. When this happens, managers often find themselves in a blind-alley and, at best, resort to long and cumbersome file conversion processes.

When choosing software, you have to ask (and wait for the answer), "Does it communicate well with existing programs? Is data transfer and integration fast and simple?"

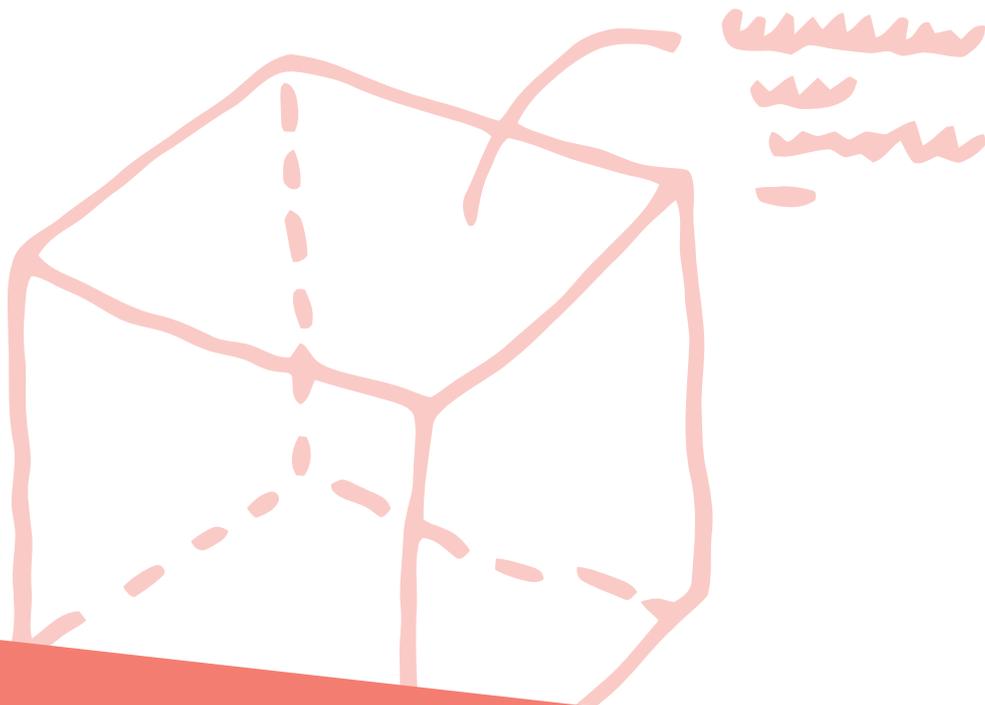




REFUSING TO ADOPT CLOUD COMPUTING

It's pretty straightforward. Horror stories of companies whose files are exposed to cyber threats have deterred some organisations from cloud computing. However, the risk to data stored in a cloud is not any higher than data stored on the company's server, while the advantages offered by the cloud, including significant cost and maintenance savings, tend to outweigh other options.

Choosing not to adopt cloud computing can often result in continuous server maintenance tasks and backups in addition to risks of server failure. Consider using the cloud to save backup time and free up server storage space.



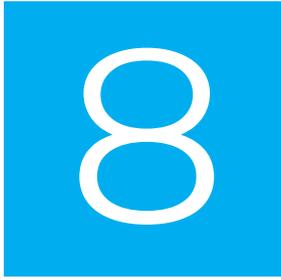
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PURCHASING AN UNKNOWN PROGRAM

The natural tendency to try out new technologies, or to save by downloading a free program from the Internet, is understandable, but in the end, everything has a price. Unsurprisingly, this can result in application and implementation difficulties – as well as a steep learning curve for employees and IT managers.

Sometimes it pays to try out a new and innovative product with unique abilities, but only after you've verified who (and what) stands behind the product. And remember that you want to speak to peers and colleagues who've also tried it. Lastly, request a demo version in order to get acquainted with the software as much as possible.





CHOOSING AN OLD, WELL-KNOWN PROGRAM EVEN IF IT'S AT THE END OF ITS LIFECYCLE

Avoid landing your company with an outdated program and increasingly inflated demands on the IT budget due to the need for new investments in software upgrades. Make sure the system includes frequent version upgrades and the latest technologies.



9

CUTTING OUT EMPLOYEE TRAINING JUST TO SAVE MONEY

If time is not spent educating employees in the full capabilities of the software, implementation of an innovative program with many features will be a waste of time if only a small percentage is actually ever used. Take your average program, MS-Office, for example – most people are not familiar with most of its functions and it starts and stops there.

If employees are properly trained and given instructions, they will discover many useful features they otherwise would never know about. It's wise to insist on including formal instruction as part of the software purchase plan.

