

The 3 Ps of Software Selection: The Process, the Pitfalls, the Promise

Presented by:
Altico Advisors



Proven Methods.

Real Results.

Agenda



- Introduction
- Part I: The Process
- Part II: The Pitfalls
- Part III: The Promise
- Part IV: ERP and/or CRM

Introduction



- A little about us
- A little about our speaker

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PART I: THE PROCESS

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Part I: The Process



- Online resources for conducting initial research
 - General
 - www.2020software.com
 - www.accountingsoftware.com
 - www.accountingsoftware411.com
 - www.asaresearch.com
 - www.captera.com
 - www.CFO.com
 - www.cio.com
 - www.findaccountingsoftware.com
 - www.infotivity.com/selection_steps.html
 - www.knowledgestorm.com

Part I: The Process



- Online resources for conducting initial research
 - ERP
 - www.advancedmanufacturing.com/vendor.htm
 - www.managingautomation.com
 - www.ctsguides.com/manufacturing.asp
 - www.the-manufacturing-software-directory.com
 - CRM
 - www.ctsguides.com/crm-form.asp
 - www.crmzine.com
 - www.comparecrm.com
 - www.crm-software-evaluation.com

Part I: The Process



- **SOME** of the questions you should be asking
 - Do I need to prepare an RFP or RFI?
 - How much internal staff time will be required?
 - What are my 3-5 year corporate goals?
 - Do I have an overall vision of my technology requirements across the entire enterprise?
 - How will I define a successful implementation?
 - Can I quantify the ROI of a new system?
 - Have I documented our processes and requirements across all departments?
 - Is new technology going to make my business more successful, profitable, efficient, competitive?
 - Have I obtained executive and end user buy in?
 - Have I budgeted adequately?

"Why Bother" - Questions



1. Can we increase revenues?
2. Can we decrease expenses?
3. Can we gain a competitive advantage?
4. Can we speed time to market?
5. Can we avoid business risk?

Part I: The Process



- Basic budget elements for a new software system
 - Business process planning and needs analysis
 - Software
 - Hardware
 - Implementation and **training**
 - Out of scope incidentals
 - Infrastructure
 - Maintenance
 - Support
 - Recruiting

Part I: The Process



SAMPLE VIEW: EVALUATION CHECKLIST

Questions

Product 1 Value 1-4	Product 2 Value 1-4	Product 3 Value 1-4
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KEY: Scale of 1 - 4 (1 = Not at all; 2 = Somewhat; 3 = For the most part; 4 = Completely)

Does the technology you are reviewing match your current investment plans and goals?

Does the cost of the software fit your budget?

Is the product easy to use and will the users be able to adapt to the new tools?

How well does this solution meet your top ten requirements?

What is the financial viability of the software vendor?

Does the vendor invest sufficiently in R&D, new products, features, and enhancements?

How well does the solution integrate with the other applications in your organization?

Can you identify current manual processes that will be replaced by the system?

How large is the customer base of the product?

Is the underlying technology clean, reputable, and stable?

How developed is the reseller channel?

Total (maximum 100 points)	0	0	0
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PART II: THE PITFALLS

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Part II: The Pitfalls



- Most common mistakes
 - Insufficient documentation
 - Insufficient training
 - Underestimating the implementation time/effort
 - Underestimating the costs
 - Overestimating internal capabilities
 - Over-engineering the project
 - Not allowing for course corrections
 - Focus on product vs. process and people
 - Choosing a system that's too big or too small
 - Failing to obtain executive buy-in
 - Failing to obtain end user buy-in
 - Failing to establish criteria for measuring success

Part II: The Pitfalls



- Minimizing the risks
 - Thorough documentation
 - Set realistic expectations
 - Leave it to the experts
 - Be flexible, allow for course corrections
 - Create a short list early
 - Focus on a limited number of solutions
 - Obtain company wide buy-in
 - Establish criteria for measuring success
 - Allow time for sufficient training and testing



PART III: THE PROMISE

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Part III: The Promise



- Maximizing the rewards
 - Thorough documentation
 - Set realistic expectations
 - Leave it to the experts
 - Be flexible, allow for course corrections
 - Obtain company wide buy-in
 - Comfort level with your chosen solution provider
 - Intensive training and testing

Part III: The Promise



- Getting it right the first time
 - Periodically re-visit your criteria for success
 - Choose a system that's the right size
 - Plan ahead
 - Allocate sufficient time and resources
 - Establish an internal team with participation from every department
 - Assign an internal project manager
 - **Give that person decision-making authority**
 - Schedule regular progress reviews internally and with your solution provider
 - Keep all channels of communication open
 - Put everything in writing

Part III: The Promise



- Creating a competitive edge
 - Know your competition
 - What will set you apart?
 - Set tactical (short-term) goals
 - Eliminating duplicate data entry
 - Global view of key business data
 - Accurate inventory levels
 - Increased efficiency
 - Set strategic (long-term) goals
 - Increased efficiency/productivity
 - Better profit margins
 - Faster time to market
 - Faster turnaround on orders
 - Improved customer service



PART IV: ERP AND/OR CRM

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Part IV: ERP and/or CRM



- Definitions please
 - ERP = Enterprise Resource Planning
 - Financial Management (“Back Office” - GLAPAR)
 - Manufacturing
 - Distribution
 - Inventory
 - Order processing (SOP and POP)
 - CRM = Customer Relationship Management
 - Sales Force Automation (SFA)
 - Marketing Automation
 - Customer Service
 - Contact Management

Part IV: ERP and/or CRM



- Do you need both?
- Should they integrate with each other?
- Should they be implemented at the same time?

Part IV: ERP and/or CRM



- The pitfalls of each
 - ERP
 - Lack of integration between the
 - “Back Office” and Manufacturing, Distribution, Inventory, Order Processing (SOP and POP)
 - Insufficient scalability to accommodate growth
 - Lack of technical support
 - Proprietary programming language
 - CRM
 - Resistance to adoption
 - Database garbage
 - Lack of integration with other systems

Part IV: ERP and/or CRM



- The promises of each
 - ERP
 - Global view of dynamically updated, accurate data
 - Increased efficiency
 - Higher profit margins
 - Faster time to market
 - Faster order turnaround
 - Competitive edge in global markets
 - CRM
 - Increased customer satisfaction
 - Global view of accurate customer data
 - Target marketing capability
 - Greater sales force efficiency



IN CLOSING

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5 Keys to Remember



1. Document your processes
“What are we currently doing on spreadsheets and other databases”
2. Put a “Fence around the project”
– avoid scope creep
3. Dedicate an Internal Project Manager
4. Find a way to sell the project internally
5. Make it fun – It’s hard work for your #1 asset

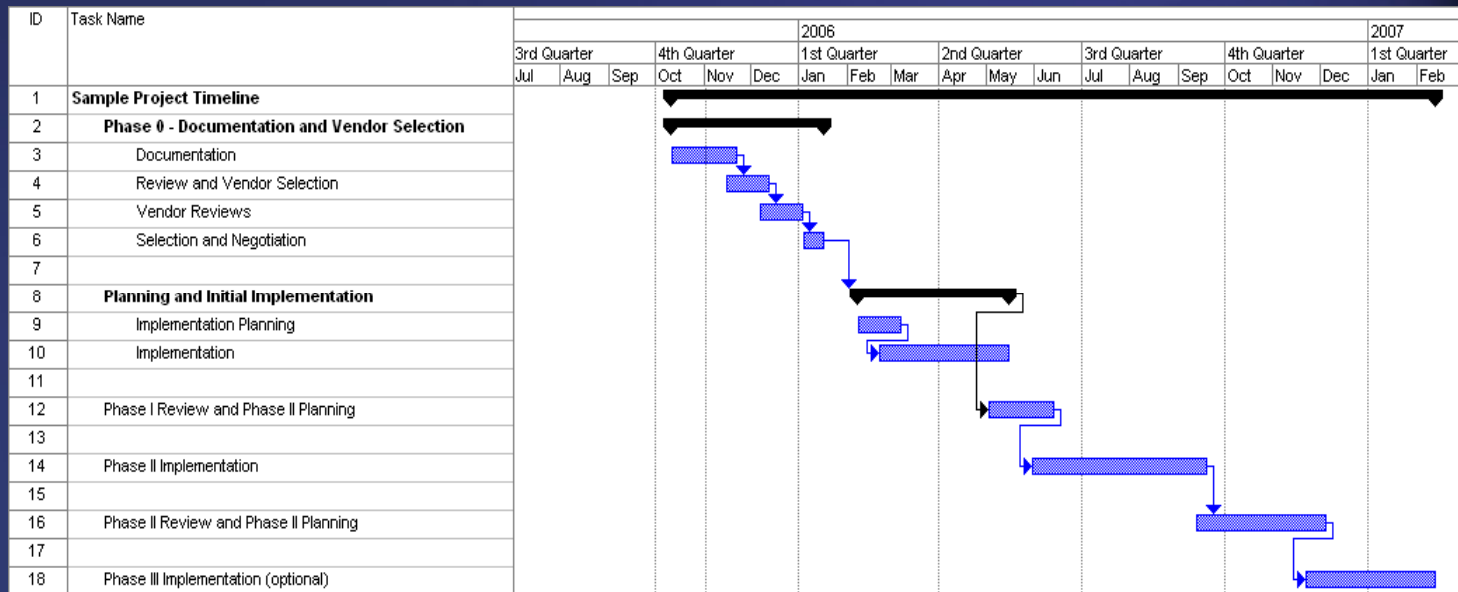
Sample Implementation Timeline



- **Phase 1 – Documentation and Vendor Selection:**
 - 2 – 4 months
 - Documentation (3-6 weeks)
 - Vendor identification [send RFP/RFI (2-4 weeks)]
 - Vendor review (2-4 weeks)
 - Vendor selection & negotiation (1-2 weeks)
- **Phase 2 – Planning, Testing, Initial Implementation:**
 - 3 – 4 months
 - Business process review (2-4 weeks)
 - Testing, training, and implementation (10-12 weeks)
- **Phase 3 – Phase 2 evaluation and Phase 4 planning:**
 - 2 – 4 weeks
- **Phase 4 – Initial Post Go-Live Support:**
 - 3 – 4 months
 - Resolve open items
 - Additional training and hand holding as required
 - Add bells and whistles
 - Create and generate reports



Sample Implementation Timeline: Graphical Representation



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Sample Implementation Methodology



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ALTICO ADVANTAGE

Overview—Our proven implementation methodology (“**Altico Advantage**”) was developed over the course of hundreds of implementations and ensures consistent, quality processes that deliver effective tailored business solutions for your business. Our methodology is a collaborative process leveraging your in-depth knowledge of your business, our understanding of the application, and industry best practices to yield a solution which produces real results. The Altico methodology was formed around our philosophy that values long-term, value-added relationships with our clients; it begins from the moment of first contact with you and extends well beyond the completion of the initial engagement.

Invest → Plan → Design → Develop → Deploy → Optimize

Invest—From the first day we meet a potential client it is Altico's goal to invest our group's resources to ensure we can offer you a viable solution and assess the partnership between our groups. We will “invest” upfront in our relationship to make sure it is a “win-win” for both organizations. We will make sure that the time both organizations invest prior to formally executing a partnership will be beneficial for both groups and ensure that the on-going relationship starts off on the right foot.

Plan—Proper planning is critical to the success of any implementation. Together, we will establish a clearly defined plan to meet your business objectives while ensuring optimal utilization of your resources. We will prepare your internal implementation team for the design sessions that lie ahead by enhancing their knowledge of the application through what we call *concept classes*. These “classes” are designed to provide the information you need to make better decisions as to how your organization can best utilize the functionality of the application. Our extensive experience has proven that these classes are the key to the “Altico Advantage.”

Design—Well designed solutions are the result of the collaboration of your in-depth knowledge of your business, our understanding of the application, and industry best practices. Working together, we will design a solution that best utilizes the applications' functionality to address your business needs. Your involvement in the design phase provides you the opportunity to make certain that the solution will fit your people and processes.

Develop—During this phase we will configure the application(s) to the exact specifications of our mutually agreed upon design. You will be provided ample opportunity to test the effectiveness of the solution using real life examples. We will jointly evaluate the results of this testing and will make any necessary revisions prior to moving the solution into production. This provides you with the assurance that the solution will effectively operate in your business environment.

Deploy—In order for your organization to efficiently operate and ultimately reap the full rewards of your solution, we must effectively transfer sufficient application knowledge to your team. We will accomplish this through user training that is tailored to your business processes. Together we will perform a readiness assessment to guarantee a smooth transition.

Optimize—During the planning stages, we will establish a set of both short-term and long-term objectives for your organization. At the conclusion of this project we will compare the actual results of the implementation with stated project objectives. Additionally, we will develop a plan to not only maintain the “health” of your solution but to continually optimize it and ensure that you have access to the information critical to your business. We do not see this phase as the end of an engagement but as the beginning of where our relationship will provide the most value to you.



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Thank You and Contact Information



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